



# Walsall Council

## Walsall's Scheme for Financing Schools

**Report to:** Schools Forum

**Date:** 24 September 2013

**Subject:** Walsall's Scheme for Financing Schools 2013-14 further revisions

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**Purpose of the report:** To inform Schools Forum of the additional revisions/changes to be made to the Scheme for Financing Schools from 1 April 2013.

**Recommendations:** To approve the revisions and changes detailed in the report

## Revisions to Walsall Scheme for Financing Schools 2013

### 1. Background

This report outlines further directed revisions and changes to the DfE guidance on local authority schemes for financing schools, effective from 1<sup>st</sup> April 2013.

The changes are set out below and also include some minor amendments to the wording intended to provide additional clarity.

### 2. Revisions in respect of new funding arrangements

- 2.1 The Introduction - has been updated to make reference to current regulations.
- 2.2 Application of the Scheme to the LA and maintained schools 1.2.1 - confirmation that legislation has been amended to include maintained Pupil Referral Units (PRU's) in coverage of the Scheme.
- 2.3 Revision of the Scheme 1.4 – the current scheme already includes the requirement for proposed revisions to be submitted to the schools forum for approval, however revisions require this paragraph to be amended to read “approval by members of the forum representing maintained schools”. Members of forum representing academies are not required to approve changes to the Scheme.
- 2.4 Spending for the purposes of the school 2.13 – References to legislation have been updated.
- 2.5 Section 3 – Clarification that references to “Budget Share” includes any place-led funding for special schools and pupil referral units and arrangements to pay budget share in instalments will include this funding.
- 2.6 Frequency of instalments 3.1 – Clarification that top-up payments should be made monthly unless otherwise agreed.

It is proposed that for schools operating within the authorities financial systems the frequency of payments is changed to termly in advance. Where an external bank account is in place payments will continue to be paid monthly.

It is proposed that top-up payments are paid to all schools termly in advance subject to data available at the beginning of each term.

The revised wording for this section to read:

From September 2013 budget share will be made available to governing bodies of schools operating within the authority's financial systems termly in advance. Schools operating external banking arrangement will continue to receive budget paid in monthly instalments.

All schools will receive payments made in respect of Top-up for pupils with high needs termly in advance subject to pupil data held at the beginning of each term. As Top-up funding is to relate to specific pupils and actual provision made it will be necessary, at the end of each term, to adjust termly payments upwards or downwards to reflect any change in provision during the term.

2.7 Writing off Deficits 4.8 – confirmation that a local authority cannot write off the deficit balance of any school and revisions to the wording to indicate that where the authority wishes to give assistance towards the elimination of a deficit balance this should be from a centrally held budget specified for the purpose of expenditure on special schools and pupil referral units in financial difficulty or, in respect of mainstream maintained schools, from a de-delegated contingency budget where this has been agreed by Schools Forum.

2.8 Administrative procedures for the collection of income 5.5 – Local authorities may have a provision which applies separate rules on income where the income accrues to the authority e.g. where a school has contracted with the council meals service.

It is recommended that local authorities seek advice in regard to the VAT implications around bought in meals service not centrally retained. The local authority is awaiting the advice and will confirm with forum at a later date.

2.9 Section 6: The charging of school budget shares 6.1. General provisions – revisions provide clarification that schools forum can agree de-delegations.

The revised wording for added to this section read:

*For the avoidance of doubt, local authorities may de-delegate funding for permitted services without the express permission of the governing body, provided this has been approved by the appropriate phase representative of the Schools Forum.*

2.10 SEN costs 6.2.15 – amended wording in relation to charging the school budget share if appropriate support for a high needs pupils has not been made.

2.11 Provision of Services from centrally retained budgets 8.1 – An amendment to the wording that restricts payments for redundancy and PRC to existing commitments. The paragraph now reads:

*The LA will determine on what basis centrally funded services will be provided to schools. Although ordinarily PRC and redundancy payments (see Annex 7) may not be considered as services, the scheme encompasses existing payments in these areas.*

This paragraph has further been amended to limit a local authority's ability to discriminate in its provision of services on the basis of categories of schools to where discrimination is justified by differences in statutory duties.

2.12 Delegation to new schools was 11.7 and Optional Delegation was 11.8 – directions required the deletion if these two paragraphs.

2.13 Deletion of paragraph 12.4 – removal of the provision which allowed the local authority to retain centrally money for repairs and maintenance of school kitchens where funding for schools meals has not been delegated.

### **3. Recommendations**

3.1 Schools Forum are asked to recommend the revised scheme for consultation with all schools.

3.2 Schools Forum are asked to approve the revisions/changes detailed above.