

REVISED SCHEME FOR FINANCING SCHOOLS

Cabinet Members	Councillor David Simmonds CBE Councillor Jonathan Bianco
Cabinet Portfolios	Deputy Leader & Education & Children's Services Finance, Property and Business Services
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Papers with report	Revised Scheme for Financing Schools

1. HEADLINE INFORMATION

Summary	This report seek approval for Cabinet to agree the proposed amendments to the Scheme for Financing Schools, to be effective from 1 April 2016, following the release of revised statutory guidance on 17 December 2015.
Putting our Residents First	This report supports the following Council objectives of: <i>Strong financial management.</i>
Financial Cost	There are no direct financial implications arising from this report
Relevant Policy Overview Committee	Children, Young People and Learning
Ward(s) affected	All

2. RECOMMENDATION

That the Cabinet approves the Revised Scheme for Financing Schools to be effective from 1 April 2016.

Reasons for recommendation

The Scheme for Financing Schools is a statutory document that sets out the financial relationship between the Council and maintained schools within the Borough and the duties placed on both within that relationship. The Council is required to have in place an up to date and agreed Scheme for Financing Schools.

Alternative options considered / risk management

If the Council does not have an agreed and up to date Scheme in place, it potentially stands the risk of not being able to charge legitimate costs to schools, as it would not have the ability to do so.

Policy Overview Committee comments

None at this stage.

3. INFORMATION

Supporting Information

The Department for Education released the latest update to the Scheme for Financing Schools statutory guidance on 17 December 2015. This guidance sets out the financial relationships that exist between maintained schools and the local authority and the duties placed on both within that relationship.

The requirements of the regulations are that the Council must consult with all maintained schools (this does not include any academy schools or free schools) prior to acceptance and approval by Schools Forum and the Council.

The revised Scheme for Financing Schools was sent to all maintained schools on 8 February 2016 with a closing date of 29 February 2016. All of the changes reflect the updates that are required as set out in the statutory guidance provided by the Department for Education, these include updates from 2014 as well as 2015, as well as updates to relevant contact personnel, where applicable. All changes are highlighted in ***bold italics*** in the proposed revised scheme.

The Council received no written responses from schools, but did receive a request for clarification of a number of points as follows:

a) Definition of Provision of Services from Centrally Retained Budgets (Section 8.1, Page 27)

This relates to those services that the local authority provides to schools, which are funded from the Council's base budget and not the Dedicated Schools Grant. It also covers those services which are provided under a Service Level Agreement.

b) Definition of Community Facility (Section 13, Page 35)

The Education Act 2002 Section 27, provides the relevant definition as follows:

- (1) The governing body of a maintained school shall have power to provide any facilities or services whose provision furthers any charitable purpose for the benefit of—
 - (a) pupils at the school or their families, or
 - (b) people who live or work in the locality in which the school is situated.

- (2) The power under subsection (1) includes, in particular, power for a governing body to—
 - (a) incur expenditure,
 - (b) enter into arrangements or agreements with any person,
 - (c) co-operate with, or facilitate or co-ordinate the activities of, any person, and
 - (d) provide staff, goods, services and accommodation to any person.

c) Definition of Centrally Funded (Appendix 4, Page 49 and 50)

With regards to premature retirement and redundancy costs, the use of the words centrally funded, relates to the Council's base budget and not the Dedicated Schools Grant.

At its meeting on 9 March 2016, Schools Forum considered the report on the consultation relating to the Revised Scheme for Financing Schools and agreed the amended version without any changes.

As the Council has received no amendments from schools or Schools Forum to the revised Scheme for Financing Schools, it is proposed that Cabinet accepts and approves the revised Scheme and that this will become effective from 1 April 2016.

Financial Implications

There are no direct financial implications arising from this report. As stated in the main report, the Scheme for Financing Schools sets out the financial relationship between the Council and maintained schools.

4. EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

What will be the effect of the recommendation?

Having an up to date Scheme for Financing Schools in place ensures the correct treatment of costs between the Council's base budget and the Dedicated Schools Grant.

Consultation Carried Out or Required

All maintained schools were consulted on the proposed changes to the Scheme for Financing Schools, which ran from 8 February 2016 and closed on 29 February 2016. The Schools Forum considered the outcome of this consultation at its meeting on 9 March 2016 and proposed no amendments.

5. CORPORATE IMPLICATIONS

Corporate Finance

Corporate Finance has reviewed this report and confirms that there are no direct financial implications arising from the recommended adoption of a revised Scheme for Financing Schools. The Scheme for Financing Schools enables the Council to ensure that costs are correctly distributed between the Department for Education funded Dedicated Schools Grant, and the Council Tax supported Base Budget.

Legal

The Borough Solicitor confirms that the Council's Scheme for Financing Schools complies with the Statutory Guidance issued by the Department for Education and that there are no legal impediments to Cabinet approving the Scheme.

6. BACKGROUND PAPERS

[Schemes for financing schools](#) - Statutory guidance for local authorities - December 2015 - Department for Education