

**Report to:** Schools Forum  
**Subject:** Scheme for Financing Schools  
**Date of meeting:** 17 July 2013  
**Report by:** Director for Children's Services  
**Written by:** Finance Manager

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### **Purpose of report**

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..

### **Recommendations**

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

### **Background**

3. During March 2013 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 2012. 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.
4. Consultation on the changes to the scheme took place between the 14 June and the 1 July 2013, with Head-teachers, Governors and Finance staff. Any responses to the consultation will be reported at the meeting.

### **Directed Revisions**

5. The document has been revised to ensure consistency of language, the correct use of titles for responsible officers and updated hyperlinks to further information.
6. The main changes to the scheme are fairly limited and have been summarised below:

- a) Section 2, paragraph 2.6 relating to value for money, now advises schools to benchmark their current expenditure.
- b) Section 2 paragraph 2.14, Section 3 and Section 6 have been updated to take into consideration the new funding formula and the impact on the allocation of central funds, grants and de-delegated funds.
- c) Section 3, Paragraph 3.1 relating to the payment of budget shares to cheque book schools has been updated to clarify the payment of instalments and the exclusion of salary costs. There is also clarification of the timing of payments of high needs top up payments.
- d) Section 4, Paragraph 4.2 relating to school balances confirms that there is currently no claw-back mechanism in place. However there is now a provision within the scheme which permits Schools Forum to review this policy where significant excessive uncommitted balances have built up.
- e) Section 5, paragraphs 5.1 and 5.4 clarify how income from lettings and the sale of assets can be utilised by the school.
- f) Section 10 relating to insurance has been updated for new “excess” levels and school contributions.
- g) From the Previous Scheme for Financing Schools (May 2012) section 12 relating to balances for former Grant Maintained schools has been deleted

## **Conclusion**

7. The Scheme for Financing Schools has been amended to take account of the suggested revisions and will become effective once approved by Schools Forum. The revised version will be issued to schools (including Head Teachers, Governors and Finance Staff) and made available on Intranet and the external website.