

**Title of meeting:** Schools Forum

**Date of meeting:** 12 July 2017

**Subject:** Scheme for Financing Schools

**Report from:** Alison Jeffery, Director of Children, Families and Education

**Report by:** Richard Webb, Finance Manager

**Wards affected:** All Wards

**Key decision:** No

**Full Council decision:** No

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**1. Purpose of report**

- 1.1. This report outlines the proposed changes to the Scheme for Financing Schools which reflect the revisions directed by the Department for Education (DfE).

**2. Recommendations**

- 2.1. It is recommended that Schools Forum members representing maintained schools approve the revised Scheme for Financing Schools attached at Appendix 1, to come into force on 1 August 2017.**

**3. Background**

- 3.1. The latest statutory guidance for Local Authorities issued by the DfE in respect of the Scheme for Financing Schools reflects the recent changes to legislation as set out in The School and Early Years Finance (England) Regulations. The proposed Portsmouth City Council Scheme for Financing Schools attached at Appendix 1, incorporates the requirements of the statutory guidance issued by the DfE. The proposed scheme will become effective on 1<sup>st</sup> August 2017 once approved by Schools Forum.
- 3.2. Consultation on the changes to the Scheme took place between the 12 June 2017 and 23 June 2017, with Head-teachers, Governors and Finance staff and any responses to the consultation have been reflected in the final document attached at Appendix 1.

#### 4. Proposed Revisions

4.1. The proposed Scheme has been revised to ensure consistency of language, the correct use of titles for responsible officers together with updated hyperlinks to further information. The main revisions to the scheme are listed below and reflect both the changes to the statutory guidance issued by the DfE, together with the general revisions for changes to Portsmouth City Council policies and procedures.

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|----------------------|---|
| a. Paragraph 1.1     | Reflects the statutory guidance issued by the Department for Education.   |
| b. Paragraph 2.1.3.1 | Updated wording relating to Human Resource management.  |
| c. Paragraph 2.3     | Reworded to clarify expectations relating to budget setting.  |
| d. Paragraph 2.14    | Reflects the requirement to comply with regulations with regard to capital expenditure.   |
| e. Paragraph 3.1     | Removes the detailed table and includes a reference to the budget share guidance notes for maintained and academy Special Schools, Inclusion Centres and Alternative Provision settings, which is published in separate budget share guidance.  |
| f. Paragraph 3.5.1   | Includes clarification of the ownership of budget share fund paid by the Council.   |
| g. Paragraph 3.6     | Removes the section relating to voluntary aided schools and loans.  |
| h. Paragraph 6.2.20  | A direction from the DfE that authorities may charge for the costs incurred by the authority in administering admissions appeals, where the authority is the admissions authority and the funding for admissions appeals has been delegated to all schools as part of the formula allocation. |
| i. Paragraph 7.1     | Clarifies the standard and lower VAT rates.   |
| j. Section 10        | Reflects the change in the insurance excess currently paid by the local authority.  |
| k. Paragraph 11.5    | Clarifies the responsibilities of schools and provides a link to the policy documents for schools.  |
| l. Paragraph 11.6    | Clarifies that the Council will give prior notice of attendance at a Governing Body meeting if practical.   |
| m. Paragraph 11.10   | Clarifies the use of the budget share for community redundancies only where it does not significantly impact on the ability of the governing body to carry out its duties under the Education Act 2002.   |

- n. Annex 4 Includes a reference column on the Inventory Sheet.
- 4.2. Schools were consulted on the proposed changes between the 12 June 2017 and 23 June 2017. A total of nine responses were received with 11 questions relating to the following:
- a typo on the "main changes to the Scheme" consultation document circulated with the draft Scheme for financing schools identified that changes had been made to paragraph 1.6 when they had in fact been made to paragraph 1.1;
  - clarification of the number of tenders a school should seek in respect of contracts with a value exceeding £10,000;
  - clarification around the circumstances when Schools Forum may provide financial support to schools;
  - clarification in relation to reclaimed VAT being passed back to schools;
  - clarification of the primary accountability regarding to Health and Safety; and
  - six schools sought further information relating to new section at paragraph 6.2.20.
- 4.3. The changes to paragraph 6.2.20 are directed by the DfE within latest the statutory guidance and are therefore required to be included within the Scheme. The Council has kept the cost of appeals within the total cost of delivering the statutory duty of managing the transfer groups thereby the city council would not charge schools for the cost of appeals under the current arrangements.
- 4.4. The revised version of the Scheme for Financing Schools, once approved will be issued to schools (including Head Teachers, Governors and Finance Staff) and made available on the intranet and the external website.

## 5. Reasons for recommendations

- 5.1 Part 4 of The School and Early Years Finance (England) Regulations 2017 sets out the responsibilities in respect of the scheme for Financing Schools, including the required content which the scheme must deal with (Regulation 30) and the requirement for members of Schools Forum who represent schools maintained by the authority to approve revisions to the Scheme (Regulation 31). The recommendations contained within this report, seek approval from the relevant Schools Forum members to the proposed changes to Portsmouth City Council's Scheme for Financing Schools in line with those Regulations.

**6. Equality impact assessment (EIA)**

6.1 The Scheme for Financing Schools sets out the financial relationship, procedural arrangements and the statutory duties between maintained schools and the City Council. There is no direct impact on any particular equalities group and therefore does not require an equities impact assessment.

**7. Legal comments**

7.1 Approval of the recommendations in this report will enable the Council to meet its statutory duties in respect of the maintenance and publication of a scheme for financing the schools which it maintains. (Section 48 and Schedule 14 of the School Standards and Framework Act 1998 and Part 4 and Schedule 5 of the School and Early Years Finance (England) Regulations 2017).

**8. Finance comments**

8.1 There are no financial implications arising directly from the recommendations contained within this report.

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 Signed by: Alison Jeffery, Director of Children, Families and Education

**Appendices:**  
 Appendix 1 - Scheme For Financing Schools

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Statutory Guidance - Schemes for Financing Schools	<a href="https://www.gov.uk/government/publications/schemes-for-financing-schools?utm_source=EFA%20e-bulletin&amp;utm_medium=email&amp;utm_campaign=e-bulletin&amp;mxmroi=2305-8620-29964-0">https://www.gov.uk/government/publications/schemes-for-financing-schools?utm_source=EFA%20e-bulletin&amp;utm_medium=email&amp;utm_campaign=e-bulletin&amp;mxmroi=2305-8620-29964-0</a>

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

.....  
 Signed by: