

CHESHIRE EAST

CABINET

Date of meeting: 17 February 2009
Report of: John Weeks – People Block Lead Officer
Title: School Funding 2009-10 to 2010-11

1.0 Purpose of Report

- 1.1 The purpose of this report is to seek approval to:
- the school funding formula to be used in setting school budgets for 2009-10, and
 - the Scheme for Financing Schools for 2009-10.

2.0 Decision Required

- 2.1 To adopt Cheshire County Council's school funding formula and Scheme for Financing Schools for 2009-10.

3.0 Financial Implications for Transition Costs

There are no financial implications for transition costs.

4.0 Financial Implications 2009-10 and beyond

- 4.1 There are no specific financial implications in 2009-10 arising from this decision.

5.0 Legal Implications

- 5.1 The current school funding framework is based on the legislative provisions in sections 45-53 of the School Standards and Framework Act 1998. Under this legislation, local authorities determine for themselves the size of their Schools Budget and LA Budget – although at a minimum a local authority must appropriate its entire Dedicated Schools Grant (DSG) to their Schools Budget.

School funding formula

- 5.2 Local authorities must distribute the ISB amongst their maintained schools using a formula which accords with regulations made by the

Secretary of State, and enables the calculation of a budget share for each maintained school. This budget share is then delegated to the governing body of the school concerned, unless the school is a new school which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with s.51 of the Act. The Council must determine its funding formula in time to issue school budgets for 2009-10 by 31 March.

- 5.3 In 2006-07, the Government introduced multi year funding periods for school funding, and there is a presumption against changes to funding formulae during a multi-year budget period to allow stability for schools. 2008-09 is the first year of the current multi-year budget period, which also includes 2009-10 and 2010-11.

Scheme for financing schools

- 5.4 The financial controls within which delegation works are set out in a scheme made by the authority in accordance with s.48 of the Act and approved by the Schools Forum. All revisions to the scheme must also be approved by the Schools Forum. Subject to provisions of the scheme, governing bodies of schools may spend budget shares for the purposes of their school. They may also spend budget shares on any additional purposes prescribed by the Secretary of State in regulations made under s.50.

6.0 Risk Assessment

- 6.1 School budgets must be issued by 31 March and the funding formula needs to be approved before the budget can be determined.
- 6.2 Schools must be informed of the requirements of the scheme before 1 April 2009.

7.0 Background and Options

- 7.1 The Cabinet received a report on School Funding 2009-10 on 8 September 2008 and resolved that:

“That authorization be given for work to be undertaken on:

(i) the school funding formula for the authority. The proposed formula needs to be agreed during January 2009 and will be used to issue school budgets in 2009-10.

(ii) the Scheme for Financing Schools that sets the financial regulations under which schools spend their budget shares. The Scheme needs to be approved by the Schools Forum during early 2009 and should be issued to schools before 1 April 2009.”

School Funding Formula

- 7.2 The report indicated that the starting point for Cheshire East's school funding formula in the short term was assumed to be Cheshire's

formula, which would also help the Council to meet its obligations with regard to the Minimum Funding Guarantee within the Dedicated Schools Grant available. A number of areas for potential modification of the formula were suggested, although it was noted that there was limited availability of staff with relevant expertise to undertake this work.

- 7.3 Time constraints have meant that it has not been possible to bring forward any changes to the formula and a decision needs to be made so that school budgets can be prepared and issued. Cabinet are therefore asked to adopt Cheshire County Council's school funding formula for use in setting school budgets for 2009-10. The Schools Forum must be consulted on the formula. The Forum has been informed that Cheshire East Council was likely to adopt Cheshire's formula and will be formally consulted by E Mail prior to the Cabinet meeting. Their response will be reported to the meeting.

Scheme for Financing Schools

- 7.4 The Scheme for Financing Schools sets out the financial controls within which schools spend their delegated budgets. Cabinet are asked to adopt Cheshire County Council's Scheme for Financing Schools for the financial year 2009-10. The Schools Forum is required to approve the Scheme and will be asked to do so at their meeting on 10 March.

8.0 Overview of Day One, Year One and Term One Issues

- 8.1 The funding formula is required prior to Day One as school budgets for 2009-10 need to be issued before the end of March. The Scheme for Financing Schools must be in place for 1 April. Both the formula and the Scheme must be reviewed on a regular basis.

9.0 Reasons for Recommendation

- 9.1 To ensure that the Authority meets its obligations to issue school budgets before 31 March 2009, and to have an agreed Scheme for Financing Schools on 1 April 2009.

For further information:

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Background Documents:

Documents are available for inspection at: