

TELFORD & WREKIN COUNCIL

CABINET - 15th SEPTEMBER 2009

FINANCING OF TELFORD AND WREKIN MAINTAINED SCHOOLS 2009

**REPORT OF HEAD OF BSF, RESOURCES & SOCIAL REGENERATION
C&YP**

1. Purpose

- 1.1 To request Members' approval of the Scheme for Financing Telford & Wrekin Schools 2009, to come into force on the 1st April 2009.

2. RECOMMENDATION

- 2.1 That Cabinet approves the Scheme for Financing Telford & Wrekin Schools 2009.**

3. Summary

- 3.1 The LA is required under the School Standards and Framework Act 1998 to put in place a scheme for financing Telford and Wrekin schools. A copy of the scheme is available in the Members' library.

4. Previous minutes

- 4.1 There are no previous minutes relevant to this item.

5. Information

5.1 Background – Financing of Schools

- 5.1.1 The LA is required under legislation and regulations laid down by the DCSF to have in place a scheme which lays out the financial relationship between the LA and the schools it maintains, and the financial framework within which both partners will work.

- 5.1.2 The areas which must be covered under the scheme are detailed in legislation.

- 5.1.3 The scheme will be made available on both the Telford & Wrekin internet site and the schools intranet site.

- 5.1.4 Compared to the 2008 scheme, there have been changes to section 4.2 of the 2009 scheme concerning the control of surplus balances. The

proposed changes are intended to clarify the requirements of the annual survey, whilst preventing schools from artificially circumventing the arrangements by:

- stating that they will use revenue balances for capital schemes whilst having available formula capital; or
- claiming that surplus balances are non-ringfenced Standards Fund.

The changes have been discussed and agreed with the Schools Forum at the meeting held on 20 May 2009.

5.1.5 In addition, section 2 of the Scheme advises that in managing their delegated budgets schools must abide by the Authority's requirements on financial controls and monitoring as set out in the Authority's Financial Regulations for Schools with Delegated Budgets.

5.1.6 These Regulations have been reviewed and updated by Audit Services in consultation with appropriate service areas. This has ensured that they include the latest EU procurement regulations and are in line with the Financial Regulations which are set out in the Council's Constitution. School Financial Regulations were last reviewed in 2003.

6. Equal Opportunities

There are no equal opportunity issues arising.

7. Environmental Impact

There are no environmental impacts.

8. Legal Comment

The requirement for the scheme, and its content, is laid down in the Financing of Maintained Schools Regulations 2008, which incorporates regulations made under section 47 and section 48 of the Schools Standards and Framework Act 1998.

9. Links with Corporate Priorities

The scheme supports good financial management within schools, thereby contributing to the corporate priority of an effective modern Council.

10. Financial Implications

The scheme contains details of the financial framework within which the LA and its schools will work. Amendments to the section of the scheme concerning control of surplus balances are intended to discourage schools from accumulating excessive and unjustified balances.

11. Ward implications

There are no specific ward implications arising from the proposed policy amendments.

12. Opportunities and risks

The opportunities and risks associated with this project have been identified. Arrangements have been put in place to manage the risks and maximise the opportunities that are identified.

13. Background papers

Papers used to prepare this report are as follows:

- Scheme for Financing Telford & Wrekin Schools 2009
- School Finance (England) Regulations 2008.
- School Standards and Framework Act 1998 – Section 48
- Minutes of Schools Forum 20 May 2009
- Telford & Wrekin Council Financial Regulations

**Report of Clive Jones, Head of BSF, Resources & Social Regeneration,
Children and Young People**

**Report prepared by Tim Davis, Finance Manager: Schools & BSF 01952
383756.**