

Scheme for Financing Schools – 2018/19 changes

Section as per 17/18	Slough 2017/18 Scheme	Slough 2018/19 Scheme	DfE Scheme 2018/19
1.1.3	Local authorities may retain an unallocated reserve within the ISB but must otherwise distribute the ISB amongst their maintained schools using a formula which accords with regulations made by the Secretary of State, and enables the calculation of a budget share for each maintained school. This budget share is then delegated to the governing body of the school concerned, unless the school is a new school which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with s.51 of the Act. The financial controls within which delegation works are set out in a scheme made by the local authority in accordance with s.48 of the Act and approved by the Secretary of State	1.1.3 Authorities must distribute the ISB amongst their maintained schools using a formula which accords with regulations made by the Secretary of State, and enables the calculation of a budget share for each maintained school. This budget share is then delegated to the governing body of the school concerned, unless the school is a new school which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with s.51 of the Act. The financial controls within which delegation works are set out in a scheme made by the authority in accordance with s.48 of the Act and regulations made under that section. All proposals to revise the scheme must be approved by the Schools Forum, though the authority may apply to the Secretary of State for approval in the event of the forum rejecting a proposal or approving it subject to modifications that are not acceptable to the authority	1.1 The Funding Framework The scheme should have an introductory section which describes the main features of the new funding framework. A specimen description is at Annex A. This may be amended, added to or replaced by a different version, but the scheme should aim for at least this level of detail. In particular, it should be made clear where the funding formula and details of centrally retained expenditure are set out, since these will no longer be in the scheme.
2.9	2.9 Submission of Financial Forecasts 2.9.1 Schools shall provide the authority with a financial forecast covering each year of a multi-year financial planning period for which schools have been notified of budget shares beyond the current year. This should	2.3.1 Submission of Financial Forecasts Schools shall provide the authority with a financial forecast covering each year of a multi-year period (usually a 3 year budget plan). This should be linked to any school improvement plan the authority require the school to implement.	2.3.1 Submission of Financial Forecasts The authority may require schools to submit a financial forecast covering each year of a multi-year period. Authorities should consider the extent to which such forecasts may be used for

	<p>be linked to any school improvement plan the authority require the school to implement.</p> <p>2.9.2 One of the aims of the [three year plan] is to show that the school has a sustainable and stable budget. This means that the school is not incurring a level of spending higher than its income, for year after year, by running down balances, or going into deficit. The 3 year financial forecast will assist schools in their financial management and can be used as evidence to support the LA's assessment of Schools Financial Value Standards.</p>	<p>One of the aims of the [three year plan] is to show that the school has a sustainable and stable budget. This means that the school is not incurring a level of spending higher than its income, for year after year, by running down balances, or going into deficit. The 3 year financial forecast will assist schools in their financial management and can be used as evidence to support the LA's assessment of Schools Financial Value Standards and/or used in support of the authority's balance control mechanism.</p>	<p>more than just confirming schools are undertaking effective financial planning or not. For instance: they could be used as evidence to support the authority's assessment of Schools Financial Value Standards and/or used in support of the authority's balance control mechanism. However, the requirement to submit a financial forecast should not place undue burdens on schools and should be proportionate to need. In requesting such forecasts authorities should state the purposes for which they intend to use this forecast: such a forecast may be used in conjunction with an authority's balance control mechanism.</p>
2.22	<p>2.22 Schools Financial Value Standard (SFVS)</p> <p>2.22.1 All local authority maintained schools (including nursery schools and Pupil Referral Units (PRUs) that have a delegated budget) must demonstrate compliance with the Schools Financial Value Standard (SFVS) and complete the assessment form on an annual basis. It is for the school to determine at what time in the year they wish to complete the form.</p> <p>2.22.2 Governors must demonstrate compliance through the submission of the SFVS assessment form signed by the Chair of Governors. The form must include a summary of remedial actions with a clear</p>	<p>2.16 Schools Financial Value Standard (SFVS)</p> <p>All local authority maintained schools (including nursery schools and Pupil Referral Units (PRUs) that have a delegated budget) must demonstrate compliance with the Schools Financial Value Standard (SFVS) and complete the assessment form on an annual basis. It is for the school to determine at what time in the year they wish to complete the form.</p> <p>Governors must demonstrate compliance through the submission of the SFVS assessment form signed by the Chair of Governors. The form must include a summary of remedial actions with a clear timetable, ensuring that each action has a specified deadline and an agreed owner.</p>	<p>2.16 Schools Financial Value Standard (SFVS)</p> <p>All local authority maintained schools (including nursery schools and pupil referral units (PRUs) that have a delegated budget) must demonstrate compliance with the Schools Financial Value Standard (SFVS) and complete the assessment form on an annual basis. It is for the school to determine at which time of the year they wish to complete the form.</p> <p>Governors must demonstrate compliance through the submission of the SFVS assessment form signed by the Chair of Governors. The form must</p>

	<p>timetable, ensuring that each action has a specified deadline and an agreed owner. Governors must monitor the progress of these actions to ensure that all actions are cleared within specified deadlines.</p> <p>2.22.3 All maintained schools with a delegated budget must submit the form to the local authority annually by the 31 March.</p>	<p>Governors must monitor the progress of these actions to ensure that all actions are cleared within specified deadlines.</p> <p>All maintained schools with a delegated budget are required by Slough to submit the form to the local authority annually by 18 December (or the last day of Autumn term whichever is earlier). This earlier deadline will allow Slough sufficient time to audit the information prior to DfE deadline of 31 March</p>	<p>include a summary of remedial actions with a clear timetable, ensuring that each action has a specified deadline and an agreed owner. Governors must monitor the progress of these actions to ensure that all actions are cleared within specified deadlines. All maintained schools with a delegated budget must submit the form to the local authority before 31 March 2013 and annually thereafter.</p>
4.9	<p>4.9 Balances of closing and replacement schools</p> <p>4.9.1 When a school closes, any balance (whether surplus or deficit) reverts to the local authority; it cannot be transferred as a balance to any other school, even where the school is a successor to the closing school. The exception is that a surplus transfers to an academy where a school converts to academy status under section 4(1) of the Academies Act 2010.</p>	<p>4.8 Balances of closing and replacement schools</p> <p>Where in the funding period, a school has been established or is subject to a prescribed alteration as a result of the closure of a school, a local authority may add an amount to the budget share of the new or enlarged school to reflect all or part of the unspent budget share (including any surplus carried over from previous funding periods) of the closing school for the funding period in which it closes</p>	<p>4.8 Balances of closing and replacement schools</p> <p>Where in the funding period, a school has been established or is subject to a prescribed alteration as a result of the closure of a school, a local authority may add an amount to the budget share of the new or enlarged school to reflect all or part of the unspent budget share (including any surplus carried over from previous funding periods) of the closing school for the funding period in which it closes.</p>
4.10	<p>4.10.2 Loans may be granted by the Council to schools under specific circumstances and where there is a guaranteed income stream, external to the school's budget share, or other government funding, to pay off the loan. Granting of such loans will be exceptional.</p>	<p>4.10 Loans</p> <p>The local authority is prohibited from loaning revenue funds to schools including loans to offset a deficit. Loans for capital expenditure are still permissible</p> <p>Loans will only be used to assist schools in spreading the cost over more than one year of</p>	<p>4.10 Loan schemes</p> <p>It is open to an authority to include in its scheme a form of loan arrangement for schools that does not operate by way of a licensed deficit, but rather by way of actual payments to schools or expenditure by the authority in respect of a particular school on condition that a</p>

	<p>4.10.3 The school will be expected to assign formally the relevant part of that income stream to the Council in consideration of the loan, for the duration of the loan. Loans will not be expected to exceed 10 years and the school receiving the loan will be expected to demonstrate a sound financial position over the three preceding years, with the ability to generate reserves. Loans will be funded from school reserves held by the authority. There will be a specific loan agreement for each school and terms and conditions will be negotiated individually, including interest. Where such arrangements are in place, the schools' spending of its Schools Standard Grant must be agreed with the authority. The authority must agree the spending unless in its view the proposed expenditure is unreasonable in the school's financial circumstances.</p>	<p>large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year. Loans will not be used as a means of funding a deficit that has arisen because a school's recurrent costs exceed its current income. If loans are made to fund a deficit and a school subsequently converts to academy status, the Secretary of State will consider using the power under paragraph 13(4)(d) of Schedule 1 to the Academies Act 2010 to make a direction to the effect that such a loan does not transfer, either in full or part, to the new Academy school.</p>	<p>corresponding sum is repaid from the budget share. If so, the same parameters for the arrangement should appear in the scheme as listed at 4.9 above for licensed deficits. Again, an authority may wish to invite schools with balances in external accounts to use some or all of those balances to back a loan scheme, and the scheme should make clear on what basis this would occur. If there is a loan scheme on this basis the authority must show in its budget statements the amount centrally retained for what would be a devolved payment to schools, and the payment should appear in the out-turn statements. Loans must only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year. Loans must not be used as a means of funding a deficit that has arisen because a school's recurrent costs exceed its current income. If loans are made to fund a deficit, the Secretary of State will consider using the power under paragraph 13(4)(d) of Schedule 1 to the Academies Act 2010 to make a direction to the effect that such a loan does not</p>
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5.6	Not included in the scheme for 17/18	5.6 Purposes for which income may be used Income from the sale of assets purchased with delegated funds may only be spent for the purposes of the school.	5.6 Purposes for which income may be used The scheme may have a provision that income from sale of assets purchased with delegated funds may only be spent for the purposes of the school.
6.2.14	Costs incurred by the authority in securing provision specified in a statement of SEN where the governing body of a school fails to secure such provision despite the delegation of funds in respect of low cost high incidence SEN and/or specific funding for a pupil with High Needs;	6.2.15 Costs incurred by the authority in securing provision specified in an Education, Health and Care Plan (EHCP) where the governing body of a school fails to secure such provision despite the delegation of funds in respect of lowcost high incidence SEN and/or specific funding for a pupil with High Needs.	6.2.15 Costs incurred by the authority in securing provision specified in an Education, Health and Care Plan (EHCP) where the governing body of a school fails to secure such provision despite the delegation of funds in respect of low-cost high incidence SEN and/or specific funding for a pupil with High Needs.