

**Title of meeting:** Schools Forum

**Date of meeting:** 16th July 2014

**Subject:** Scheme for Financing Schools

**Report from:** Julian Wooster, Director of Children's and Adults Services

**Report by:** Richard Webb, Finance Manager for Children's Services

**Wards affected:** All Wards

**Key decision:** No

**Full Council decision:** No

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**1. Purpose of report**

- 1.1. This report outlines the proposed changes to the Scheme for Financing Schools which reflect the revisions required by the Department for Education (DfE) and have been consulted on with schools.

**2. Recommendations**

- 2.1. It is recommended that Schools Forum approve the revised Scheme for Financing Schools attached at Appendix 1.

**3. Background**

- 3.1. During February 2014 the DfE issued a revised scheme for financing schools to include the recent changes to legislation as set out in The School and Early Years Finance (England) Regulations 2013. These proposals have been incorporated within the Portsmouth City Council Scheme for Financing Schools. The revised scheme will become effective once approved by Schools Forum.
- 3.2. Consultation on the changes to the scheme took place between the 16 June and the 30 June 2014, with Head-teachers, Governors and Finance staff. Any responses to the consultation will be reported at the meeting.

#### **4. Directed Revisions**

- 4.1. The document has been revised to ensure consistency of language, the correct use of titles for responsible officers and updated hyperlinks to further information:
- 4.2. The main changes to the scheme are fairly limited and have been summarised below:
  - a. Section 2, paragraph 2.8, clarification that where schools refusing to provide an audit certificate following the audit of voluntary and private funds will be considered to be in breach of the scheme and that the authority can take action on that basis.
  - b. Section 2, paragraph 2.8 has been revised to include a timescale for submitting the unofficial accounts to the Governing Body and the Local Authority.
  - c. Section 2, paragraph 2.13 a new paragraph clarifying that the Secretary of State may prescribe additional purposes for which expenditure against the school budget share
  - d. Section 2, paragraph 2.15 clarifies that where a governing body has complied with the requirements of a notice of concern the authority will provide notice of the withdrawal of the notice in writing.
  - e. Section 3, paragraph 3.1, clarifies that:
    - a. where schools are converting to academy status part way through a year, they will receive a proportion of the budget share equal to the number of months maintained.
    - b. any requests to move to a local a bank account arrangement must be made at least three months prior to the start of the financial year.
  - f. Section 4, paragraph 4.2 and Annex 6 have been updated to reflect the changes to the process concerning controls on surplus balances agreed at Schools Forum on 26 February 2014.
  - g. Section 6, paragraph 6.23 explains the circumstances in which the costs of industrial tribunals will be charged to a schools budget.
  - h. Section 7, paragraph 7.1 includes an additional paragraph relating the VAT status of voluntary aided schools when maintaining the external fabric of the building.
  - i. Section 10, paragraph 10.1 identifies the location of information regarding insurance claims procedures.

- j. Section 12, paragraph 12.1 the paragraph has been updated to reflect the revenue funding and the governing body responsibilities regarding repairs and maintenance of school buildings

- 4.3. The revised version of the Scheme for Financing Schools, once approved, will be issued to schools (including Head Teachers, Governors and Finance Staff) and made available on Intranet and the external website

## **5. Reasons for recommendations**

- 5.1. The Scheme for Financing Schools has been amended to take account of the revisions required by the Department for Education as well as other local amendments and will become effective once approved by Schools Forum.

## **6. Equality impact assessment (EIA)**

This report does not require an Equality impact Assessment as the proposal does not have any impact upon a particular equalities group.

## **7. Legal comments**

Legal comments have been included within the body of this report

## **8. Head of Finance's comments**

There are no additional financial implications arising from these proposals.

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Signed by:

## **Appendices:**

### **Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b>Title of document</b>	<b>Location</b>
Statutory Guidance - Schemes for Financing Schools	<a href="https://www.gov.uk/government/publications/schemes-for-financing-schools">https://www.gov.uk/government/publications/schemes-for-financing-schools</a>

The recommendation(s) set out above were approved/ approved as amended/ deferred/  
rejected by ..... on .....

.....  
Signed by: