

REPORT TO: School Forum

DATE: 16th October 2012

REPORTING OFFICER: Principal Finance Officer, Financial Management Division

SUBJECT: School Finance Regulations 2013

WARDS: Boroughwide

1.0 PURPOSE OF THE REPORT

1.1 Inform of proposed changes to the school forum regulations for 2013 onwards.

2.0 RECOMMENDATION: That

- (1) School Forum notes the proposed changes to the school finance regulations

3.0 SUPPORTING INFORMATION

The Education Funding Agency (EFA) issued consultation on the Schools Finance regulations 2013 and additional grant conditions for the Dedicated Schools Grant (DSG) on 19 July. The regulatory changes give effect to the decisions set out in the school funding reform announcements on 26 March and 28 June.

The draft School and Early Year Finance (England) Regulations 2013 for the most part reflect the decisions already made, including decisions on formula factors, maximum delegation, central expenditure and the Minimum Funding Guarantee.

The attention of Schools Forum is drawn to the following new features in the School Finance regulations 2013:

Regulation 3 amends the 2012 school forum regulations to provide for maintained school members of schools forums to approve de-delegation proposals for their phase for maintained schools only;

Regulation 8 (4) specifies that the schools forum must approve the criteria on which any funding retained for pupil growth is to be allocated;

Regulation 8 (5) specifies that schools forum approval is required for central schools and early years block items;

Regulation 12 sets out the powers of schools forum and the Secretary of

State to authorise central schools and early years block expenditure and de-delegation and

Regulation 27 sets out that changes to schemes for financing schools must be approved by maintained school members of the schools forum.

Also, amendments to the DSG grant conditions are necessary to recognise that the DSG funds most academies and non-maintained high needs providers. The additional conditions of grant imposed are listed in Appendix A.

The intention is for the regulations to come into force by 1 January 2013.

4.0 POLICY IMPLICATIONS

N/A

5.0 OTHER IMPLICATIONS

N/A

6.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
DfE School Funding Reform: Arrangements For 2013-14	Kingsway House	Naheem Shafiq Principal Finance Officer, Children & Enterprise
EFA Consultation – Schools Finance Regulations 2013 and additional grant conditions for the Dedicated Schools Grant (July 2012)	Kingsway House	Naheem Shafiq Principal Finance Officer, Children & Enterprise
EFA Draft School and Early Years Finance (England) Regulations 2013 (July 2012)	Kingsway House	Naheem Shafiq Principal Finance Officer, Children & Enterprise

APPENDIX A

DEDICATED SCHOOLS GRANT (DSG) - ADDITIONAL GRANT CONDITIONS

1. The authority must maintain a single formula for funding both maintained schools and Academies in its area;
2. In constructing the formula, the authority must take account of the circumstances of all Academies and maintained schools in its area;
3. In using funding held centrally within DSG, other than funding that has been de-delegated by maintained schools, the authority must treat maintained schools and Academies to which recoupment applies on an equivalent basis;
4. In making arrangements for funding young people with high needs, the authority must treat those placed in maintained provision, in Academies and Free Schools, in the FE sector, and in non-maintained and independent provision on a fair and equivalent basis;
5. In deciding on top-up funding rates for the pupils it will place in special schools maintained by the Authority and Special Academies formerly maintained by the authority, the authority must ensure that the rates for each school are set no lower than at such a rate or rates that, if all the pupils in the school or Academy were placed by the authority, and the number of places remained the same in the two financial years, the school or Academy's budget would reduce by no more than 1.5% in cash between 2012-13 and 2013-14;
6. When a pupil who would require top-up funding has already been placed in an institution by the authority at the time the new funding system for high needs pupils is introduced, the authority must enter into a contract with the institution to make such top-up payments until such time as the pupil has left the institution, or the contract is replaced by another. When such pupil is placed by the authority in an institution at a later date, the authority must likewise enter into such a contract; and
7. When making top-up payments to institutions for high needs pupils, the authority must make the payments in a timely fashion on a basis agreed with the institution, which should be monthly unless otherwise agreed.