

MEETING:	SCHOOLS FORUM
DATE:	23RD FEBRUARY 2010
TITLE OF REPORT:	SCHEME FOR FINANCING SCHOOLS
SCHOOLS FINANCE MANAGER:	MALCOLM GREEN

CLASSIFICATION: Open

Wards Affected

County-wide – All Schools

Purpose

To approve statutory changes to the Herefordshire Scheme for Financing Schools for 2010/11.

Key Decision

This is not a Key Decision.

Recommendation

THAT School Forum is asked to:

approve the inclusion of paragraphs 2.15, 2.16 and 2.3.1 in the Appendix attached to the report into the Herefordshire Scheme for Financing Schools from April 2010.

Key Points Summary

- Additional paragraphs regarding the Submission of Financial forecast, the Financial Management Standard and the Notice of concern are to be adopted into the Herefordshire Scheme for Financing Schools. This is a Department for Children, Schools and Families (DCSF) requirement nationally.
- Further changes relating to the early years formula, web-site publication of schemes, a technical adjustment regarding diplomas and carbon trading are expected for implementation in April 2011 following a DCSF consultation summer 2009.

Alternative Options

1. There are no alternative options for consideration.

Further information on the subject of this report is available from
Malcolm Green, Schools Finance Manager on (01432) 260818

Reasons for Recommendations

2. The Herefordshire Scheme for Financing Schools needs to be updated in accordance with legislation to include three additional paragraphs on Financial Forecasts (2.3.1), the Financial Management Standard (2.15) and the Financial Notice of Concern (2.16).

Introduction and Background

3. School Funding Regulations have been updated by the Department for Children, Schools and Families and require the inclusion of additional standard paragraphs within the Scheme for Financing Schools. The standard paragraphs as set out by DCSF are detailed in the appendix. It is usual to adopt the standard wording recommended by DCSF. The additional requirements cover the
 - a. Financial Management Standard
 - b. Notice of Concern
 - c. Submission of Financial Forecasts
4. Schools Forum considered the draft wording in October 2008 and recommended that schools be consulted. A copy of the suggested paragraphs were included within Schools On-line on 6th November 2009 and no comments have been received from schools.
5. DCSF is also consulting local authorities on scheme changes relating to the
 1. the requirement for all local authorities to implement from 1 April 2010 a single funding formula; to fund, using the same principles, all providers of the free entitlement to nursery education for three and four year olds.
 2. to require local authorities to publish schemes of financial management on a public website showing the date of revision;
 3. And to consider a recent matter brought to our attention by a local authority that the regulations require local authorities, where pupils are attending two schools to undertake diplomas, to fund both schools as if the pupil attends each full time. The regulations are amended to allow LAs to discount the secondary registration of pupils in Key Stage 4 where they are undertaking diplomas if that is the only reason they attend the second school.

The DCSF consultation closed on 29th October 2009 but no further details of the proposed scheme amendments have been received from DCSF. The national implementation of the early year's single funding formula has been delayed until April 2011 as local authorities are now being asked to submit "pathfinder applications" for approval on an individual basis. It is proposed to delay these scheme changes until final details are received from DCSF, most likely for implementation in April 2011.

6. DCSF have also given advance notification of potential changes to the School Finance Regulations in 2011/12 as a result of the introduction of carbon trading in 2010/11. The proposed changes to the regulations will be consulted upon nearer the time.
7. The Scheme for Financing Schools is supported by 18 annexes providing further

information and also clarification in areas where the regulations are perceived as complex. The annexes change from time to time as needs change. The annexes have been updated during the summer 2009 and only minor revisions will be necessary for 2010/11. The intention is to issue a complete new booklet of the Scheme for Financing Schools and the annexes for 2010/11. The Finance Scheme was last updated in April 2006 and the Annexes in April 2004.

8. The annexes are

- A – Directory of Annexes
- B – Schedule of schools in the Scheme
- C – Expenditure covered by the Funding Formula
- D – Funding Managed Centrally
- E – The underlying elements of the funding formula
- F – Central Funding Support Scheme
- G – Local school bank accounts and enhanced imprest accounts
- H – Schools Loans Scheme
- I – Legal Liabilities and Suspension of Delegation
- J – Policy on permitted charging of parents
- K – Arrangements for providing meals services in schools
- L – Health and Safety
- M - Council's scheme for Community Facilities in Schools
- N - Shared and Community use of Premises
- O – Property Management and Maintenance
- P – Supplies and Services Responsibilities
- Q – Staff Absence Arrangement
- R – Best Value

Key Considerations

9. None

Community Impact

10. None.

Financial Implications

11. No financial implications.

Legal Implications

12. It is confirmed that these proposals are consistent with the Council's legal duties

Risk Management

13. If the amendments to the Scheme are not adopted the Council is at risk of DCSF taking action to impose the amendments.

Consultees

14. None.

Appendices

15. Extract of DCSF Scheme for Financing Schools

Background Papers

None