**Report to Hartlepool Schools’ Forum 7May 2019**

**From Sally Robinson (Director of Children’s and Joint Commissioning)**

# Agenda Item 13 – Updates to Scheme for Financing Schools

1. **Introduction**
   1. Local authorities are required to have a scheme for financing schools, setting out the relationship they have with their maintained schools.
   2. Each year, ESFA (Education and Skills Funding Agency) publish changes required to the Scheme for Financing Schools. Local authorities are required to incorporate the changes into their Scheme and associated documentation, in consultation with schools.
   3. This report outlines the required changes to the existing Scheme and provides a revised Scheme to reflect the updates.
2. **Background**
   1. ESFA published an update to the Scheme for Financing Schools statutory guidance in February 2019. The changes reflect updates to policy and legislation.
   2. The changes are restricted to statutory guidance and do not affect any local agreements contained within the Hartlepool Scheme.

**3** **Changes to the Scheme**

3.1 The table below summarises the required updates to the current Scheme.

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| Paragraph | Change |
| 1.5 Revision of the Scheme | Additional statement from ESFA to be added: “It is also possible for the Secretary of State to make directed revisions to schemes after consultation. Such revisions become part of the scheme from the date of the direction.” |
| 2.1.4 Control of Assets | Additional statement from ESFA to be added “Schools are encouraged to register anything that is portable and attractive, such as a camera.” |
| Threshold of £500 amended to £1,000. Schools are free to determine their own arrangements for keeping a register of assets below £1,000. |
| 2.4 Efficiency and Value for Money | Section to be renamed “School Resource Management” and wording amended from “achieve efficiencies” to “effective management of resources” |
| 2.1.10 Purchasing, Tendering and Contracting Requirements | Additional statement and hyperlink from ESFA to be added “Schools may seek advice on a range of compliant deals via [Buying for schools](https://www.gov.uk/guidance/buying-for-schools)” |
| 5.1 Income from Lettings | Additional statement from ESFA to be added “However, where land is held by a charitable trust, it will be for the school’s trustees to determine the use of any income generated by the land.” |
| 6.3 Circumstances in which Charges May Be Made | ESFA amendment as follows “Other expenditure incurred to secure resignations where ~~the school had not followed the Authority’s advice~~ there is good reason to charge this to the school;” |
| 8.1 Provision of Services from Centrally Retained Budgets | ESFA amendment as follows: “The Authority cannot, however, discriminate in its provision of services on the basis of categories of schools except ~~where such discrimination is justified by differences in statutory duties~~ in cases where this would be allowable under the school and early years finance regulations or the dedicated schools grant (DSG) conditions of grant.” |
| 8.4 Teachers’ Pensions | Reference to “annual” returns changed to “monthly” returns |
| 10.1 Insurance Cover | Statement from ESFA to be added “The evidence required to demonstrate the parity of cover should be reasonable, not place an undue burden upon the school, nor act as a barrier to the school exercising their choice of supplier.” |
| 13.2 Community Facilities – Consultation with the Authority | Updated to reflect changes to the Children and Families Act 2014; a school is no longer required to consult before establishing community facilities, and there is no longer a need for a school to be mindful of a local authority’s advice, under section 27 of the Education Act 2002 |
| 13.8 Health and Safety Matters | Criminal Records Bureau amended to Disclosure Barring Service |
| Annex 1 | List of schools covered by the scheme amended to reflect academy conversions |

3.2 The most significant change included in the table above (reference paragraph 13.2) relates to Community Facilities where the requirement for consultation with the local authority before establishing community facilities has been removed. However, the Scheme does expect that schools act reasonably, by continuing to consult those affected by decisions that they make.

3.3 During the exercise to assess changes to the Scheme for 2019, it was recognised that an historic update is required. This also relates to the treatment of Community Facilities. The change became effective in statute on 1 April 2011. The statutory change is that “amounts spent on Community Facilities are spent for the purposes of the school” (as stated in section 50(3A) of the Children, Schools and Families Act 2010).

3.4 The key implication of this change is that any deficit on Community Facilities must be treated as school expenditure and therefore be taken from the School Budget Share. The authority will work with any schools with a Community Facility deficit to understand potential recovery plans and implement the changes during 2019/20.

3.5 The change is reflected in paragraph 13.7 of the Scheme.

3.6 The revised Scheme reflecting the changes outlined in this report is attached at appendix A. All changes and deletions are highlighted in yellow.

**4** **Recommendations**

4.1 Forum is asked to:

a) note the ESFA changes outlined in the report, including the historic change described in paragraph 3.3;

b) agree that the changes outlined are confirmed in the Scheme documentation and published.

**Please note that only Maintained School Forum Representatives are affected by these recommendations**