

**NEATH PORT TALBOT COUNTY BOROUGH
COUNCIL**

**CHILDREN, YOUNG PEOPLE AND EDUCATION
CABINET BOARD**

28th April 2016

**JOINT REPORT OF THE DIRECTOR OF FINANCE AND
CORPORATE SERVICES, HYWEL JENKINS, AND
HEAD OF TRANSFORMATION, ANDREW THOMAS**

MATTER FOR DECISION

WARDS AFFECTED – ALL WARDS

FINANCING OF SCHOOLS SCHEME

Purpose of Report

1. To obtain Children, Young People and Education Cabinet Board determination of the Financing of Schools Scheme to be implemented as of 2016/17 financial year.

Executive Summary

2. The Council has a statutory obligation to publish a Scheme relating to the funding of its maintained schools. The Scheme is to set out the financial relationship between the Council and its maintained schools
3. A Scheme for Member determination is attached to this report. It has been the subject of consultation and has been approved by the NPT Schools Forum.
4. The current Scheme needs updating to reflect changes in statute and to ensure the continued efficient and effective management of public money.

5. Governing bodies are accountable to the Council for the security, custody and deployment of all resources for which they have been delegated responsibility.
6. The proposed Financing of Schools Scheme applies operational controls to the management of school delegated budgets.
7. It is the officer recommendation that Members determine the proposed Scheme attached to this report.
8. The proposed Scheme conforms to the legislative requirements of the School Funding (Wales) Regulations 2010.

Background

9. The Council has a statutory obligation under the School Standards and Framework Act 1998 (the Act) to prepare and publish a Scheme relating to the financing of the schools it maintains.
10. The Council financially supports its schools by allocating money in the form of schools' budget shares. Governing bodies are responsible managing these delegated monies.
11. The financial controls within which delegation works are set out in the proposed Financing of Schools Scheme attached to this report (appendix A). The Scheme is determined by the Council in accordance with section 48 of the Act and needs to be approved by NPT Schools Forum. The content of the proposed Scheme is in accordance with the requirements of the School Funding (Wales) Regulations 2010.
12. Subject to the provisions of the Scheme, governing bodies of schools may spend their budget shares for the purpose of their school or for any additional purposes that may be prescribed in regulations. As such, the Scheme provides the basis of the financial relationship between the Council and its maintained schools and sets out the financial management arrangements to which both the Council and school governing bodies are required to adhere.
13. In this regard, all schools must comply with the Council's accounting policies and financial regulations, ensuring that proper accounting records are maintained and kept up to date.
- 14.

Proposed Financing of Schools Scheme for determination

15. The Council has responsibility for setting the policy framework for the Education Service and for managing that part of the resources for education which it will retain centrally in accordance with regulations made under section 46 of the Act.
16. Governing bodies have their own statutory duties and powers. A governing body has a general responsibility for ensuring that their school is run effectively and efficiently within the framework set by legislation and policies of the Council.
17. It is the responsibility of each school's governing body to manage its budget share for implementation of the School Development Plan.
18. The intention of the proposed Financing of Schools Scheme is to allow governors and head teachers as much discretion in the management of delegated resources as is consistent with the Council being able to fulfil its statutory responsibilities.
19. The Scheme has been the subject of consultation and has been approved by the NPT Schools Forum.
20. If approved, the Scheme will be effective as of 2016/17 financial year.

Consultation

21. The Council has consulted on its proposed Scheme which was distributed for comment to all head teachers and governing bodies of maintained schools in NPT. The period for submitting responses ran from 21st of October 2015 to 20th November 2015. Two responses were received.
22. In addition, the following have been also been consulted:
 - The primary schools consultative group, LLAN: 6th October 2015
 - The secondary schools consultative group, NAASH: 23rd October 2015
 - NPT Schools Forum: 15th October 2015 & 26th November 2015

The formula which the Council uses to determine schools' budget shares is the subject of a separate consultation process the outcome of which will be reported to Members at a later date.

Consideration of responses to the proposal

23. The responses to the consultation are attached as appendix B. As these are in agreement with the proposed Scheme, no officer commentary is provided.
24. Having considered the responses to consultation, including the approval of the Schools Forum (26th November 2015), it is the opinion of officers that the arrangements are fit for purpose and, as such, Member determination is recommended.

Financial Impact

25. Implementation of the Scheme supports the efficient and effective management of public finances within the Council and across the schools it maintains.
26. Administration of the Scheme falls within the Council's staffing cost envelope and the budget share allocation to schools.

Equality Impact Assessment

31. An equality impact assessment screening has been carried out and it has been determined that a full Equality Impact Assessment is not required.

Workforce Impact

32. Management and administration of the Scheme will fall to both the Council and to schools. It is envisaged that there will be a neutral workforce impact consequent upon the implementation of the Scheme as the general staffing complement associated with the delivery of this financial function will need to be maintained.

Legal Impacts

33. Section 48 of the School Standards and Framework Act 1998 states each Local Authority shall prepare a Scheme dealing with such matters connected with the financing of the schools maintained by the Authority.
34. Section 26 and Schedule 4 of the School Funding (Wales) Regulations 2010 lists the required contents of a finance scheme.

35. The proposed Scheme conforms to both these legal requirements.

Risk Management

36. The Council is required to have in place a Scheme for the financial management of the schools it maintains. The current Scheme needs updating to reflect changes in statute and to ensure the continued efficient and effective management of public money.
37. All schools must comply with the Council's accounting policies/instructions and financial regulations together with the accounting codes of practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).
38. Schools will be required to provide the Council with details of anticipated (budgeted) and actual expenditure and income.
39. The Director of Finance and Corporate Services is responsible for the preparation of the Council's statement of accounts which includes expenditure incurred by schools. Corporate finance will issue a closing timetable and specific guidance to schools outlining the procedures to be followed. Schools must comply with the year-end closure timetable.
40. Governing bodies are accountable to the Council for the security, custody and deployment of all resources for which they have been delegated responsibility.
41. The Council's Internal Auditor may review and appraise any school's financial policies, plans, procedures and records and must be given unlimited access to the school's records, assets and personnel.

Recommendations

42. It is recommended that, in line with the requirements of the School Standards and Framework Act 1998 and School Funding (Wales) Regulations 2010, Members determine the Financing of Schools Scheme for maintained schools within the County Borough.
43. The Scheme to take effect as of 2016/17 financial year.

Reasons for the Proposed Decision

44. The existing Scheme needs to be updated to reflect changes in statute.

Implementation of Decision

45. The decision is proposed for implementation after the three day call in period.

Appendix

Appendix A: Proposed Financing of Schools Scheme

Appendix B: Consultation Responses

List of Background Papers

- a. School Standards and Framework Act 1998
- b. Education Act 2002
- c. School Funding (Wales) Regulations 2010
- d. Local Government Act 1972

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