

## **Schools Forum**

**13<sup>th</sup> March 2014**

### **Scheme for Financing Schools (Section 48) Revisions for April 2014**

This report relates to maintained schools only

#### **Recommendation**

The School Forum is recommended to:

1. Approve the revisions to the Scheme for Financing Schools (section 48)

#### **1.0 Introduction**

1.1 One of the roles and responsibilities of the Schools Forum is to approve the schools' Scheme of Financial Management, regulations that set out the relationship, in terms of financial management, between the Local Authority and maintained schools. This is also known as Section 48 of the School Standards and Framework Act 1998.

1.2 The Department for Education (DfE) has recently released an update of these regulations to take effect from 1<sup>st</sup> April 2014.

#### **2.0 The Changes**

2.1 The guidance issued by the Department for Education is specific in some instances about the areas to be included in the locally approved Scheme for Financing Schools and provides only guidance in other areas. The previously agreed regulations in Warwickshire mirror the national guidelines to ensure a comprehensive set of regulations.

2.2 Where changes are made, schools should be consulted and the Schools Forum agrees these changes. The national guidance only suggests minimal wording changes this year and it is suggested that the Schools Forum agrees these and that the regulations are re-posted on the website for schools to access.

2.3 Rather than attaching the entire document as an appendix, the following changed paragraph is noted below:

## **2.20 Spending for the Purposes of the School**

*School budget shares must be spent for the educational purposes of the school as defined by prevailing statute. By virtue of section 50(3A), which came into force on April 1<sup>st</sup> 2011, amounts spent by governing bodies on community facilities or services under section 27 of the Education Act 2002 will be treated as if spent for any purposes of the school. In addition, the Secretary of State also allows schools to spend their budgets on pupils who are on the roll of other maintained schools or academies.*

2.4 The other change that has been made to the 2013 version in Warwickshire is the deletion of the LA loan facility and access to credit union arrangements in section 4.8. The Local Authority introduced a policy a couple of years ago of not entering into any more loan agreements with schools but the regulations were not amended, in error, last year.

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