



## NORTH YORKSHIRE SCHOOLS FORUM

<b>Date of meeting:</b>	13 <sup>th</sup> November 2019
<b>Title of report:</b>	<b>North Yorkshire County Council Scheme for Financing Schools</b>
<b>Type of report:</b> Delete as required	For decision
<b>Executive summary:</b> Including reason for submission	A review of the North Yorkshire County Council Scheme for Financing Schools has been completed to reflect the latest statutory guidance from the DfE. All schools maintained by local authority were consulted on the updated Scheme during October 2019. This report provides an overview of the consultation and presents the updated Scheme for Financing Schools to the Schools Forum for approval.
<b>Budget / Risk implications:</b>	None
<b>Recommendations:</b>	The Schools Forum is asked to approve the North Yorkshire County Council Scheme for Financing Schools to reflect the latest DfE statutory guidance.
<b>Voting requirements:</b>	School members only
<b>Appendices:</b> To be attached	None
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<b>Presenting officer:</b> If not the originator	Sally Dunn

## 1.0 PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to seek approval from the Schools Forum, following a consultation with schools, on the updated North Yorkshire County Council (NYCC) Scheme for Financing Schools. A review of the Scheme for Financing Schools has been undertaken to reflect the latest statutory guidance from the DfE. All schools maintained by the local authority were consulted on the updated Scheme during October 2019.

## 2.0 BACKGROUND

- 2.1 Local authorities are required to publish Schemes for Financing Schools that set out the financial relationship between them and the schools they maintain.
- 2.2 Any amendments to the Scheme that are proposed by the local authority must be consulted on with all maintained schools within the local authority and be approved by the Schools Forum.
- 2.3 The DfE is able to direct local authorities to amend their schemes to reflect the latest statutory guidance.
- 2.4 On 14<sup>th</sup> March 2019 the Schools Forum was asked to note the review of the North Yorkshire County Council Scheme for Financing Schools to reflect the latest DfE statutory guidance and the intention to consult schools on the updated Scheme.

## 3.0 NORTH YORKSHIRE SCHEME FOR FINANCING SCHOOLS CONSULTATION

- 3.1 The NYCC Scheme for Financing Schools has been reviewed and updated to reflect the statutory guidance received from the DfE in February 2019 in relation to local authority Schemes for Financing Schools.
- 3.2 The proposed changes to the NYCC Scheme for Financing Schools were presented to the September 2019 meeting of the Schools Forum and approval to consult schools was given.
- 3.3 All North Yorkshire schools which are maintained by the local authority were consulted on the proposed amendments to the current Scheme. The consultation ran from 30<sup>th</sup> September 2019 – 27<sup>th</sup> October 2019. A letter detailing the main amendments, a Response Form and a link to the Scheme for Financing Schools showing tracked changes were included in the consultation.
- 3.4 The consultation on the Scheme for Financing Schools was issued on the CYPS Info Red Bag. The consultation proposals were also presented at the Autumn 2019 School Admin and Finance Conferences, and to FMS Team colleagues who were asked to highlight the consultation to the schools that they support.

#### 4.0 SUMMARY OF CHANGES TO THE NYCC SCHEME FOR FINANCING

##### 4.1 DfE Directed Revisions

- Secretary of State can make revisions to the scheme after consultation (para 1.5)
- Fixed Assets - Schemes should encourage schools to register anything that is portable and attractive such as a camera (para 2.1.4)
- Efficiency and Value for Money is now called School Resource Management (para 2.4)
- added "Schools may seek advice on a range of compliant deals via Buying for schools <https://www.gov.uk/guidance/buying-for-schools>" (para 2.10)
- added "Schools are permitted to use NYCC Barclaycard, however, no interest charges should be incurred by the school, with balances fully cleared on a monthly basis" (para 3.8)
- updated expectation of monthly not annual returns of salary and service to Teachers' Pensions (para 8.4.3 and 8.4.5)
- Updated to reflect changes to the Children and Families Act 2014; a school is no longer required to consult the LA 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 (para 13.1.1).
- Removed advice to publish a statement showing outturn expenditure "at both central level and for each school, and balances held in respect of each school" and 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 (section 1.1)

However, North Yorkshire intends to continue to provide this information directly to schools, over and above the scheme requirements, believing that it is useful and appropriate information for schools in undertaking their financial responsibilities.

- **Register of business interests** (para 2.9) - Register must show for each member of the governing body and the headteacher:
  - any business interests they or any member of their immediate family have
  - details of any other educational establishments that they govern
  - any relationships between school staff and members of the governing body
  - to make the register available for inspection by the LA, governors, staff and parents, and to publish the register, for example on a publicly accessible website.
- **Borrowing includes finance leases (para 3.8)**  
governing bodies may borrow money (which includes the use of finance leases) only with the written permission of the Secretary of State. The Secretary of State's general position is that schools will only be granted permission for borrowing in exceptional circumstances. (Secretary of State may introduce limited schemes in order to meet broader policy objectives E.g. Salix scheme designed to support energy saving)
- Update to include admissions appeals in the list of services local authorities can charge maintained schools for (Para 6.3.20)
- New Text on Loans (para 4.10)

- Annex A: Responsibility for redundancy and early retirement costs has been updated. LA can retain a central budget within the schools budget to fund the costs of new early retirements or redundancies by a deduction from maintained school budgets (excluding nursery schools) only, where the relevant maintained school members of the schools forum agree.

#### 4.2 Other Local amendments

- Licensed Deficits - updated to reflect additional requirements which are now applied to a licensed deficit approval (para 4.9)
- Submission deadline date for Start Budgets changed from 31st May to 20th May (para 2.3)
- Other minor text changes

<b>Current LMS Financing Scheme</b>	<b>Area</b>	<b>Proposed Change to LMS Scheme</b>
Annex A	The North Yorkshire County Council Funding Formula for schools	Removal and Reference to School Finance Manual
Annex B	Schools to which the scheme applies	Removal and Reference to Link: <a href="https://cyps.northyorks.gov.uk/schools-and-other-settings-contacts">https://cyps.northyorks.gov.uk/schools-and-other-settings-contacts</a>
Annex C	Best Value and money saving tips	Removal and Reference to School Finance manual. Also links: <a href="https://www.gov.uk/guidance/buying-for-schools">https://www.gov.uk/guidance/buying-for-schools</a> <a href="https://cyps.northyorks.gov.uk/procurement-best-value">https://cyps.northyorks.gov.uk/procurement-best-value</a>
Annex D	Whistleblowing	Removal and Reference to School Finance Manual
Annex E	Responsibility for redundancy and early retirement costs	Now renamed Annex A
Annex F	LMS Financial Procedure Rules & LMS Contract Procedure Rules	Now renamed Annex B – subject to review
Annex G	Counter Fraud Arrangements	Removal and Reference to School Finance Manual

- 4.3. The proposed changes to the Scheme for Financing Schools can be viewed as tracked changes through the following link:

[https://cyps.northyorks.gov.uk/red-bag-attachments?utm\\_campaign=1134343\\_CYPs%20e-Red%20Bag%20-%204%20October&utm\\_medium=email&utm\\_source=North%20Yorks%20County%20Council&dm\\_i=4BPJ,OB9J,2EF6J3,2VBJF,1](https://cyps.northyorks.gov.uk/red-bag-attachments?utm_campaign=1134343_CYPs%20e-Red%20Bag%20-%204%20October&utm_medium=email&utm_source=North%20Yorks%20County%20Council&dm_i=4BPJ,OB9J,2EF6J3,2VBJF,1)

5.0 RESULTS OF THE CONSULTATION

5.1 No responses have been received to the consultation.

6.0 RECOMMENDATIONS

6.1 The Schools Forum is asked to approve the updated North Yorkshire Scheme for Financing Schools as per the latest DfE statutory guidance, and other local changes.

STUART CARLTON

Corporate Director – Children and Young People’s Service

Report prepared by: Sally Dunn, Head of Finance for Schools & Early Years