

Meeting:	Schools Forum
Date:	15 September 2020
Subject:	Item 5: Harrow Scheme for Financing Schools Update
Responsible Officer:	Jo Frost, Finance Business Partner – Children’s Services

Section 1 – summary

1. This report is to update maintained schools members of Schools Forum on the Harrow Scheme for Financing Schools
2. Schools Forum is asked to:
 - note the proposed changes to the scheme in line with DfE direction and/or suggestion
 - agree, in principle, to the proposed changes subject to their being no objections or concerns raised during the consultation

Section 2 – report

Background

3. Local authorities are required to publish schemes for financing schools setting out the financial relationship between them and the schools they maintain. This guidance lists the provisions which an LA’s scheme must, should or may include. Schemes need not follow the format used in the guidance, except for the text of directed revisions.
4. In making changes to their schemes, other than directed revisions, LAs must consult all maintained schools in their area and receive the approval of the members of schools forum representing maintained schools.
5. LAs must take this guidance into account when revising its schemes, in consultation with schools forum.

Scheme for Financing Schools September 2020

6. The following updates have been made to reflect current policy positions and changes in legislation since the last revisions in 2016. The section numbering references have also been brought in-line with the DfE draft scheme:

- paragraph 3.5: 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”
- paragraph 4.1.4: added “The scheme should encourage schools to register anything that is portable and attractive, such as a camera”
- paragraph 4.4: changed title from “Efficiency and Value for Money” to “School Resource Management”
- paragraph 4.4: changed wording, including a change from “achieve efficiencies” to “effective management of resources”
- paragraph 4.6: References to the Audit Commission have been removed and replaced with the Local Audit and Accountability Act 2014.
- paragraph 4.10: removed “A scheme may invite schools to nominate suppliers for inclusion on lists of approved suppliers. The intention is to ensure that schools do not have to be subjected to unreasonable requirements as to authority counter-signature or use of an approved list, but also ensures that they should obtain at least three tenders or quotations for orders above a certain threshold”
- paragraph 4.10: removed “Authorities may issue lists of approved suppliers; but schools must not be compelled either directly or indirectly to use them. Authorities may wish to point out the advantages of using lists of approved suppliers, eg assurance on health and safety issues”
- paragraph 4.10: added “Schools may seek advice on a range of compliant deals via [Buying for schools](#)”
- paragraph 4.14: removed generic references to legislation “School Premises Regulations and DfE Construction Standards, and health and safety legislation”, added references to specific legislation
- paragraph 4.16: removed advice that all local authorities with a delegated budget must submit the schools financial value standard form before 31 March 2013 and annually thereafter; replaced with advice that the form should be submitted before the end of the financial year
- paragraph 5.8: added “Schemes may also wish to permit the use of credit or charge cards. However, no interest charges should be incurred by the school, with balances fully cleared on a monthly basis”
- paragraph 6.8: This paragraph has been updated to reflect changes on balances of closing schools as detailed under Regulation 25(9)
- paragraph 6.10: Secretary of State directed change; Loans will only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than financial or academic year. Loans will not be used as a means of funding a deficit that has arisen because a school’s recurrent costs exceed its current income. If loans are made to fund a deficit and a school subsequently converts to academy status, the Secretary of State will consider using the power under para.13(4)(d) of Schedule 1 to the Academies Act 2010 to make a direction to the effect that such a loan does not transfer, either in full or part, to the new Academy school.
- paragraph 7.1: 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”
- paragraph 8.3.2: changed “Other expenditure incurred to secure resignations where the school had not followed authority advice” to “Other expenditure incurred to secure resignations where there is good reason to charge this to the school (see Annex B)”

- paragraph 8.3.15 changed “Statement of SEN” replaced with “Education Health and Care Plan EHCP”
- paragraph 10.1: changed to explain the scheme should contain a provision barring the authority from discriminating in its provision of services on the basis of categories of schools, except in cases where this would be allowable under the school and early years finance regulations or the dedicated schools grant (DSG) conditions of grant
- paragraph 10.2: clarification provided on provisions to limit the term of agreement with a school to buy services or facilities from the authority
- paragraph 10.5: revised quoted legislation
- paragraph 12: revised to include Schools can join the Secretary of State’s risk protection arrangement (RPA). Schools may do this individually when any insurance contract of which they are part expires. Also provides for all primary and/or secondary maintained schools to join the RPA collectively by agreeing through the schools forum to de-delegate funding.
- section 15: 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.
- annex C: updated in line with section 15

Next Steps

7. The LA will hold a short consultation with maintained schools in the Autumn Term outlining the changes which are all directed and/or suggested by the DfE.
8. It is proposed that maintained school members of schools forum, in principle, agree to the changes proposed, subject to there being no objections raised in the consultation. If there are any objections or areas of concern raised in the consultation it is proposed to bring these back to a future schools forum for discussion.
9. The updated Harrow Scheme for Financing Schools is attached at Appendix A.

Contact

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