**Report to Hartlepool Schools’ Forum 14July 2020**

**From Amanda Whitehead (Assistant Director - Education)**

# Agenda Item 8 – 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 April 2020. In the context of coronavirus (COVID-19), changes have been kept to a minimum.
   2. Planned changes to the Scheme relating to revised reporting guidance for financial transparency of maintained schools and academy trusts have been delayed.
   3. Planned changes to the Scheme relating to accounting regulation changes for leases have been delayed as the regulation change itself has been deferred. Accounting changes were planned to come into effect on 1 April 2020 and have now been deferred to April 2021.

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

3.1 The only significant change to the Scheme relates to the extended offer of risk protection arrangement (RPA), an alternative to commercial insurance for academies, to local authority maintained schools from 1 April 2020. The changes are shown at section 13.9 of the updated Scheme attached at appendix A.

3.2 Instead of taking out insurance, a school may join the Secretary of State’s risk protection arrangement (RPA) for risks that are covered by the RPA. The scheme should contain a provision which allows schools to join the RPA after 1 April 2020. Schools may do this individually when any insurance contract of which they are part expires. The scheme should also provide for all primary and/or secondary maintained schools to join the RPA collectively by agreeing through the Schools’ Forum to de-delegate funding.

3.3 The table below summarises the remaining minor updates required to the current Scheme.

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| --- | --- |
| Paragraph | Change |
| 1.1 The Funding Framework | Regulation change - changed to ““the regulations” are the [School and Early Years Finance (England) Regulations 2020](http://www.legislation.gov.uk/uksi/2020/83/contents/made) |
| Minor change - changed to “current funding framework”. |
| 2.4 School Resource Management | Minor change - removed “Taking into account the purchasing, tendering and contracting requirements.” |
| 2.10 Purchasing, Contracting and Tendering Requirements | Minor change - changed to “contracting authorities” |
| 11.3 Governors’ Expenses | Minor change - changed “Governors’ Allowances” |
| Presentational change - added “Schools without delegated budgets” |
| Presentational change - added “Schools with delegated budgets” |
| 13.11 Banking | Changes to the guidance - deleted “The scheme should contain a provision reminding schools that they must not borrow money without the written consent of the Secretary of State. This requirement does not extend to monies lent to schools by their maintaining authority.” |
| Annex 1 | List of schools covered by the scheme amended to reflect academy conversions |

3.4 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;

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**