

Wiltshire Council

Schools Forum:

11th March 2021

Scheme for Financing Local Authority Maintained Schools

Purpose of report

1. To outline the updated Wiltshire *Scheme for Financing Local Authority Maintained Schools* and provide members with an update, following the revisions detailed in the DfE's statutory guidance in August 2020.
2. This report is presented purely to bring the latest government led changes to the attention of maintained members of the Schools' Forum rather than for consultation.

Background

3. Local authorities (LA's) are required to publish schemes for financing schools setting out the financial relationship between themselves and the schools they maintain, to meet the provisions of Section 48(4) of the School Standards and Framework Act 1998, and Schedule 14 paragraph 2A(2) to that Act.
4. The document appended to this report is the 2021 Wiltshire Scheme for Financing LA Maintained Schools, updated and amended in accordance with guidance from the Secretary of State for Education.
5. When making any changes to a Scheme, LA's are required to consult all maintained schools in their area and then obtain the approval of the members of Schools Forum, representing maintained schools, **except** for any 'Directed Revisions' requested by the Secretary of State.
6. Included within the Scheme are a number of '*Directed Revisions*'. The power of '*Directed Revision*' is used by the government either to remove outdated provisions or insert new provisions to reflect latest legislation or policy. The Scheme contains a considerable number of Directed Revisions.
7. With Directed Revisions, LA's are directed by the Department for Education (DfE) to incorporate within, or remove from, their schemes specific wording and no consultation with maintained schools or approval of the Schools' Forum is necessary in relation to Directed Revisions.
8. The current Wiltshire Scheme has been updated for presentational changes, review of content and to ensure that references to legislation are current. The appended version represents a complete overview in line with the Department for Education's statutory guidance '*Schemes for financing local authority maintained schools*', as updated in August 2020, the main change being for the introduction of the Risk Protection Arrangements as an alternative to commercial insurance.

Role of the Scheme

9. The scheme defines the financial relationship between the LA and the maintained schools which it funds. The requirements of the scheme are binding on the LA and the schools it maintains and ensures compliance with statutory requirements, accounting standards and appropriate codes of practice.
10. The scheme requires the LA to appropriate its entire Dedicated Schools Grant for the purposes of their Schools' budget but allows LA's the freedom to establish and set their own non-DSG Education budgets in addition to the DSG.
11. The scheme will apply to all schools maintained by the local authority, regardless of whether they are community, foundation, voluntary aided or controlled.

What's included in the Scheme?

12. The regulations do state that the Scheme for Financing LA Maintained Schools must deal with certain matters and for ease these are broken down into the following broad categories:

Financial Controls

- Payment of salaries and bills
- Control of Assets
- Accounting policies and year-end procedures
- Writing off debts
- Submission of budget plans
- Audit
- Purchasing (incl. tendering and contracting)
- Notice of concern
- SFVS
- Fraud

Budget Share and Banking Arrangements

- Frequency of budget shares
- Interest
- Bank Accounts
- Borrowing
- Leases

Surplus and Deficit Balances

- Carrying forward balances
- Planning for Deficit budgets
- Balances of closing schools
- Deficits
- Loan Schemes

Income

- Lettings
- Fees & Charges
- Fund raising
- Sale of Assets

Charging of a School Budget Share

- Circumstances when school budget shares can be charged

Taxation

- VAT

Provision of Services by the LA

- Traded Services
- SLA's
- Teachers Pensions

PFI**Insurance**

- Cover (inc. RPA arrangements)

Miscellaneous

- Access to information
- Liability of Governors
- Governors Allowances
- Health & Safety
- Right of Attendance of the Chief Financial Officer
- Special Educational Needs
- Whistleblowing
- Child Protection
- Redundancy & Early Retirement Costs
- Data Protection

Responsibility for Repairs**Community Facilities**

- What is meant by Community Facilities?
- Financial Aspects
- LA Powers
- Audit
- Treatment of Income
- Health & Safety
- Insurance
- Taxation
- Banking
- Payments in respect of Redundancy and Dismissal

Proposal

13. Schools Forum is asked to note the content of this report and give approval to the updated Wiltshire Scheme.

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