

Date: 22 March 2018	Item 10	Type of report: For decision
Report title:	Approval of the Scheme for Financing Schools	
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Executive Summary

The purpose of this report is to approve the scheme of delegation following the recent consultation with schools. This paper was brought to the Schools Forum in March but the Schools Forum requested changes and was not quorate to make a decision.

Schools Forum Actions

The Schools Forum is asked to agree the scheme of financing schools -Appendix A to this report

1 Background

- 1.1 Under the School Standards and Framework Act 1998, Local Authorities (LA) are required to draw up a scheme for financing schools (The Scheme). This scheme sets out the financial relationship between the LA and the maintained schools which it funds. It contains requirements relating to financial management and associated issues, which are binding on both the LA and on the schools.
- 1.2 Any proposed revisions to the scheme are subject to consultation of Schools Forum for approval pursuant to regulation 27 of The Schools and Early Years Finance (England) Regulations 2015.
- 1.3 In line with national requirements which have been in place for many years, the Scheme gives schools freedom to exercise choice over their spending plans. Like other local authorities, Southwark can only impose regulations which are consistent with the need for accountability and control over expenditure of public funds. The Scheme expects all schools to set a balanced budget and manage within the resources made available to them. This is specifically a duty on the governing body of the school.
- 1.4 The last time the Southwark scheme was reviewed was in April 2012. The secretary of state though does occasionally make directed changes to the scheme as a result of changes to legislation.
- 1.5 The consultation with schools on the attached draft scheme opened on 23 January 2018 and closed on the 9 February 2018. One comment was received. This was regarding the delegation of financial powers to Headteachers for virement between budget heading by Governors. It was suggested the limit was too low. As the policy in the scheme is only suggested model policy and can be varied by each school no changes to the scheme are proposed in this instance.
- 1.6 The scheme refers in a number of places to the Director of Children Services and it is now suggested that this now refers to the Director of Education.