

CITY OF WESTMINSTER**SCHOOLS' FORUM 28th MARCH 2022
REPORT BY LEAD STRATEGIC FINANCE MANAGER - CHILDREN'S SERVICES****SCHEME FOR FINANCING SCHOOLS****Purpose of the report**

This report sets out a recommendation on a proposed change to the current policy following a consultation with Schools.

FOR DECISION**1 Introduction**

- 1.1 The Scheme for Financing Schools (the "policy") sets out the financial relationship between the Local Authority and the maintained schools that it funds. It contains requirements relating to the financial management of its schools.
- 1.2 In making any changes to their schemes, local authorities must consult all maintained schools and receive approval of the Schools Forum representing maintained schools.
- 1.3 The proposed policy in Annex B of this report is compliant with DfE guidance and the Authority's financial regulations.

2 Policy Updates for Consideration

- 2.1 The current Scheme for Financing Schools was last updated in January 2021 after presentation to Schools Forum.
- 2.2 Following a consultation with schools in February, two further changes to the policy are proposed as detailed below.
- 2.3 A revision to the deadline for submission of the 3-year budget forecast is proposed to ensure any budgetary issues and support requirements are picked up as early as possible in the financial year. If approved, this revision is suggested to take effect from the 2023/24 financial year to allow Schools to align schedules with Governors and ensure that it supports meeting the earlier deadline.
- 2.4 A revision to the frequency of budget share payments to schools from 4 equal quarterly payments to 3 termly payments split 40/35/25. If approved, the change in frequency of payments is suggested to take effect from the 2022/23 financial year.

Paragraph	Change from January 2021 Scheme
2.3	<p>Submission of financial forecasts</p> <p>For Westminster City Council, it is proposed that the previously agreed date of 31st May (or last working day of May) is revised to 1st May (or first working day of May).</p> <p>The budget forecasts are used to confirm effective financial planning and identify schools which need to review their costs</p> <p>Current: <i>Schools are required to submit a budget plan to the Authority by 31 May (or the last working day of May) each year. The school's budget plan must be approved and signed by the governing body (or a committee of the governing body).</i></p> <p>Proposed: <i>From financial year 2023/24, Schools are required to submit a 3-year budget plan to the Authority by 1 May (or the first working day of May) each year. The school's budget plan must be approved and signed by the governing body (or a committee of the governing body).</i></p>
3.1 & 3.2	<p>Frequency of budget share instalments</p> <p>The proposal is to make budget share payments to schools on a termly basis split 40/35/25. This is expected to improve cash flow for schools and reduce the number of cash advance requests.</p> <p>Current: <i>Schools will receive delegated budget share payments in four equal instalments, paid quarterly in April (25%), July (25%), October (25%) and January (25%).</i></p> <p>Proposed: <i>Schools will receive delegated budget share payments in three termly instalments, paid in April (40%), September (35%) and January (25%).</i></p>

3 Consultation

- 3.1 In accordance with the provision set out in 1.4 of the Scheme and DfE guidance, *'any proposed revisions to the Scheme will be the subject of consultation with the governing body and the headteacher of every school maintained by the Authority, before they are submitted to the Schools Forum for their approval'*.

