

Matters Arising Schools Forum 16 September 2020

Consultation on Amendments to the Scheme for Financing Schools

At the Forum's meeting on 8 July 2020, the Business Advisor (Schools) presented a report, **Document LP**, which asked Schools Forum members representing maintained schools to agree to conduct a short consultation with maintained schools on proposed amendments to the Scheme for Financing Schools. These amendments have been triggered by the DfE's refreshed guidance for local authorities, which was published on 1 April 2020.

The Schools Forum resolved that a short consultation be undertaken with maintained schools on amendments to the Scheme for Financing Schools as proposed in Document LP and that the Schools Forum be asked make a final decision on these amendments at the meeting to be held on 16 September 2020 in the light of consultation feedback.

The proposed amendments are as follows:

- 1.1, the insertion of an explanation of where people reading the Scheme can access further information on Bradford's formula funding and centrally managed DSG budgets.
- 1.4, a repeat of the facility for the Authority to seek approval from the Secretary of State for Scheme amendments that are not approved by the Schools Forum. This provision is already stated in paragraph 1.1, but is repeated here for clarity and in keeping with the DfE's guidance.
- 2.3, the insertion of a paragraph regarding revised budgets, which states our current practice. This is inserted for clarity and in keeping with the DfE's Scheme guidance.
- 3.5.1, a repeat of the provision already stated in 1.1 regarding the Authority's 'ownership' of funds held in school bank accounts. This is inserted for clarity and in keeping with the DfE's Scheme guidance.
- In 9.2 and 12.17, the insertion (as required by the DfE) of a new provision, which permits maintained schools to enter into the national Risk Protection Arrangement (RPA), as an alternative to insurance, where the risk that is being insured is covered by the RPA. The DfE has stated that it may prescribe exact wording for this in subsequent guidance revisions. The wording proposed now following the wording used in the DfE's current guidance.

The amendments were published for consultation on 8 July, with a deadline for responses of 7 September.

As we explained at the 8 July meeting, the response rate to Scheme amendments is usually low and the amendments being proposed are very straightforward and so unlikely to create much response. We received one response, which fully agreed with the proposed amendments.

As there are no objections to the amendments, we now ask the Schools Forum to agree these for insertion into our Scheme with immediate effect (an implementation date of 16 September).

Please also note that the DfE, on 5 August 2020, published two directed revisions relating to the transparency changes. These have been incorporated into our amended Scheme. As they are directed by the DfE, these changes do not require local consultation.

- 2.3.1 the previous provision of:

"The Authority may require schools to submit a financial forecast covering each year of a multi-year period."

Has been replaced with:

"From the 2021 to 2022 funding year each school must submit a 3-year budget forecast each year by the 30 June."

- 4.5 the following wording is directly inserted into our Scheme:

“Schools must submit a recovery plan to the local authority when their revenue deficit rises above 5% at 31 March of any year. Local authorities may set a lower threshold than 5% for the submission of a recovery plan if they wish. The 5% deficit threshold will apply when deficits are measured as at 31 March 2021.”