

REVISIONS TO THE SCHEME FOR FINANCING SCHOOLS AND FINANCE REGULATIONS

To: Cambridgeshire Schools Forum
Date: January 2017
From: Martin Wade, Strategic Finance Manager

1.0 INTRODUCTION

- 1.1 The Cambridgeshire Scheme for Financing Schools (“the Scheme”) is the primary document that sets out the financial relationship between maintained schools and the Local Authority (LA) in maintaining proper control over public funds and is binding on the LA and all maintained schools in the county.
- 1.2 Under the Education Act 2011, the Secretary of State has the power to issue directed revisions to local authority schemes for financing schools. This means that authorities must incorporate within, or remove from, their schemes the specified wording and no other process is needed in order to make the changes.
- 1.3 Forum is asked to agree changes to the Scheme of Financing Schools directed changes, and asks maintained representatives at Forum to ratify the non-directed changes, where the opportunity has been taken to make corrections.
- 1.4 Forum is asked to note the revisions to the Schools Financial Regulations.

2.0 CHANGES TO THE SCHEME FOR FINANCING SCHOOLS

- 2.1 Update from DfE in relation to section 6.1 for the addition of point 6.2.20 in the national scheme “Costs incurred by the authority in administering admissions appeals, where the local authority is the admissions authority and the funding for admission appeals has been delegated to all schools as part of their formula allocation.”
- 2.2 Section 3.2 - The LA propose to change the proportion of monthly funding instalments from 12% of the schools budget in April and 8% for all other months, to 1/12th of the schools budget per month. This will align the LA's funding with that of the EFA, and allow a seamless transition for academy convertors, whilst allowing easier reconciliations and a quicker settlement process. The alignment will also enable a more uniform approach to the funding process of all education settings, and is also in readiness for the planned direct funding to all schools by the EFA, when the LA ceases to fund schools, this will thus allow the frequency and proportion to be aligned with the DfE's planned approach
- 2.3 Annex 1 – list of schools updated to remove recent academy convertors
- 2.4 Annex 6 – clarity of redundancy policy taking account of recent 2016/17 redundancy business case application document

3.0 CHANGES TO THE LOCAL FINANCE REGULATIONS

- 3.1 Under the School Standards and Framework Act 1998 all schools are required to have a set of Financial Regulations. Schools can either draft their own regulations or adopt the regulations established by Cambridgeshire County Council's constitution, which form the minimum standard, and school's own regulations must be no less rigorous than these.

- 3.2 Following recent school audits, the opportunity has been taken to update the regulations to clarify some specific areas:

Section 8.6 – Clarification of when non-public funds should be operated, in line with government regulations and reporting.

Section 13.7 - Amended to make clear that, projects managed by an external organisation (i.e. providing funding, arranging quotes/tenders, and appointing a contractor), but school received funding and pay supplier, then school needs email/letter from the external organisation retained on file stating this. Otherwise the school is responsible for obtaining and retaining the quotes, i.e. the school must either demonstrate compliance with Contract Regulations or have something in writing to evidence why they have not needed to comply.

Section 13.11/13.12 – Outlining of signatories responsibilities on signing cheques.

Section 13.13/15.4 – Clarity on spot checks and monitoring required by governors.

Section 13.15G/15.3F/19.3 – Responsibilities and checks to be performed by management clarified in relation to receipts and payments / bank reconciliation, payroll and purchase cards.

Section 15.2 – Reminder of schools responsibility to carry out adequate checks on legal status of workers and correct declaration of NI and PAYE to HMRC.

Section 17.4 – Clarity on insurance cover of cash and cheques, being no more than £3,000 in school safe (combination of cash and cheques).

Other amendments in relation to the regulations include:

- 3.3 Section 16.3 – removed note regarding treatment of receipts under £10, and clarification that all cash or cheque income must be receipted in receipts book (or day book), and reconciled to paying in slips.

Section 22.1 - Signposting of relevant safeguarding information policies and reference to information governance team for access to these documents.

Appendix A – retention of financial records – amendment to taxation returns to be 6 years.

4.0 ACTION

- 4.1 Maintained Representatives at Schools Forum are invited to:

- Note and approve the revisions to the Scheme for Financing Schools

**DfE
Source**

<https://www.gov.uk/government/publications/schemes-for-financing-schools>