

MEETING	SCHOOLS' BUDGET FORUM
DATE	7 February 2017
TITLE	Consultation on proposed change to wording of Scheme for Financing Schools in relation to the transfer of the balances of closing schools
PURPOSE	Results of consultation with schools
RECOMMENDATION	Recommend that the Cabinet changes the wording of clause 4.8 of the Scheme for Financing Schools to the wording consulted upon
AUTHOR	Owen Owens
CABINET MEMBER FOR EDUCATION	Councillor Gareth Thomas

1. Background

1.1 The current wording of clause 4.8 of the Scheme for Financing Schools notes:

Balances of closing and replacement schools

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

1.2 Schools were consulted (see Item 6 - Appendix 1) on changing the wording of clause 4.8 to:

Balances of closing and replacement schools

When a school closes any balance (whether surplus or deficit) reverts to the LEA; it cannot be transferred as a balance to any other school, apart from when that other school has been established as a result of the closure. In such a situation the balance will transfer to the new school under the provisions of the School Funding (Wales) Regulations 2010.

1.3 The following considerations were noted in favour of the change in wording:

- Any monies in closing schools would follow the pupils to the new school.

- Under the current arrangements there could be a temptation for closing schools to spend any balances they have to ensure that the money does not transfer to the Authority. It could be envisaged that closing schools would spend on resources (which would transfer to the new school) but that the new school did not really need those resources. It would be far better that the money transferred to the new school allowing it plan for the appropriate use of the money in line with the requirements of the School Development Plan.
- No deficits would transfer to the Authority. As the Scheme for Financing Schools is currently worded, there is no incentive for a closing school to live within its budget. Changing the wording would promote responsible financial planning in schools because it would be foreseen that no school which knows it will be closing would wish to place any additional financial burdens on the new school being established.

2. Consultation Results

2.1 27 responses were received from schools (20 primary and 7 secondary). Every school that responded, bar one, was in favour of changing the wording of clause 4.8

2.2 The following comments were received:

Primary schools

- It is believed that the adaptation is to be welcomed and is in accordance with the School Funding (Wales) Regulations 2010. It is agreed that the authority should not profit financially as a result of closing the school and that any money that left over by a school that is closing should follow those pupils that are affected by the changes. It would be much better that the money transfers to the new school which would in turn allow the new school to plan appropriate use of the money in accordance with the needs of the School Development Plan
- Agree with the suggestion. It is sensible and fair to the successor of the school that is closing
- We agree with the above statements
- This is to notify that the Ysgol Ganllwyd Governing Body will not meet again before 27 January and will not therefore be in a position to respond to the consultation in question
- Any finance should be transferred to the new school but the new school should not have to deal with financial deficits of schools that have closed. The money should, if it does not follow to the new school which is being established due to closure of schools, remain in the

primary sector rather than going centrally to the authority and the primary sector losing this finance.

- Totally agree with the change in wording and that is because I have as a head faced the situation of trying to spend the balances of three schools before they closed. It was a difficult situation trying to spend those balances before the end of the Summer holidays
- It is common sense that the money follows the pupils and that the money is used strategically in the new school
- We agree with the above statements
- Transfer the balances to the schools that are left in proportion to their pupil numbers OR reduce the 2017/18 cuts by using the money saved
- Support 4.8
- We agree with the change and welcome it.
- With regards to changing the wording of the Scheme for Financing Schools so that the balances of schools that are closing transfer to the new school (in accordance with the wording in your letter) we state that we are as a school IN FAVOUR of the adaptation.
- Unfortunately there has not been a meeting of the governing body this term but the scheme was sent to all the members to ask their opinion. Only two responded with in favour of the change.

Secondary schools

- Agree with what is recommended
- Agree with what is recommended
- The GB agrees with the change in wording to the financing schools scheme so that the balances of schools that are closing transfers to the new school. The GB is of the opinion that this change creates a more solid context which allows and encourages responsible and careful financial planning. The GB is also of the opinion that careful consideration needs to be given before allowing deficits of a closing school to be shouldered by a new establishment. It is felt that this could mean that pupils in the future would be unfairly punished because of decisions in the past.
- The GB disagrees with the principle and is of the opinion that every new school should have a fresh start without having to shoulder the historical financial deficits of the closing establishments.
- The GB is in favour of this scheme. None of the members of the GB have an objection to the scheme.

3. Conclusion

- 3.1 The overwhelming majority of schools that have responded are in favour of changing the wording of clause 4.8 of the Scheme for Financing Schools

4. Recommendation

- 4.1 The Schools' Budget Forum recommends that the Cabinet changes the wording of clause 4.8 of the Scheme for Financing Schools in accordance to the wording in 1.2 above.