

Report to Hartlepool Schools' Forum 10 June 2022
From Amanda Whitehead (Assistant Director - Education)

Agenda Item 6 – Updates to Scheme for Financing Schools

1 Introduction

- 1.1 Local authorities are required to have a Scheme for Financing Schools, setting out the relationship they have with their maintained schools.
- 1.2 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.
- 1.3 This report outlines the required changes to the existing Scheme and provides a revised Scheme at appendix A to reflect the updates.

2 Background

- 2.1 ESFA published an update to the Scheme for Financing Schools statutory guidance in April 2022.
- 2.2 Planned changes to the Scheme relating to accounting regulation changes for leases have been delayed again as the regulation change itself has been deferred for a further year. Accounting changes were planned to come into effect on 1 April 2021 and have now been deferred to April 2023.

3 Changes to the Scheme

- 3.1 There are two changes published by ESFA that are appropriate to the Hartlepool Scheme. These are listed in the table below.

Paragraph	Change
2.3.1 Submission of Financial Forecasts	Forecasts must cover 3 years (previously described as multi-year). Submission date brought forward to 30 June (previously 31 August).
3.8 Borrowing by Schools	The reference to the Salix scheme has been removed as the scheme has now closed.

- 3.2 In addition to the changes listed above, annex 1 of the Scheme has been updated to list the schools covered by the Scheme following the latest academy conversions.
- 3.3 The revised Scheme reflecting the changes outlined in this report is attached at appendix A. All changes and deletions are highlighted in yellow (please refer to page 14 and page 23).

4 Three-Year Financial Forecasts

- 4.1 Whilst the amendments in the Scheme require a three-year forecast, the existing process for future financial forecasts takes a five-year planning horizon using HCSS, the Council's forward planning software.
- 4.2 The current deadline of 31 August for submission of forward plans to the local authority will remain unchanged, as the local authority appreciates the increased pressure this would place on schools. As forecasting for schools uses a five-year period, the requirement for a three-year forecast as at 30 June each year will be satisfied.

5 Recommendations

- 5.1 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