

**Directorate of Children's Services**

# **Consultation on Revisions to Dudley's Scheme for Financing Schools**

*'Putting children and young people first in Dudley'*

*April 2009*

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2004-2005  
*Transforming the School Workforce*

**Consultation Document**

**Consultation on:** *Revisions to the Scheme for Financing Schools*

**Summary:** *To agree proposed changes to the Scheme for Financing Schools*

**Deadline:** *All responses must be received **by 18<sup>th</sup> June 2009***

**Consultees:**

- Black Country Chamber of Commerce
- Black Country Connexions
- Black Country Learning and Skills Council
- Centre for Equality & Diversity
- Chairs of Governors
- Children's Centres
- Children's Trust Executive Board
- Community Centres
- Community Forums / Groups
- Councillors
- Directorate Staff
- DOSTI
- Dudley Association of Governing Bodies
- Dudley Borough Churches Forum
- Dudley Children's Fund NCH
- Dudley Community Partnership
- Dudley Council Directorates – Corporate Board
- Dudley Council for Voluntary Services
- Dudley Group of Hospitals
- Dudley Muslim Association
- Dudley Parent Partnership
- Dudley Primary Care Trust
- Dudley Safeguarding Children's Board
- Education Business Partnership
- Further Education Colleges
- Headteachers
- Kashmiri Pakistani Professionals Forum
- Libraries
- Local Admissions Forum
- Members of Parliament
- Neighbouring Local Authorities Directors of Children's Services
- Roman Catholic Diocesan Schools Commission
- Select Committee for Children's Services
- Standing Advisory Council on Religious Education

Unions and Professional Associations  
West Midlands Children's Education Services for Travelling  
Children (WMCESTC)  
West Midlands Police  
Worcester Diocesan Board of Education

**Public Access** Consultations, plans and policies will be published as follows:

Public Libraries  
Dudley MBC website [www.dudley.gov.uk](http://www.dudley.gov.uk)  
Westox House

**Responses to:** CONSULTATION RESPONSES  
Executive Support Team  
Directorate of Children's Services  
Westox House  
1 Trinity Road  
Dudley DY1 1JQ  
[director.children@dudley.gov.uk](mailto:director.children@dudley.gov.uk)

*Your responses will be co-ordinated by this team.  
Any responses will be provided by the appropriate responsible  
officer for this consultation.*

All responses may be published. A **large print version**, and translation into other languages is available on request to the above address.



Jane Porter  
Interim Director of Children's Services

## **Dudley's Scheme for Financing Schools – Proposed Revisions**

### **Purpose of Proposed Revisions**

1. To consult on proposed changes to Dudley's Scheme for Financing Schools.

### **Background to the Scheme of Financing**

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 school's setting out the relationship between the local authority and the schools it maintains.
3. The Schools Finance (England) Regulations 2008, schedule 5, lists the issues that all schemes should address. The Department for Children, Schools and Families (DCSF) 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.
4. Where the DCSF 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 formal directions.

### **Approval Process**

5. Schools Forum has the power to approve amendments to the Scheme of Financing without the need for consultation. Full details can be found in the School Finance (England) Regulations 2008. Approval by the schools forum or the Secretary of State of proposals to revise schemes:
6. Where a local education authority submit proposals for any revisions to their scheme to their schools forum for approval pursuant to paragraph 2A of Schedule 14 to the 1998 Act, the schools forum may—
  - approve any such proposals,
  - approve any such proposals subject to modifications, or
  - refuse to approve any such proposals.
7. Where the Schools Forum approves any revisions to the scheme, they may specify the date upon which any revised scheme is to come into force.
8. Where
  - the Schools Forum refuse to approve proposals submitted under paragraph 2A of Schedule 14 to the 1998 Act, or approve any such proposals subject to modifications which are not acceptable to the local education authority, or
  - the local education authority is not required to establish a schools forum for their area, the authority may apply to the Secretary of State for approval of such proposals.

The Secretary of State may

- approve any such proposals,
- approve any such proposals subject to modifications, or
- refuse to approve any such proposals.

9. Where the Secretary of State approves any revisions to the scheme, he may specify the date upon which any revised scheme is to come into force.
10. No revised scheme is to come into force unless approved by the schools forum or the Secretary of State in accordance with this regulation.

### **Proposals**

11. In recent years community activities have been subsumed into the government's extended schools agenda. All references to community activities within the Scheme have therefore been changed to extended schools where appropriate.
12. Where further information is available in the Authority's recently updated financial regulations the Scheme has been cross referenced to these.
13. A section relating to purchasing and contract arrangements has been removed as it has now been superseded by 2.11 and 2.12 of the Authority's financial regulations for schools.
14. Section 2.16 requires schools to complete a capital draw down pro forma when applying to draw down future year's devolved formula capital allocations.
15. A paragraph in Section 3.5.1 has been removed. This gave former GM schools authority to continue to use financial institutions that are not on the Authority's approved list. Given the current financial climate the Authority has revised the list of financial institutions it feels that schools should invest with. Only one school in Dudley currently uses a bank which is not on the approved list and would be required to revise its banking arrangements.
16. 4.2.2 (iii) has been extended to allow schools with boarding facilities to hold a maximum of 10% of that year's delegated budget in reserves.
17. An additional reserve will be created where Voluntary Aided schools can set aside funds from school reserves for capital projects (4.3). This reserve will also be used by all schools to set aside funds for capital projects that are not yet on Dudley's capital programme. This reserve will not form part of the calculation of the 5%, 8% (and 10% proposed for boarding schools) limit for claw back purposes. The capital project must be approved by Buildings and Estates via a project notification form.

18. Section 5.7 requires schools to have regard to Section 449-462 of the Education Act 1996. This sets out the law on charging for school activities. It covers items such as residential visits, music tuition, transport and voluntary contributions.
19. Section 11.15 now contains a requirement for schools to comply with the Authority's code of practise relating to external funding arrangements when apply for external grants.
20. Section 14.3 has been extended to include the requirement for schools to
  - not pay money from trading activities into private bank accounts;
  - not allow the trading account to be overdrawn and
  - not to use the delegated budget to support trading account activities

#### **Outcomes of the Consultation**

21. The outcomes of the consultation on Dudley's Scheme for Financing will be reported to Schools Forum on 7 July 2009 for final approval. After this date the revisions will be immediately effective.