

CHILDREN'S SERVICES SCRUTINY COMMITTEE
22nd February 2006

SCHOOL FUNDING TASK GROUP
UPDATE ON IMPLEMENTATION OF RECOMMENDATIONS

Purpose of the Report

1. To update members on progress in implementing the recommendations of the Schools' Finance Task Group report.

Background

2. The Schools' Funding Task Group final report was considered by Cabinet in September 2004. It was agreed that the implementation of recommendations would be monitored by the Education Improvement and Scrutiny Panel (now the Children's Services Scrutiny Committee).
3. The recommendations from the report were:
 - a) Make provision for one additional member of staff to support the existing Accounting & Budget Support Team;
 - b) Introduce a more proactive approach to monitoring how schools spend their resources;
 - c) Raise awareness, understanding and recognition of financial forward planning and introduce processes that encourage and assist schools to carry this out;
 - d) Increase emphasis on training, particularly financial forward planning;
 - e) Improve communication between schools and recognise the expanding finance officer role.

Main Considerations for the Council

Progress to Date

4. The new Schools Strategic Financial Management Adviser has been in post since September 2005 and a pilot project has been established to implement the Financial Management Standard within schools in line with the DfES timetable. The DfES requires that all secondary schools meet the standard by March 2007.
5. We have arranged with the Institute of Public Finance to hold a briefing session for schools in February 2006 on the DfES Financial Management Standard.
6. The Schools Strategic Financial Management Adviser has also started to work proactively with schools who have surplus balances. The Controls on Surplus Balances Scheme (see para 8 below) will mean that schools will be challenged earlier in the financial year to manage their resources more effectively.
7. Financial Planning software has been purchased and implemented within all schools in Wiltshire. All schools have received training and a user group has been established. Feedback from schools regarding the software has been very positive.

Schools Forum have agreed that from 2006/07 schools will submit 3 year budget templates using the software as the basis for producing the projections.

8. Schools Forum has agreed that from 2005/06 a shadow scheme for the capping of rollovers will be implemented. A scheme has been agreed by Schools Forum and will be reviewed after the closure of accounts for 2005/06 with a view to full implementation from 2006/07.
9. Progress has been made in the implementation of remote access to schools PCs from the Accounting and Budget Support Helpdesk. This will improve the support given to schools when it is fully operational.
10. Work is progressing on the development of a single financing stream for schools to prevent multiple payments during each month.

Environmental Impact

11. None identified.

Risk Assessment

12. Significant progress has been made in the implementation of the Group's recommendations and schools have been supportive of the new initiatives to develop financial planning and benchmarking. Implementation is progressing within the context of Local Management for Schools and thus schools can continue to make their own management choices.

Financial Implications

13. Funding allocated for the new post in the Accounting & Budget Support Team is £40,000, this has been allocated from headroom within the Schools budget. The cost of the financial planning software distributed to all schools is £59,000 in the current financial year, again, this has been funded from headroom within the schools budget. The costs of the annual upgrade to the software will be £150 per school and this will continue to be funded from the budget allocated by Schools Forum in order to ensure that all schools receive the updated software.

Proposals

14. To note the progress made on implementing the recommendations of the Schools Finance Task Group.

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Documents relied upon in the preparation of this report:
Schools Finance Task Group, Final Report & Recommendations, June 2004