

Report to:	SCHOOLS' FORUM
Date:	21 June 2022
Reporting Officer:	Caroline Barker - Assistant Director of Finance
Subject:	SCHEME OF FINANCING FOR SCHOOLS 2022/23
Report Summary:	This report outlines the changes to Tameside Scheme of Financing for Schools. Changes are needed to the scheme to update for DFE directed changes and reflect local changes.
Recommendations:	<ul style="list-style-type: none"> • Schools' Forum note the Secretary of State for Education directed revisions for inclusion in the scheme. • Maintained Schools Forum representatives agree the local changes to the Tameside Scheme of Financing for Maintained Schools
Corporate Plan:	Schools spending support the Starting Well agenda to provide the very best start in life where children are ready to learn and encouraged to thrive and develop, and supporting aspiration and hope through learning and moving with confidence from childhood to adulthood
Policy Implications:	In line with financial policies and financial regulations
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	There are no direct financial costs as a result of this report. The report brings the local Scheme of Financing in line with Department of Education's latest directed changes and updates for changes in administrative arrangements locally. This makes the local scheme compliant.
Legal Implications: (Authorised by the Borough Solicitor)	This report provides the Forum with a update to the Council's Scheme of Financing for Schools as required by the Department for Education. The details of those requirements and how they have been met are detailed in the main body of the report.
Risk Management:	Not updating the scheme in line with the DFE latest regulation could result in challenge from our schools in relation use of appropriate provisions of the scheme.
Access to Information:	<p style="text-align: center;">NON-CONFIDENTIAL</p> <p>This report does not contain information, which warrants its consideration in the absence of the Press or members of the public.</p>
Background Information:	The background papers relating to this report can be inspected by contacting Christine Mullins
	 Telephone: 0161 342 3216  e-mail: christine.mullins@tameside.gov.uk

1. INTRODUCTION

- 1.1 Local Authorities are required to publish schemes for financing schools setting out the financial relationship between them and the schools they maintain. The DfE has issued revised guidance on Local Authority schemes for financing schools which Local Authorities (LA) must take into account when they revise their scheme. Local changes to the scheme must be consulted upon with all LA maintained schools

2. REVISIONS TO TAMESIDE SCHEME OF FINANCING

- 2.1 The changes to Tameside's scheme for 2022/23 fall into two categories;
- Directed revisions – These are statutory revisions as directed by the Secretary of State for Education, the power of directed revision is used, to remove outdated provisions and to insert new provisions that are required for the implementation of government policy.
 - Local Revisions – These are local management arrangements that are in place for which schools are consulted on any changes proposed.

3. DIRECTED REVISIONS

- 3.1 The Secretary of State for Education has made directed revisions to section 3.6 Borrowing by schools. Reference to the Salix Scheme has been removed, as this scheme has now closed.

The changes made are as follows;

3.2 **2020 Scheme Extract (Removed)**

From time to time, however, the Secretary of State may introduce limited schemes in order to meet broader policy objectives. Schools can use any scheme that the Secretary of State has said is available to schools without specific approval, currently including the Salix scheme, which is designed to support energy saving.

If schools wish to make use of this scheme they will not be subject to additional approval, however this type of arrangement must be accounted for appropriately by the Local Authority as these arrangements will fall under its Treasury Management Policy, so the school must liaise with the Finance Team to ensure the loan is taken in accordance with the Authority's financial regulations.

3.3 **Revised 2022 Extract (Updated)**

The Secretary of State's general position is that schools will only be granted permission for borrowing in exceptional circumstances. From time to time, however, the Secretary of State may introduce limited schemes in order to meet broader policy objectives.

- 3.4 Schools' Forum Members are asked to note the directed revisions.

4. LOCAL REVISIONS

- 4.1 The change to the scheme of financing on point 3.2 is in response to feedback, in relation to the proportion of budget share payable at each instalment.
- 4.2 Feedback has been received stating the existing process created additional administrative cash planning burdens and more detailed cash flow management, and a simpler allocation basis would be more helpful.

4.3 The revision is to change the payment of budget shares to schools in 12 monthly instalments instead of the total of this sum is divided in equal 11th's and paid to the school in 10 instalments paid in all months except March with 2/11ths paid in July.

4.4 Consultation on the change was carried out via a couple of methods;

- Via Survey Monkey between 25 April and 7 May.2022 with Schools.
- Subject of discussion at School Funding Group 18 May 2022.

Feedback was collected via the survey monkey. The outcome was that of the 24 respondents, 79.17% agreed the suggested changes was positive and supported it.

4.5 Schools' Forum maintained school representatives are asked to vote in favour of this change.

5. CONCLUSION

5.1 The proposed changes to the Scheme of Financing for Schools outlined in this report will ensure the Local Scheme remains compliant with the DfE requirements of a local scheme.

6. RECOMMENDATIONS

6.1 As set out at the front of the report.