

Schools Forum 6 October 2009

Report of the Director of Children's Services

Dudley's Scheme for Financing Schools – Consultation Outcomes

Purpose of Report

1. To seek Schools Forums approval to the proposed revisions to Dudley's Scheme for Financing Schools, following the recent consultation.

Discussed at HTCF – BWG

2. Yes – 29 September 2009

Schools Forum Role and Responsibilities

3. 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.
4. Approval by the Schools Forum or the Secretary of State of proposals to revise schemes:
 - a. 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—
 - i. approve any such proposals,
 - ii. approve any such proposals subject to modifications, or
 - iii. refuse to approve any such proposals.
5. 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. Where:
 - a. 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
 - b. 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.
6. 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.
7. 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.
 8. No revised scheme is to come into force unless approved by the Schools Forum or the Secretary of State in accordance with this regulation

Actions for Schools Forum

9. To approve a final version of Dudley's Scheme for Financing Schools, taking into account the responses to the recent consultation.

Attachments to Report

10. Appendix 1 – Summary of consultation responses.
11. Appendix 2 – Paragraph 4.2.2 (iii) of the proposed LMS scheme.

Mirella Harris

Senior Principal Accountant - Children's Services

22 September 2009

Schools Forum 6 October 2009

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Dudley's Scheme for Financing Schools- Consultation Outcomes

Purpose of Report

1. To seek Schools Forums approval to the proposed revisions to Dudley's Scheme for Financing Schools, following the recent consultation.

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 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. Schools Forum is responsible for the approval of all amendments to the Scheme of Financing without the need for consultation with stakeholders. Full details of this responsibility can be found in Part 4 of the School Finance (England) Regulations 2008.
5. A report was discussed in detail at the July Schools Forum meeting to consider responses received in respect of the recent consultation. At this meeting two members indicated that their responses had not been included in the report, therefore the agenda item was deferred pending further investigation. These responses have now been recorded and are included within this report.
6. Four responses have been received in respect of the consultation; two in agreement with the proposed changes and two objections were received in respect of the proposed changes to paragraph 4.2.2 of the scheme. The detailed responses are shown in Appendix 1.
7. Paragraph 4.2.2 (iii) of the scheme proposes limits to the value each school can hold in their reserve. This would vary for those schools with boarding facilities to allow a maximum reserve of 10% of that year's delegated budget. For a secondary school in Dudley the scheme states 5%. Further details are shown in Appendix 2.

8. A copy of the scheme can be found at Inside Dudley/Directorate/Children's Services/Electronic Library/Resources & Planning Division/Education Finance Team.
9. Schools Forum has the power to approve amendments to the Scheme of Financing. The revised scheme will be immediately effective once approved by Schools Forum unless a date for implementation is specified.

Finance

10. The funding of schools is prescribed by the DCSF through the School Finance (Amendment)(England) Regulations 2008.
11. Schools Forums are regulated by the School Forums Regulations 2002 as already amended by the Schools Forums (Amendment) Regulations 2004 the Schools Forums (Amendment) 2005 Regulations and the Schools Forums (England) (Amendment) Regulations 2008.
12. From 1st April 2006, the Schools Budget has been funded by a direct DCSF grant: Dedicated School Grant (DSG).

Law

13. 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

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

Recommendation

15. That Schools Forum consider the responses to the consultation particularly in respect of the amendment to paragraph 4.2.2 (iii) of the LMS scheme, (outlined in Appendix 1 and 2) and advise the Director of Children's Services of their decision regarding the proposed amendments to Dudley's Scheme for Financing Schools.



Mark Wyatt

Director of Children's Services

Contact Officer: Karen Cocker, Children's Services Finance Manager
Karen.cocker@dudley.gov.uk Tel: 01384 815382