

## **Proposals for changes to the Scheme of Delegation and Finance Manual**

### **1. Purpose of the Report**

To seek the Schools Forum agreement to changes to the scheme of delegation and Finance Manual.

### **2 Recommendation**

2.1 The Forum agree to the proposed changes to the scheme of delegation

2.2 The Forum agree to the proposed changes to the Finance Manual

### **3 Background**

3.1 The majority of the changes proposed are largely a matter of tidying up the existing documents to incorporate changes in practice.

3.2 There are some exceptions to this and these are highlighted below together with the rationale.

3.3 The revised documents highlighting the changes are attached to this report.

### **4 Scheme of delegation**

4.1 The section on the Financial Management Standard in Schools was deleted last year but as the new Schools Financial Value Standard was still being consulted on, at that time and nothing was included in the Scheme. Section 2.21 of the scheme has been inserted to remedy this.

4.2 Schools in financial difficulty and redundancy costs.

Annex E has now been inserted which confirms the current policy on redundancy costs and in what instances financial support will be given to schools.

4.3 Charging schools – three new paragraphs have been inserted (6.2.23 to 6.2.25)

- Overpayment of salaries
- Extra support needed for children
- Redundancy costs to link into Annex E mentioned in 4.2 above.

#### **4.4 Overpayment of salaries**

Currently there are a number of instances whereby staff are overpaid when this happens a mechanism is put in place to recover the funding. Where the member of staff is still employed by the LA it is a fairly simple matter of reducing the persons pay in the future. Recovering funding becomes more difficult when the person has left the employment of the Local Authority. If this is case debt recovery processes are actioned. These are sometimes successful sometimes not. When the debt recovery team take over the debt the school is automatically reimbursed for the overpayment. This is at a cost to the council if the debt is then not recovered. Admittedly the payroll procedures are such that mistakes are made, however where it is deemed that the overpayment is due to fault of the school (the most common one being the school fails to notify the council of a member of staff has left) and the debt is not recoverable then the cost will be charged to the school. Where the school is deemed at fault a debt recovery fee of £100 will be charged in addition to the debt.

#### **4.5 Extra support needed for pupils**

This relates to any cost incurred by the LA in securing education outside of the school for a pupil where a school has not taken the advice of the Local Authority regarding the timely admission of a pupil including those with SEN.

#### **4.6 Redundancy costs and financial support**

This is as detailed in Annex E to the revised Scheme attached

### **5 Finance Manual**

**5.1** Most of the changes to the manual are mainly of a routine nature, the section on the Financial Management Standard in Schools has been replaced by the new Schools Financial Value Standard.

**5.2** The manual has also been updated to confirm the existing practice that a school must notify the LA when it has implemented recommendations in the Internal Audit report.

All audit reports are monitored by Members through the Council's Audit Panel. The panel considers progress on the implementation of recommendations to ensure that the Local Authority is not unduly exposed to risk. Included in this review are the school audits. Recently an increasing number of schools recommendations have been reported as outstanding. Our view is that quite often the recommendations have been implemented by schools but we are unaware of the fact. The requirement in the manual now confirms that schools should notify the Local Authority once they have implemented the recommendations.

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