
Meeting: Schools Forum

Date: 25 January 2010

Subject: Centrally Funded Schools – Administration Charge

Report of: Deputy Chief Executive and Director of Children, Families and Learning

Summary: To propose that a charge is introduced to Centrally Funded Schools for Administration Services provided above the Statutory requirement.

Contact Officer: Dawn Hill, Borough Hall, Bedford

Public/Exempt: Public

Wards Affected: All

Function of: Council

RECOMMENDATIONS:

- 1. To propose that Centrally Funded Schools are charged an annual Administration Fee for services provided above the Statutory requirement.**

Background

1. Central Bedfordshire Council's Local Management of Schools Scheme is based on the legislative provisions in sections 45 to 53 of the School Standards and Framework Act 1998 (the Act) and the School Financing (England) Regulations 2008.
2. The key Statutory requirement are that Local Authorities :
 - Must not later than 31 March make an initial determination of their schools budget for the funding periods and give notice of such determinations to the governing bodies of the schools they maintain.
 - Must after consultation with Schools Forum decide upon the formulae which they will use to determine school's budget shares.
 - Must ensure an amount equal to the guaranteed funding level is included (Minimum Funding Guarantee).
 - Must ensure the 'Scheme for Financing Schools' deals with matters connected with the financing of schools maintained by the authority set out in Schedule 5 of The School Finance Regulations.

- The Local Authority will publish each year a statement setting out details of its planned Schools Budget and LA Budget, showing the amounts to be centrally retained.
 - The Local Authority will publish a statement of out-turn after each financial year at both central level and for each school.
 - Schools will receive from the Local Authority monthly Income and Expenditure statements
3. Central Bedfordshire has 139 Schools of which, 91 are Centrally Funded and 48 are Fully Funded.
4. The main accounting differences between the two schemes are:

Responsibility/Process	Fully Funded	Centrally Funded
Prime Record	School	Local Authority
Payroll Provider	Choice	Local Authority
Invoice processing	School	Local Authority
Income receipt	School	Local Authority
Requirement to Reconcile to Central System	N/A	School
School Financial Statement query resolution	N/A	Local Authority
Year End Accruals	School	Local Authority

Proposal

5. A disproportionate amount of time is spent on Centrally Funded Schools on non statutory, back office administration such as query resolution, correction of statements and year end accruals.
6. To ensure an equitable service to all schools and to promote schools with good financial management to progress to Fully Funded status, it is proposed to charge for the additional administration of Centrally Funded Schools above the statutory requirement.
7. There is a correlation between the size of the school, and the quantity of non statutory administration work. It is proposed to charge a nominal fee of £0.50 per pupil, based on January numbers on role. This would equate to the smallest school being charged £15.50 annually to a large upper school £634, based on January 2009 pupil census data (see Appendix A attached).

Appendices:

Appendix A – Proposed Charge to Centrally Funded Schools