

## Schools' Forum

### Scheme for Financing Schools

3 July 2013

#### Appendix 1

The table below shows written responses from schools and my responses in reply where appropriate. All other areas either received no response or were agreed. There were four responses in total.

1.4	Only schools' forum members representing maintained schools should now approve scheme changes.
School Comment: Yes. Would still want to involve all	
4.7	Funding to support schools in financial difficulty can only come from a de-delegated contingency for mainstream schools, or a central budget for special schools and PRUs.
School Comment: Should come from all schools.	
School Comment: Consider if proposal to provide financial assistance to eliminate a deficit should involve schools forum and also for receiving school to produce some kind of action plan to demonstrate how it will use these funds linked to outputs and how over longer term it may be able to repay this sum so that it is not seen as a 'get out of jail' fund.	
Steve Elson comment: The DfE have suggested this change to the Scheme to reflect the changes that they have made to the regulations. This means that authorities cannot de-delegate from academies for contingencies to support schools in financial difficulties.	
If the Forum wishes to specify in the Scheme that schools receiving support should have an action plan then this can be consulted on. The current Scheme does not contain anything regarding support from the DSG though the increasing numbers of academies may make it unfeasible to support schools from the DSG anyway.	
Annex B	Restriction of termination of employment costs funded from central schools budget to value of previous year and existing commitments; clarity that contingency for schools in financial difficulty will need to be de-delegated.
School Comment: Setting aside a de-delegated contingency may not incentivise schools to make considered judgements regarding terminating employment. Without a definition of what is deemed unreasonable expenditure for the school to fund then this remains a subjective judgement area. Suggest that schools who feel that they cannot meet costs from own resources should provide a business case to demonstrate this so that it can be considered.	
Steve Elson comment: Again, this is a technical change to reflect changes in regulations. Slough does not currently have a contingency budget for termination of employment costs.	

Proposed Wording (2b)	<p>The BCM threshold is set at 5% for secondary schools and 8% for primary and special schools. For any school exceeding the threshold, local authority officers will review the school's return on Planned Use of Balances. Amounts not fully supported by evidence will be considered as potentially subject to clawback. For example, if a primary school has a balance of 10% then it will be asked to supply evidence to cover all of that balance. If evidence is supplied for 8% then 2% would be recoverable, being the figure above 8%. Similarly, for a primary school with a balance of 10%, if evidence for 7% were supplied, 2% would be recovered, again being the amount above 8%. However there would be no recovery if evidence were supplied for 10%.</p>
<p>School Comment: There is an <b>inequity</b> in the proposed treatment of schools with balances. Those that exceed the BCM values are having their entire balances reviewed and that any of them that are not covered by supporting evidence of future use (even that element that falls below the BCM) being subject to potential claw-back, whereas those schools that have balances at the limit are not required to do anything or risk having any balance clawed back.</p>	
<p>Steve Elson comment: While it is true that schools that exceed the BCM values are having their entire balances reviewed, only that amount above the balance limit is potentially subject to clawback.</p>	
Proposed Wording (2c)	<p>Local authority finance officers will identify schools exceeding the threshold and not providing full supporting documentation for the planned use of their revenue balance and these will be referred to the Schools Forum. The Schools Forum will then decide the suitable group to review each school with the presumption that the school(s) concerned will be fully involved in the process. Any amounts that are clawed back will then be referred to the Schools Forum for a decision on their use. That decision will take into account the prevailing needs of Slough's schools as a group and extant DfE guidance. For example, clarification will be sought regarding the status of academies if funds are redistributed through the funding formula.</p>
<p>School Comment: To avoid schools reacting to what is available surely a pre-determined and documented needs analysis should be undertaken and agreed (with a business case as to why those schools cannot fund by own means now or in medium term) so that schools are not reacting to funds that are available without a considered, strategic approach. . Also this mechanism is taking a short term view and pays no regard to medium term financial planning – schools should be given opportunity to show if balances are needed in years 2,3,4 or 5 of a medium term strategy.</p>	
<p>Steve Elson comment: The mechanism can take into account a school's medium term strategy but that strategy would need to be documented and agreed by Governors.</p>	

One school gave no replies with no explanation to the following proposed changes.

5.5	<p>Clarification around bought in meals service, not centrally retained.</p> <p><i>Note: Not relevant to Slough.</i></p>
6.2.15	<p>Amended wording in relation to charging the school budget share if appropriate support has not been made for a High Needs pupil.</p> <p>Costs incurred by the authority in securing provision specified in a statement of SEN where the governing body of a school fails to secure such provision despite the delegation of funds in respect of <u>low cost high incidence SEN</u> and/or specific funding for a pupil with High Needs;</p>
2c	<p>Proposed Wording:</p> <p>Local authority finance officers will identify schools exceeding the threshold and not providing full supporting documentation for the planned use of their revenue balance and these will be referred to the Schools Forum. The Schools Forum will then decide the suitable group to review each school with the presumption that the school(s) concerned will be fully involved in the process. Any amounts that are clawed back will then be referred to the Schools Forum for a decision on their use. That decision will take into account the prevailing needs of Slough's schools as a group and extant DfE guidance. For example, clarification will be sought regarding the status of academies if funds are redistributed through the funding formula.</p>