

CITY OF WESTMINSTER**SCHOOLS' FORUM 20th JANUARY 2022
REPORT BY LEAD STRATEGIC FINANCE MANAGER - CHILDREN'S SERVICES****SCHEME FOR FINANCING SCHOOLS****Purpose of the report**

This report sets out a recommendation for consultation on a proposed change to the current policy.

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 Two further changes to the policy are now 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 following consultation, this revision is suggested to take effect from the 2022-23 financial year.
- 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 following consultation, 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>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'.

- 3.2 To comply with this requirement, Schools Forum is asked to note the updated provision and provide consent for the proposed Scheme to be circulated to all maintained schools for consultation.
- 3.3 Schools Forum is asked to agree to the Scheme being placed on the agenda for the next Schools Forum meeting to enable consultation responses to be reviewed and formally approved.

4 Recommendations

- 4.1 Schools Forum is asked to:
- review and approve the updated Scheme to be consulted on with all maintained schools (in line with provision 1.4 of the policy);
 - agree to the Scheme being placed on the agenda for the next Schools Forum meeting so that consultation responses can be reviewed, the final policy approved and implemented from 2022-23.

Anita Stokes
Lead Strategic Finance Manager (Bi-Borough Children's Services)

Sarah Newman
Bi-Borough Executive Director of Children's Services

Contact officer:

Poonam Gagda, Senior Finance Manager – Bi-Borough Schools & Education

Tel: 07811 240 465

E-mail: poonam.gagda@rbkc.gov.uk

Background Papers

Department for Education: Statutory guidance for local authorities on Schemes for Financing Schools:

<https://www.gov.uk/government/publications/schemes-for-financing-schools>

Annexes

- Annex A – Current Scheme for Financing Schools
- Annex B – Proposed Scheme for Financing Schools