
Meeting: Schools Forum
Date: 25 June 2012
Subject: Revision to the Scheme for Financing Schools
Report of: Deputy Chief Executive and Director of Children's Services
Summary: To note the Directed revisions to the Scheme for Financing Schools.

Contact Officer: Dawn Hill, Technology House, Bedford

Public/Exempt: Public

Wards Affected: All

Function of: Council

Reason for
urgency
(if appropriate)

RECOMMENDATIONS:

To note the amendments to the Central Bedfordshire's Scheme for Financing Schools in line with the Department for Education's directed revisions.

Background

1. The Scheme for Financing Schools sets out the financial relationship between the authority and the maintained schools which it funds. It is based on the legislative provisions in Section 45-53 of the Schools Standards and Framework Act 1998 and the Schools Finance Regulations 2008.
2. Under the Education Act 2011, the Secretary of State has the power to issue directed revisions to Local Authorities (LA's) schemes for financing schools. This means that authorities must incorporate within, or remove from, their schemes the specified wording. The Power of directed revision is used sparingly, to remove outdated provisions and to insert provisions that are required for the implementation of policy.

Update

3. After consultation, which ended on 19 March 2012, the Department is directing local authorities with immediate effect to revise their Scheme for Financing Schools to include provisions about the Schools Financial Value Standard (SFVS) and to strengthen the wording on efficiency, value for money and fraud. The revisions also include changes to reflect legislation made by the Education Act 2011.

4. Following responses to this consultation, the Department will consider requests from local authorities if they wish to set an earlier deadline than the one set out in the direction (31 March) for schools to complete their SFVS returns, where there is a good reason for doing so. The Department will now also include the requirement for governors to monitor the progress of any actions in their SFVS.
5. This means that authorities must incorporate these changes in schemes with the specified wording and these changes come into immediate effect.
6. The changes are as follows:
 - Removal of requirement for schools to submit a Best Value Statement.
 - Removal of all requirements relating to the Financial Management Standard in Schools (FMSiS)
 - Removal of requirements relating to payments of General Teaching Council (GTC) fees.
 - Inclusion of the requirement on schools to achieve efficiencies and value for money, to optimise their resources.
 - Inclusion of the requirements of the Schools Financial Value Standard
 - Inclusion of a fraud provision which requires schools to have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets.
 - Revisions have also been made to the scheme to take into account the DfE's amended Guide and Regulations to the Consistent Financial Reporting (CFR) Framework.

The revised Scheme is available from the schools learning portal.

7. The DfE published in September 2011 the new Schools Financial Value Standard (SFVS). The SFVS replaces the Financial Management Standard in Schools (FMSiS) which was withdrawn by the Secretary of State with effect from 15 November 2010.
8. Maintained schools are required to complete the SFVS once a year. Those Schools which never attained FMSiS were expected to complete and submit the SFVS to the Local Authority (LA) by 31 March 2012. Those schools who fell into this category were informed by letter of the requirements. For all other maintained schools the first run through is required by March 2013. An annual review is required thereafter.

Appendices:

None