

Scheme for Financing Schools

Consultation on Revisions

2014-15

Introduction

The Department for Education (DfE) requires each local authority to provide a Scheme for Financing Schools, setting out details of the financial relationship between the local authority and its maintained schools. This scheme does not apply to academies which are subject to separate arrangements.

The DfE have published recommended changes to the guidance on local authority schemes, effective from 1st April 2014. Local authorities must consult all maintained schools and then receive the approval of the members of their schools forum that represent maintained schools.

Some of the areas are very minor and are just wording changes and some are not directly relevant to Slough.

You will find at the end of this document the consultation response form and this should be returned to Coral Miller, Interim Schools Finance, by Friday **20th June 2014**.

Responses can be by email to coral.miller@slough.gov.uk or by post to:

Schools Finance
2nd Floor West
St Martins Place
51 Bath Road
Slough
SL1 3UF

Minor changes recommended by Slough Borough Council

1	
Addition to the scheme	2.2 Basis of Accounting is included in the DFE scheme for financing schools.
The intention behind this provision is to ensure that although the authority should be able to have reports furnished on the basis they need, they should not be able to dictate to schools how they organise their accounts. This means in particular that schools should be able to use what financial software they wish, provided they meet any costs of modification to provide output required by the authority.	
2	
Addition to the scheme	2.15 Notice of Concern is included in the DFE scheme for financing schools.

The reports and accounts furnished to Slough Borough Council can be on either a cash or accruals basis; but the authority cannot impose either system on schools' internal systems.

The authority may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Chief Finance Officer and the Director of Well Being Services, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of the authority or the school. Such a notice will set out the reasons and detailed evidence why it is being made.

3	
Addition to the scheme	2.17 Fraud is included in the DFE scheme for financing schools.
All schools must have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets.	
The governing body and head teacher must inform all staff of school policies and procedures related to fraud and theft, the controls in place to prevent them and the consequences of breaching those controls. This information must also be included in the induction for new school staff and governors.	

4	
Adjustment	5.4 Income from fund-raising activities
The Scheme provides for schools to retain income from fund-raising activities.	

5	
Removed	11.7 Delegation to new schools
This no longer appears in the DFE guidance. see previous description below: The authority shall have the right to delegate selectively and optionally to the governing bodies of schools that have yet to receive delegated budgets.	

Minor changes recommended by the DfE

6	
2.13	Spending for the purposes of the School
Academies Added. "These allow schools to spend their budgets on pupils who are on the roll of other maintained schools or academies".	

Clarification revisions suggested by the Schools' Forum.

The following revisions were suggested by the Slough Schools' Forum.

2.10 wording has been changed to say, at least 3 tenders are required for contracts over £10,000.

NOTES:

The content page has been amended and numbers re-arranged so that it follow the content, in the DFE guidance for the Scheme for financing schools.

4.9 Support for schools in financial difficulty, this section has been removed as it is no longer part of the DFE scheme for financing schools and because the new DFE funding formula does not allow contingency to be put aside for this purpose. Contingency are allowed for Growth and Schools with falling roles if they are good or outstanding.

6.30 General Teaching Council (GTC). Removed from the scheme as this has been abolished since 1st April 2012.

8.3 Service level agreement just move this information from 8.2 and given it a separate paragraph to fall in line with the DFE guidance – no changes to the wording.

Scheme for Financing Schools – Consultation 2014-15 Response Form

Name	
School	
Role	

DfE suggested minor changes: Please tick to agree or disagree as suggested in the narrative above.

Suggested Change		Agree: Yes/No?
1	Addition: 2.2 The Basis of Accounting which is included in the DFE guidance which prevents Local Authorities dictating the financial software a School can use.	
2	Addition: 2.15 Notice of Concern gives the Local Authority the right to issue a notice if a School is not complying to the Scheme for financing schools. The Local Authority will need to provide detailed evidence in the notice.	
3	Addition: 2.17 Fraud which requires Schools to have robust systems in place to reduce the risk.	
4	Addition: 5.4 Income from Fund-raising activities to correspond to the DFE guidance, this provision allows schools to keep the income made from fund raising.	
5	Removed: 11.7 Delegation to new schools, in line with the DFE guidance as the majority of new schools will be Free schools which will be funding from the EFA and no longer from Local authorities.	
6	The DFE has amended 2.13 Spending for the purposes of the school to add Academies which allows mainstream schools to spend their budget for pupils on roll of other maintained schools or Academies.	
<u>Any Comments:</u>		

Clarification revisions suggested by the Schools' Forum.

<u>Suggested Change</u>		Agree: <u>Yes/No?</u>
1	2.10 wording clarification.	
<u>Any Comments:</u>		

Please return by Friday 20th June 2014

Consultees on Changes to the Scheme for Financing Schools

Heads and Chairs of Governors for maintained Slough Schools