

Uwch Reolwr / Senior Manager – Owen Owens

Gofynnwch am/Ask for: **Owen Owens**  
☎ (01286) 679467 Ein Cyf / Our Ref: **OO/AAS**  
📄 (01286) 677347 Eich Cyf / Your Ref:  
✉ [owenowens@gwynedd.llyw.cymru](mailto:owenowens@gwynedd.llyw.cymru)

9 January 2017

**For the attention of: Governing Body and Headteachers of Primary, Secondary and Special Schools**

**Consultation on proposed change to wording of Scheme for Financing Schools in relation to the transfer of the balances of closing schools**

Dear Colleague

I would like to receive your opinion regarding changing the wording of the Scheme for Financing Schools in relation to the transfer of balances of closing schools.

**Current Wording**

Paragraph 4.8 of the current Scheme for Financing Schools notes:

**4.8 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.*

However, Schedule 3 of the School Funding (Wales) Regulations 2010 allows for the amounts payable to a school which is established as the result of the discontinuance of one or more maintained schools to reflect the extent to which a school which has been discontinued has spent more than or has not spent all of its budget share in any funding period, *i.e. it is possible to transfer the balances of a closing school to the school being established in its place.*

**Change of Wording**

Your opinion is sought with regards to changing the wording of paragraph 4.8 to read as follows:

**4.8 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.*

Swyddfa'r Cyngor  
Caernarfon  
Gwynedd LL55 1SH  
01286 672255  
[www.gwynedd.llyw.cymru](http://www.gwynedd.llyw.cymru)

There are several considerations in favour of the change, including:

- 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.

I ask for your school's response to the proposal to change the wording of the Scheme for Financing Schools as described above **by Friday, 27 January, 2017**. I will then present a report to the Schools' Budget Forum meeting on Tuesday, 7 February, 2017, and the Forum's recommendation will be submitted to the Cabinet on 7 March, 2017. If the proposal meets with the approval of the Gwynedd Council Cabinet, it will be implemented from 1 April, 2017.

### School's Response

Regarding the change of wording to the Scheme for Financing Schools so that closings schools balances transfer to the new school (in accordance with the above wording), please state if your school is:

School No. :		School Name:	
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In favour :		Against :		No opinion :	
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Comments:
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Return your responses to Annie Sanson ([anniesanson@gwynedd.llyw.cymru](mailto:anniesanson@gwynedd.llyw.cymru)) by **Friday, 27 January, 2017**.

Thank you

*Owen Owens*

**Owen Owens**  
**Uwch Reolwr Addysg (Gwasanaeth Adnoddau)**  
***Senior Manager Education (Resouces Service)***