

## Report to the Schools Forum 23 May 2019

### Revisions to the Scheme for Financing Schools

- 1.1 The Scheme for Financing Schools is the document that describes the financial relationship between the local authority and maintained schools. Periodically, the DfE issues 'directed revisions'. Whilst the local authority is required to consult its maintained schools concerning such revisions, such consultation has no effect on the revisions, which have to be incorporated into the Scheme.
- 1.2 The latest directed revision was issued in March and contains the following:
- paragraph 1.4: 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 2.1.4: added "The scheme should encourage schools to register anything that is portable and attractive, such as a camera"
  - paragraph 2.4: changed title from "Efficiency and Value for Money" to "School Resource Management"
  - paragraph 2.4: changed wording, including a change from "achieve efficiencies" to "effective management of resources"
  - paragraph 2.10: 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 2.10: 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 2.10: added "Schools may seek advice on a range of compliant deals via [Buying for schools](#)"
  - paragraph 2.14: removed generic references to legislation "School Premises Regulations and DfE Construction Standards, and health and safety legislation", added references to specific legislation
  - paragraph 2.16: 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 3.6: 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 5.1: 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 6.2.2: 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 8.1: 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 8.2: clarification provided on provisions to limit the term of agreement with a school to buy services or facilities from the authority
- paragraph 8.4: revised quoted legislation and updated expectation of monthly not annual returns
- paragraph 10.1: 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”
- paragraph 11.11: clarification on how to fund early retirement and redundancy costs; changed “If the authority proposes to depart from this, then the scheme should contain a provision setting out the circumstances in which exceptions will be made” to “If the authority proposes to make local arrangements in accordance with the act, then the scheme should contain a provision setting out how this will work”
- section 13: 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.
- paragraph 13.15: changed “Criminal Records Bureau” to “Disclosure Barring service”
- annex A: removed advice that an authority must publish a statement showing outturn expenditure “at both central level and for each school, and balances held in respect of each school”
- annex A: removed advice that each school must receive a copy of each year’s budget and outturn statements so far as they relate to that school or central expenditure
- annex C: updated in line with section 13

1.3 The revised Scheme was distributed to all Telford & Wrekin maintained schools for comments – none were received. These revisions have now been incorporated into the Telford & Wrekin Scheme for Financing Schools.

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 May 2019