

West Berkshire Schools' Forum	
Title of Report:	Scheme for Financing Schools
Date of Meeting:	10th June 2013
Contact Officer(s)	Carolynn Loosen / Claire White
For Decision	

1.1 Introduction

The DfE statutory guidance on the Scheme for Financing Schools 2013 was received on 28th March 2013.

The West Berkshire Scheme for Financing Schools has been updated with proposed changes to reflect the mandatory changes (which were predominantly in respect of changes to the funding arrangements from 2013/14) and any other changes to reflect/clarify current procedures in line with the latest school finance regulations. The proposed update is attached in Appendix A with the changes made highlighted.

The proposed revision was issued to Headteachers, School Business Managers and Chairs of Governing Bodies for consultation on 25th April 2013 with a closing date of 24th May 2013.

The scheme was also sent to the Head of Education and the Insurance Officer for review.

1.2 Main Revisions to the Scheme for Financing Schools 2013

- The inclusion of maintained Pupil Referral Units in the coverage of the scheme.
- Only Schools Forum members representing maintained schools should now approve scheme changes.
- Increased emphasis on cost benchmarking in the value for money section.
- Updated references to the School Budget Shares (Prescribed Purposes) (England) (Amendment) Regulations 2010 (SI 2010/190).
- Clarification that place-led funding is included in arrangements for payments by instalment.
- Clarification that top up payments should be made monthly unless otherwise agreed.

- Change to the calculation for excess balance for federated schools with a single budget share.
- 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.
- Clarification that de-delegation is approved by the Schools Forum.
- Amended wording in relation to charging the school budget share if appropriate support has not been made for a High Needs pupil.
- Restriction to existing commitments for redundancy / premature retirement cost payments and removal of reference to non-provision of LA services where funding has been provided to some schools only.
- Deletion of references to optional delegated funding.
- Restriction of termination of employment costs funded from central schools budget to value of previous year and existing commitments.

1.3 Consultation Responses

The only response received is from Remus Sawyerr, the Headteacher at Chaddleworth St Andrews and Shefford Federated Primary Schools regarding section 4.2:

4.2 Reporting on and control of the use of surplus balances

Paragraph c

If the result is a sum greater than 5% of the current year's budget share for secondary school, 8% for primary, nursery and special schools, or £20,000 (where that is greater than either percentage threshold), then this shall be deemed an excess balance. Where schools in a Federation operate a single budget, the sum / percentage threshold refers to a single budget and is not calculated for each individual school within the Federation.

Response:

“As a federation we feel we are being discriminated against by a punitive and targeted measure for the following reasons:

- Without knowing the full detail of other schools' budgets it appears that we are the **only federation where this would have an impact**. i.e. all other federations operate different budget arrangements or the 8% allowance takes the permitted excess beyond £40K
- This proposal is contrary to what was explained to the schools when we opted to manage our two budgets under one cost centre; please note we did not opt for one budget

- The budget arrangements for federated schools specify that school should not be 'worse off' and we believe this should apply in all matters of finance not just in the determination of budget amounts
- The difference that it would make in real terms is less than £5,000; an amount so small that it is deemed to be 'de minimis' by the Local Authority when applied to items such as capital expenditure. However it is the choice to be able to do so that is being denied to us and for schools operating budgets of our size, clearly this may be a significant amount

We also understand that this is a **local decision** (within the LA) and whilst arrangements in our Local Authority may be more advantageous than some, there appears to be little justification for making this change when the impact on overall school funding is so minimal as compared to the potential impact on two federated small schools. Another point put forward by the Local Authority is that we operate one budget. This is point that we do not accept. We agreed to manage our two budgets under one cost centre and if one looks at how our budgets are generated this is by separate schools and we therefore have to manually combine these two amounts. Under arrangements for CFR it would be reasonable to either assume a 50:50 split or proportionally depending on the proportion of the original budget share per school. CFR was put forward as a reason for needing to operate 'one budget'.

Looking to the future it will be highly unlikely that we will be able to carry forward these sorts of amounts as budgets get tighter and the formula funding arrangements change. The cost to small federations are such that in managing two sites, reducing our staffing costs, and overheads as far as possible, still means we will be facing tough decisions in the near future. We will need the support of both the Local Authority, through bodies such as the Schools' Funding Forum, to ensure that there is an equal playing field and our 'uniqueness' is not a disadvantage or becomes a target for misconceived regulation."

Decision: Schools' Forum to decide whether to accept the amendment to paragraph 4.2 in light of the comment received.

Recommendation: Members representing maintained schools only to approve the Scheme for Financing Schools for 2013/14

Appendices

Appendix A – The Scheme for Financing Schools 2013