

Cheshire West & Chester Council

Education and Inclusion

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Date: Friday 31st January 2020

Headteacher and Chair of Governors
Letter sent via email

Dear Headteacher and Chair of Governors

Cc Admin and clerks

Proposed change to the Cheshire West and Chester Scheme for Financing Schools - The Delegated Revenue Budget, Preparation and Planning – Draft budgets required by 31 March 2020

The Cheshire West and Chester Scheme for Financing Schools is a statutory document detailing the financial relationship between the Local Authority and maintained schools. The current scheme is published at the following link:

https://inside.cheshirewestandchester.gov.uk/policies_plans_and_strategies/schools_forum

Statutory guidance states that the Scheme should contain a provision requiring each school to submit a budget plan to the authority by a stipulated date showing its intentions for expenditure in the current financial year and the assumptions underpinning the budget plan. Authorities may insert in their schemes a requirement that provisional budget plans be submitted by a certain date; but these should be differentiated from the formal budget plan which should not be required before 1 May.

In the current scheme for Cheshire West and Chester, the formal budget plan is required by 1 June. This has not been revised since the Funding Reforms of 2013 which brought forward the school budget share allocations to February. To ensure that schools are planning ahead in sufficient time to manage their budget and effect any necessary changes, the Local Authority has proposed to Schools Forum to bring forward the formal budget submission deadline to 1 May. In addition, an initial budget plan will be required from each school, approved by the Governing Body by the end of the spring term such that only revisions arising from a change in carry forward position need to be



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revisited by 1 May. These proposed changes were endorsed by Schools Forum at the July 2019 meeting.

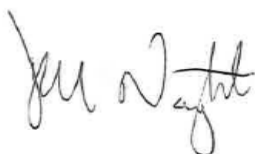
Following further discussions with some schools and governors, we acknowledge that Governing Body's are unlikely to be able to convene a meeting by 1 May given the timing of the Easter holidays. Therefore we are proposing to leave the formal deadline of 1 June unchanged but to increase the requirements of the draft budget setting process for 2020-21. These changes are to ensure that schools are planning ahead in sufficient time to be able to make any changes for the next academic year. Also, to ensure that schools budgets are being ratified by the Governing Body as we are aware of a number of schools that did not complete this by the statutory requirement of 1 June last year.

The following process is proposed for the 2020-21 budget cycle:

- Primary and Secondary schools block funding notifications issued in draft in mid January
- Budget allocations for schools block, high needs block and early years block funding issued by the end of February.
- During the spring term, schools formulate a draft budget based on the best available information and forecast outturn position to determine their carry forward.
- Draft budget is ratified and approved by the Governing Body by 31 March.
- Proforma budget setting tool (VB1A) will be provided to schools in March along with a proforma for Governing Body sign off.
- Draft budget will be uploaded by the Schools Finance Team for the start of the summer term.
- Schools are issued with their financial year end carry forward position last week in April.
- Budgets are revised to take into account any variance in the forecast to actual outturn only in the summer term and approved by the Governing Body or delegated committee by 1 June. Changes to the draft budget will be completed on a VB1B proforma and Governing Body approval of this proforma will also be required.

Please can you note the changes that will be required for the 2020-21 budget cycle later this term and contact SchoolsFinanceTeam@cheshirewestandchester.gov.uk with any queries. If you buy back Financial Management Service, your budget officer will assist you with the changes to the process as part of your spring term meeting.

Yours sincerely



Mark Parkinson and David McNaught
Directors of Education and Inclusion