

SCHOOLS FORUM

Meeting date: 3rd July 2020

**From: Dan Barton
Assistant Director – Education & Skills**

REVISIONS TO THE LA SCHEME FOR FINANCING SCHOOLS - UPDATE

1.0 EXECUTIVE SUMMARY

- 1.1 *At the 13th March meeting the Schools Forum were advised of some amendments to the Cumbria LA Scheme for Financing Schools following a number of directed revisions by the Department for Education and updates relating to changes in legislation.*
- 1.2 *The consultation with maintained schools, which was originally planned to be launched immediately after 13th March was postponed due to the COVID19 and since then the DfE have issued further updated guidance on LA Schemes and therefore the draft Scheme has been revised to reflect these new changes.*
- 1.3 *The consultation will go live after 3rd July subject to the maintained school forum representatives' approval and will close on 17th July. The outcome will be emailed to relevant School Forum representatives and if no objections are received the Scheme will take effect from 1st August.*

2.0 STRATEGIC PLANNING AND EQUALITY IMPLICATIONS

- 2.1 *Improving the financial processes for schools is supportive of the Council Plan outcome that 'People in Cumbria are healthy and safe'.*

3.0 RECOMMENDATION

- 3.1 *The relevant Schools Forum members are asked to note the proposed new changes to the draft Cumbria LA Scheme for Financing Schools since the last meeting on 13th March and to confirm their approval that the consultation can be launched after 3rd July and encourage maintained schools to respond to the consultation.*

4.0 BACKGROUND

- 4.1 Local authorities are required to publish schemes for financing schools setting out the financial relationship between them and the schools they maintain. In making any changes to their schemes, local authorities must consult all schools in their area and receive the approval of the members of their Schools Forum representing maintained schools.
- 4.2 The Scheme applies to all Cumbrian maintained schools and pupil referral units. The Scheme does not apply to academies. Academies are directly accountable to the Department for Education in terms of compliance with financial regulations.
- 4.3 Some changes to the Scheme were presented at the last Schools Forum meeting on 13th March, however, the consultation with schools was delayed due to the COVID19 pandemic and subsequent to this the DfE have issued some further updated guidance on LA Schemes.

5.0 PROPOSED CHANGES - UPDATED

- 5.1 The proposed changes to the LA Scheme are found at Appendix 1. These reflect the changes previously reported at the last Schools Forum meeting and incorporate the new additional proposed changes following updated guidance from the DfE. The new changes since the last report are highlighted in yellow for ease of reference.
- 5.2 The main change relates to a new provision to include the extension of the risk protection arrangement (RPA) to local authority maintained schools from 1st April 2020. There are a small number of minor changes including clarity on the provision which allows governors to claim reasonable expenses for schools with and without delegated budgets.
- 5.3 As previously advised it is now possible for the Secretary of State to make directed revisions to the LA Schemes after consultation with governing body and Headteachers of maintained schools has taken place. In future such revisions will become part of the scheme from the date of the direction being issued.
- 5.4 It should also be noted that there are no changes relating to financial transparency as the DfE consultation on this has not yet been published nor are there any changes to financing and operating leases (IFRS16) which were due to come into effect on 1st April which have been delayed due to the COVID19 pandemic.
- 5.5 The updated draft revised LA Scheme can be found at Appendix 2. The consultation with maintained schools and pupil referral units will be launched on 3rd July subject to the maintained schools forum representatives' approval via the School Portal and Headteachers and governing bodies/management committees will be asked to make comments via a link to the survey.

- 5.6 Once the consultation closes on 17th July, schools responses will be reviewed and the final LA Scheme will be emailed to the maintained school forum representatives for approval and if no objections are received it will be effective from 1st August 2020.

6.0 OPTIONS

- 6.1 The relevant Schools Forum members are asked to note the additional proposed revisions to the LA Scheme for Financing Schools and confirm their approval to consult on the changes with all maintained schools.

7.0 RESOURCE AND VALUE FOR MONEY IMPLICATIONS

- 7.1 Resource and value for money implications are considered throughout this report.

8.0 CONCLUSION

- 8.1 This paper updates the Schools Forum on further proposed revisions to the Scheme following those presented at the last meeting held on 13th March and the consultation process with all maintained schools.

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