

**Dudley Schools Forum – 3rd June 2014**

**Report of the Interim Director of Children’s Services**

**Dudley’s Scheme for Financing Schools – Approval for Consultation**

**Purpose of Report**

1. To seek approval by Schools Forum for consultation with all schools in the Summer term 2014 regarding the proposed amendments required to Dudley’s Scheme for Financing Schools.

**Budget Working Group Discussed**

2. Yes - 21 May 2014

**Schools Forum Role and Responsibilities**

3. The School and Early Years Finance (England) Regulations 2013 advise on the approval, by the Schools Forum or the Secretary of State, of proposals to revise a local authority’s scheme of financing:
  - a. Where a local authority submit a copy of their proposals to revise their scheme to their Schools Forum for approval, the members of the Schools Forum who represent schools maintained by the authority may:
    - i. approve any such proposals;
    - ii. approve any such proposals subject to modifications; or
    - iii. refuse to approve any such proposals.
  - b. Where the Schools Forum approves the proposals to revise the scheme, it may specify the date upon which the revised scheme is to come into force. Where:
    - i. the Schools Forum refuses to approve proposals, or approves any such proposals subject to modifications which are not acceptable to the local authority; or
    - ii. the local authority are not required to establish a schools forum for their area,  
the authority may apply to the Secretary of State for approval of such proposals.
  - c. The Secretary of State may:
    - i. approve any such proposals;
    - ii. approve any such proposals subject to modifications; or
    - iii. refuse to approve any such proposals.

- d. When approving proposals to revise the scheme, the Secretary of State may specify the date upon which the revised Scheme is to come into force.
- e. No revised scheme is to come into force unless approved by the Schools Forum or the Secretary of State in accordance with Part 4 of the School and Early Years Finance (England) Regulations 2013.

#### **Action for Schools Forum**

4. Schools Forum to note the proposed amendments required in respect of Dudley's Scheme for Financing Schools (as outlined in Appendix A) and to approve a period of consultation with all schools in the Summer term 2014.

#### **Attachments to Report**

5. Appendix A – Summary of Proposed Changes

Alison Wood  
Principal Accountant  
19 May 2014

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**Dudley's Scheme for Financing Schools – Approval for consultation**

**Purpose of Report**

1. To seek approval by Schools Forum for consultation with all schools in the Summer Term 2014 regarding the proposed amendments required to Dudley's Scheme for Financing Schools.

**Background**

2. Under section 48 of the Schools Standards and Framework Act 1998 all local authorities are required to establish and maintain a Scheme for Financing Schools setting out the relationship between the local authority and the schools it maintains.
3. Any revision to the Scheme for Financing Schools must be approved by the Schools Forum or the Secretary of State in accordance with Part 4 of the School and Early Years Finance (England) Regulations 2013.
4. The School and Early Years Finance (England) Regulations 2013, schedule 5, lists the issues that all schemes should address. The Department for Education (DfE) provides guidance to local authorities on the more detailed content of their schemes. This guidance is revised from time to time to reflect changes and amendments to legislation and policy directed through the School Finance Regulations.
5. Where the DfE issue revised Schools Finance Regulations, then Dudley's Scheme of Financing is automatically updated, there is no requirement for consultation on these occasions as the amendments are normally formal directions.
6. The Scheme for Financing Schools was last updated in January 2014 for directed revisions effective retrospectively from 1 April 2013.

**Approval Process**

7. Schools Forum has the power to approve amendments to the Scheme of Financing without the need for consultation with stakeholders. Full details can be found in Part 4 of the School and Early Years Finance (England) Regulations 2013. However, it is usual to undertake a period of public consultation before the final approval.

## **Proposed Amendments**

8. The Scheme for Financing Schools has been updated to reflect both the statutory guidance issued by the DfE in February 2014 and a number of local amendments. A summary of the proposed changes are attached at Appendix A.
9. It is proposed that the full Scheme for Financing Schools is issued for a period of consultation to all schools and stakeholders in the Summer term 2014. A six week consultation period will be adopted.
10. Responses to the consultation will be presented to Schools Forum at the September 2014 meeting for decision making and immediate implementation.

## **Finance**

11. The funding of schools is prescribed by the Department for Education (DfE) through the School and Early Years Finance (England) Regulations 2013.
12. Schools Forums are regulated by the Schools Forums (England) Regulations 2012.
13. From 1<sup>st</sup> April 2006, the Schools Budget has been funded by a direct grant; Dedicated School Grant (DSG).

## **Law**

14. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.

## **Equality Impact**

15. The Council's Equal Opportunities Policy is taken into account when considering the allocation of resources.

## **Recommendation**

16. Schools Forum to note the proposed amendments required in respect of Dudley's Scheme for Financing Schools (as summarised in Appendix A) and to approve a period of consultation with all schools and stakeholders in the Summer term 2014. The outcomes of the consultation will be presented to the September 2014 Schools Forum meeting for final approval prior to implementation.



**Pauline Sharratt**  
**Interim Director of Children's Services**

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