

Agenda Item 8 – Appendix 1

Schemes for financing schools **Statutory guidance for local authorities**

Updates to the guidance (March 2018)

Current 4.8 Balances of closing and amalgamating schools (to be deleted)

When a school closes any balance (whether surplus or deficit) shall revert to the authority; it cannot be transferred as a balance to any other school, even where a school is a successor to the closing school.

The allocation regulations made under section 47 of the School Standards and Framework Act 1998 make provision for authorities, if they wish, to make allocations to schools which have the effect of giving them the benefit of additional sums which are more than less than the balances of relevant closing schools. The regulations also provide for the amount of extra funding for new schools to recognise the deficit of a preceding school by being reduced; but they do not allow a sum equal to the deficit to be set against any normal funding of the new school – that is the elements of funding it would receive anyway if it was not new. Surplus balances of schools converting to academy status under section 4(1)(a) of the Academies Act 2010 transfer to the academy. Deficit balances of schools converting to academy status under Section 4(1)(a) of the Academies Act 2010 will be notified to the EFA (or replacement body) who will deduct this from the academy's funding and repay the authority.

Directed 4. Balances of closing and replacement schools **(Replacement)**

Where in the funding period, a school has been established or is subject to a prescribed alteration as a result of the closure of a school, a local authority may add an amount to the budget share of the new or enlarged school to reflect all or part of the unspent budget share (including any surplus carried over from previous funding periods) of the closing school for the funding period in which it closes.

Annex B: Responsibility for redundancy and early retirement costs

6. Costs of early retirements or redundancies may only be charged to the central school services block ~~part~~ of the Schools Budget, as a historic commitment, where the expenditure is to be incurred as a result

of decisions made before 1st April 2013. Costs may not exceed the amount budgeted in the previous financial year.

7. The local authority can retain a central budget within the schools budget to fund the costs of new early retirements or redundancies by a deduction from maintained school budgets (excluding nursery schools) only, where the relevant maintained school members of the schools forum agree.

2.3.1 Submission of financial forecasts

The authority may require schools to submit a financial forecast covering each year of a multi-year period for which schools have been notified of budget shares beyond the current year. Such forecasts will be used to confirm schools are undertaking effective financial planning and be used as evidence to support the authority's assessment of Schools Financial Value Standards.

6.2.15 Costs incurred by the authority in securing provision specified ~~in a statement of SEN~~ in an Education Health and Care Plan (EHCP) where the governing body of a school fails to secure such provision despite the delegation of funds in respect of low cost high incidents SEN and/or specific funding for a pupil with High Nneeds.