

Schools Forum

Title:	Changes to the Scheme for Financing Schools
Date:	7 th September 2016
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Local members affected:	Maintained School members only

Summary

This paper details changes to the Scheme for Financing Schools to bring it into line with the latest guidance from the Department for Education. The scheme sets out the financial relationship between the authority and the maintained schools which it funds. It contains requirements relating to financial management and associated issues, binding on both the authority and on schools.

Recommendation

That comments from the consultation are acknowledged and the final version of the document is agreed. It will then be published on the Buckinghamshire County Council external website so it is accessible to all.

The proposed Scheme

The current "Scheme for Financing Schools and Defining Working Relationships between Governing Bodies, Headteachers and the Local Authority" is found on SchoolsWeb.

<https://schoolsweb.buckscc.gov.uk/finance-zone/scheme-of-financial-delegation/>

This has not been updated for a number of years and there are many aspects of it that are out of date. Therefore the proposed new scheme is based on the DfE Statutory guidance for having a Scheme for Financing Schools found at the following link.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/486440/Scheme_for_Financing_Schools_Dec_2015.pdf

The proposed new scheme is attached as Appendix 1.

Responses from the consultation

The consultation on the new scheme was published in Governor times and Schools Bulletin and closed on 21st July 2016.

There were 3 responses from schools about the 3 sections summarised below:-

1. **2.9 Register of business interests** : added relationships between staff and governors and the fact that the register has to be published required by the latest DfE scheme

One school queried the fact that governors' business interests have to be published on the school's website.

It was clarified that this is the case and there is a template available to members of the NGA (National Governors' Association) on the NGA website.

2. **2.3 Submission of budget plans**: It is proposed that only the governing body can approve the formal annual budget plan, previously it could be a committee of the governing body.

Two schools queried the practicality of having a Full governing body meeting between the time budgets were available and the date due for submission. One school have asked whether email approval from the Full Governing Body would be acceptable. Their full responses are found in Appendix 2.

3. **4.8 Balances of closing and replacement schools**: When a school closes any balance (whether surplus or deficit) reverts to the authority; it cannot be transferred as a balance to any other school, even where the school is a successor to the closing school, except that a surplus transfers to an academy where a school converts to academy status under section 4(1)(a) of the Academies Act 2010.

One school made the following point about this section:-

Whilst this is still clearly a matter for the DfE, it seems iniquitous that a school can take a surplus to academy status but not a deficit for which the local authority is then liable – the LA has to clear the debt using funds held on behalf of other maintained schools therefore depriving those children of resources due to profligacy of schools that convert.

Decisions to be made by Forum

It was requested at the Schools Forum meeting in June that it was made clear which decisions about the scheme were Schools Forum Decisions and which were imposed by the DfE.

Nearly all the changes proposed are to bring the document up to date and in-line with the DfE scheme. However, there are 3 areas where the decision is a Schools Forum one:-

1. **2.3 Submission of budget plans**: It has been decided that only the governing body can approve the formal annual budget plan, previously it could be a committee of the governing body.

The DfE scheme gives the flexibility to Local Authorities to decide whether to allow a committee of the Governing body to approve the budget plan or insist that the Full Governing Body approves the budget plan. The Local Authority is proposing to change the scheme to insist that the Full Governing Body approves the budget plan in order to provide more accountability and control.

2. **Section 6** now contains all the circumstances in which charges may be made as required by the latest DfE scheme, including the ability of the authority to charge the budget share of a school for costs in administering admissions appeals, where the local authority is the admissions authority and the funding for admission appeals has been delegated to all schools as part of their formula allocation.

By adding this section it gives the Local Authority the ability to change the funding arrangements for admissions appeals in the future. If this was to be the case, a paper would be submitted to a future Schools Forum meeting setting out the suggested change and its implications. By adding this section to the scheme we are keeping our options open.

3. **4.2 Controls on surplus balances** – Excessive surpluses are now defined as 15% or more (on all the school's income) for the last 5 years and at least £10,000 each year, and Schools Forum still reserves the right to clawback excess balances following consultation with Schools Forum.

This is the definition that was agreed at schools forum last year as it is the criteria that the Education Funding Agency (EFA) use, therefore it is proposed to incorporate it into the scheme.