



Item 6.1c

Briefing note

To: Schools Forum **Author:** Claire Emmerson

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Purpose of the Paper:

Information

Consultation

Decision

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Title of Briefing: Proposed Revision to the Scheme for Financing Schools

1. Purpose of the Report

Please find attached a revised draft of the Scheme for Financing Schools, the key document that sets out the financial relationship between the Local Authority and its maintained schools.

2. Background

It is based on statutory guidance published by the Department for Education (DfE), the latest version of which is available at:

<https://www.gov.uk/government/publications/schemes-for-financing-schools>

Local authorities must take this guidance into account when schemes are revised.

4. Proposed Changes

There is one major revision in relation to school deficits, with the inclusion of a 5% threshold when measuring deficits, to be applied on balances at 31st March 2021 onwards. There are also a number of minor revisions, deletions and minor updates to

the scheme. These bring the North Tyneside Scheme in line with the national guidance. The following table lists revisions to the North Tyneside Scheme:

Table 1: revisions to North Tyneside Scheme for Financing Schools for 2020

Section	Revision
1	Update references to current scheme and regulations
2.3.1	Specify requirement for 3-year budget forecasts
2.4	Remove requirement to follow “authority’s purchasing, tendering and contracting requirements”
2.11	Clarity on procurement relationship of schools
4.5	Deficit threshold of 5% of budget added to definition of deficit, from 31 st March 2021 onwards
4.9	Inclusion of 5% into current deficit definition of £5,000
10.2	Inclusion of reference to Government Risk Protection Arrangements (RPA) for school insurance
11.3	Change reference from governors’ expenses to governors’ allowances, with presentational changes around budgets
13.18	Reference to RPA for school community facilities
13.25	Remove requirement to seek permission from secretary of state for loans in relation to community facilities, though requirement to follow local authority rules still applies

5. Recommendation

The Schools Forum is recommended to approve the report and adopt the proposed draft of the Scheme for Financing Schools.

ANNEX A: Proposed Draft of Scheme for Financing Schools