

To: Directors of Children's  
Services of local authorities in  
England, and Chairs of Schools  
Forums

Our ref:  
1501080006 14<sup>th</sup>  
February 2008

Dear Colleague

## **SCHOOL FINANCE (ENGLAND) REGULATIONS 2008**

The above regulations have now been agreed and signed by the Minister. They follow policy consultation between March and June 2007 and technical consultation on the draft regulations in October 2007. They will be laid shortly before Parliament and are due to come into force from 29<sup>th</sup> February 2008.

As I hope you are aware, Jim Knight announced to the House of Commons the Government's decision not to proceed with the proposed redistribution of 5% of schools' surplus revenue balances during this three year funding period. However, balances must be managed and the department will review whether to reconsider this proposal for 2011. Further information about the decision on balances is at [www.teachernet.gov.uk/schoolbalances](http://www.teachernet.gov.uk/schoolbalances).

Following response to the consultation it has also been decided not to continue with a proposal to remove the option of local authorities using actual salaries in their formulae at present. Respondents felt that there was insufficient time to make changes to their formula for 2008. We will review this and consult on a revised proposal for 2011.

The Regulations include a provision clarifying that back pay and pay in lieu of back pay for education staff is to be treated in the same way as pay, and where appropriate may be charged to the Schools Budget. The DCSF will be issuing jointly with Communities and Local Government



separate guidance on this issue in due course.

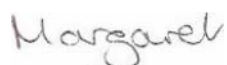
Teachemet page [www.teachernet.gov.uk/schoolfundingframework](http://www.teachernet.gov.uk/schoolfundingframework) includes a copy of the revised regulations and guidance on all the changes between the 2006 regulations and the final regulations

If you have any questions about the regulations please contact me or Jeremy Cogle at:

Margaret Judd 0207 925 3756 (Wed — Fri)  
Jeremy Cogle 0207 925 6705

We are alerting Education Finance Contacts and Clerks to Schools Forums to the contents of this letter.

Yours sincerely



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Schools Funding Policy Advisor  
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