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| Report to: | SCHOOLS' FORUM |
| Date: | 16 July 2020 |
| Reporting Officer: | Tom Wilkinson – Assistant Director, Finance |
| Subject: | SCHEME OF FINANCING FOR SCHOOLS 2020 |
| Report Summary: | This report outlines the changes to the Tameside Scheme of Financing for Schools. Changes are needed to the scheme following updates from Department For Education (DfE). |
| Recommendations: | Schools' Forum note the revisions to the scheme as laid out by the DfE for inclusion in the scheme. |
| 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 the Department for Education's latest directed changes. This makes the local scheme compliant. |
| Legal Implications: (Authorised by the Borough Solicitor) | the Council has to administer the scheme in accordance with the Regulations issued by the Department for Education in order to avoid complaints and potential legal challenge. |
| Risk Management: | Not updating the Scheme in line with the DfE latest regulation could result in challenge from our schools in relation to use of appropriate provisions of the scheme. |
| Background Information: | The background papers relating to this report can be inspected by contacting Christine Mullins, Finance Business Partner:  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 must take into account when they revise their scheme.

2. REVISION TO TAMESIDE SCHEME OF FINANCING

- 2.1 On an annual basis the Scheme of Financing is updated in line with any changes or directed revisions from the Department for Education (DfE). These are items that the DfE mandates that Local Authorities (LA's) must incorporate within their local scheme or items that must be removed from it.
- 2.2 All local proposed amendments to the Scheme for Financing Schools document will be subject to a full consultation period with all school Governing Bodies and any other identified stakeholders.
- 2.3 All proposed revisions must be submitted to the Schools' Forum for final approval. Only Schools' Forum members representing maintained schools can approve scheme changes.
- 2.4 Where the Schools' Forum decision differs from the Local Authority proposed revision the DfE will be asked to adjudicate.
- 2.5 The Secretary of State is permitted to make directed revisions to schemes after consultation. Such revisions become part of the LA scheme from the date of the direction.

3. 2020 REVISIONS TO TAMESIDE SCHEME OF FINANCING

- 3.1 For 2020, due to the impact of COVID-19 and its impact on Schools, LAs and the DfE, the department has indicated changes have been kept to a minimum, those changes are outlined in **Appendix A**.
- 3.2 The only local change is in relation to the Surplus Balance Mechanism Scheme that was subject to consultation and approval by Schools' Forum in December 2019.
- 3.3 The biggest change is the extension of the Risk Protection Arrangement (RPA), an alternative to commercial insurance for academies, to Local Authority maintained schools from 1 April 2020. This was subject to a separate Forum report in January 2020, after DfE consultation that concluded on 19 November 2019. The DfE advise that the guidance has changed to reflect this inclusion although due to the pandemic they have not had time to conduct a consultation on a directed revision but we may do that at a later date.
- 3.4 There are also some minor changes to wording in the Scheme to reflect changes from the DfE on points of clarification.
- 3.5 Further changes were expected in relation to the financial transparency for which consultation was run by the DfE last financial year. These changes have been delayed currently and the DfE have advised that further information will be published at a later date, however no timescales have been issued in relation to this.
- 3.6 Changes were also expected relating to financing and operating leases (IFRS16) that were due to come into effect on the 1 April 2020. This has been delayed for a year, also because of the pandemic.

4. RECOMMENDATIONS

4.1 As set out at the front of the report.