

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

1. Purpose of the Report

In order to reduce the bureaucratic burden on schools, the number of returns required to be sent to the Local Authority is being reduced. This report looks at agreeing them and seeks the Forum's agreement to technical updates to the Scheme of Delegation and finance manual.

- i) The Forum agree to adopt the revised terms shown in paragraph 4.3 and 4.4**

3. Background

- 3.1 The School Finance (England) (Amendment) Regulations 2010 came into force on 8th March 2010 it is now a requirement for local authorities to publish their latest version of their Scheme for Funding Schools on a publicly accessible website. Revised versions of the Scheme must also be published before the date from which the revisions take effect, and it must be made clear when this date is.
- 3.2 The current scheme documentation has been reviewed and there are some amendments that need to be made.

4. Proposals

- 4.1 The proposed changes are amendments listed in para 4.3 and para 4.4.
- 4.2 Any administrative updates to take account of changes in titles, departments (e.g. DCFS becoming DfE), responsibilities, numbering, errors and formatting will be presented as a verbally.

4.3 Specific changes to Scheme of delegation

| Old | New | Current | Proposed |
|--------|-------|---|--|
| 2.2 | 2.2 | <p>Schools are required to provide the LA with details of forecast and actual expenditure and income, in a form and at times determined by the LA. During each year, schools will be required to submit financial and other returns to the LA on a regular basis (e.g. monthly, termly or annually) as set out in the Schools Finance Manual.</p> <p>The LA does not require submission of such details more often than once every three months except for those connected with tax or banking reconciliation, except where the LA has notified the school in writing that in its view the school's financial position requires more frequent submission or the school is in its first year of operation.</p> | Delete paragraph |
| Reason | | To reflect proposed changes to submissions of financial returns | |
| 3.5.1 | 3.5.1 | <p>Accounts may only be held for the purpose of receiving budget share payments, at the following banks or building societies.</p> <p>Santander UK plc (including Alliance and Leicester , Bradford and Bingley Building Society and Abbey National Bank) Lloyds TSB (including Halifax Building Society and Bank of Scotland) Barclays Bank Co-operative Bank (including Britannia Building Society) HSBC Royal Bank of Scotland (including National Westminster Bank)</p> | <p>Accounts may only be held for the purpose of receiving budget share payments, at the following banks or building societies.</p> <p>Santander UK plc (including Alliance and Leicester , Bradford and Bingley and Abbey National) Lloyds (including TSB , Halifax, Cheltenham and Gloucester, Bank of Scotland, Scottish Widows) Barclays (including Standard Life) Co-operative (including Britannia Building Society, Smile, Unity Trust) HSBC (including First Direct) Royal Bank of Scotland (including National Westminster)</p> |
| Reason | | To reflect current banking groups and their subsidiaries | |
| 4.8 | 4.8 | <p>When a school closes, any balance (whether surplus or deficit) shall revert to the LA; it cannot be transferred as a balance to any other school, even where the school is a successor to the closing school.</p> <p>The LA may deduct any deficit balance from a closed school from any additional funding made available to a successor school, such as non-earmarked LA funding, but not from the ISB budget.</p> | <p>When a school closes, any balance (whether surplus or deficit) shall revert to the LA; it cannot be transferred as a balance to any other school, unless it is to convert to an Academy under the provisions of the Academies Act 2010 which requires the LA to pay over the school's surplus to the academy.</p> <p>The LA may deduct any deficit balance from a closed school from any additional funding made available to a successor school, such as non-earmarked LA funding, but not from the ISB budget.</p> |
| Reason | | The Academy Conversions (Transfer of School Surpluses) Regulations 2010 | |

4.4 Specific changes to the Finance Manual

Documents to be returned to CYP Finance on a monthly basis:

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| Bank reconciliation form completed and signed from 1 April to current month end. | Now quarterly |
| Copy of bank statement from 1 April to current month end. | deleted |
| Report from accounting system of all ISB and Standards Fund cash advances received. | deleted |
| Report from accounting system of the cash book balance brought forward at 1 April and end of the month. | deleted |
| Report from accounting system of a list of unrepresented cheques as at the end of the month. | deleted |
| Report from accounting system of the outstanding VAT as at the end of the month. | |
| Report from accounting system of external funds received and paid out. | deleted |
| Report from accounting system of income & expenditure analysis for ISB, Standards Fund and school meals. | deleted |
| Report from accounting system of budget accounts. | deleted |
| CFR "Ad hoc" report. | Now quarterly |