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Our Ref: Headteachers and Chairs of
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Dear Colleague

Scheme for Financing Schools in North Yorkshire
Revised Statutory Guidance

Local authorities are required to publish a Scheme for Financing Schools, which details the financial relationship with the maintained schools in the council. Any amendments to the Scheme must be the subject of consultation with all maintained schools and be approved by the Schools Forum.

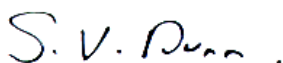
In February 2019, the DfE issued a 10th update to Statutory Guidance on Schemes. The North Yorkshire Scheme has therefore been reviewed and this correspondence is seeking views on the proposed local changes to the Scheme arising from the DfE Statutory Guidance.

A summary of the main Scheme updates is provided as an Appendix to the letter. The Authority has introduced all the amendments into the North Yorkshire Scheme, and a revised draft North Yorkshire Scheme can be viewed on the attached document, with amendments to the existing Scheme shown as tracked changes:

If you have any comments on the proposed amendments, please email them to Catriona.lowin@northyorks.gov.uk by **27th October 2019**.

The revised Scheme, together with any comments received, will be reported to the Schools Forum for approval on 13th November 2019. A final version will then be published on the County Council website.

Yours sincerely



Sally Dunn
Head of Finance – Schools & Early Years

Appendix A

MAIN CHANGES

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 Eg 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.

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

<i>Current LMS Financing Scheme</i>	<i>Area</i>	<i>Proposed Change to LMS Scheme</i>
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: https://cyps.northyorks.gov.uk/schools-and-other-settings-contacts
Annex C	Best Value and money saving tips	Removal and Reference to School Finance manual. Also links: https://www.gov.uk/guidance/buying-for-schools https://cyps.northyorks.gov.uk/procurement-best-value
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