

WIRRAL COUNCIL

WIRRAL SCHOOLS' FORUM 5th July 2017

REPORT OF THE INTERIM DIRECTOR OF CHILDREN'S SERVICES

Scheme for Financing Schools – Revisions

EXECUTIVE SUMMARY

This report describes a number of changes that are being considered to the Scheme for Financing Schools. The Forum are asked to comment on the proposed changes prior to consultation with schools

BACKGROUND

Local authorities are required to publish schemes for financing schools setting out the financial relationship between them and the schools they maintain. DfE guidance lists the provisions which a local authority's scheme must, should or may include. Wirral's scheme was last updated in September 2016

In making any changes to schemes, local authorities must consult all schools in their area and receive the approval of the members of their schools forum representing maintained schools.

Appendix 1 summarises the contents of the scheme.

With regard to Section 4 this includes a section on Circumstances in which Charges may be made to a school

This currently reads:-

- 6.2.3 Awards by courts and industrial tribunals against the LA, or out of court settlements, arising from action or inaction by the Governing Body contrary to the LA's advice.

And is proposed to be amended to:-

- 6.2.3 Judgements and awards by Courts and Employment Tribunals against the Council or out of court settlements arising from action or inaction of the governing body or its staff or agents which was either contrary to the Council's advice or where the governing body or its staff or agents did not seek the Council's advice when it was open to them to do so.

The change being considered is necessary to clarify the current position whereby a charge may be made against the schools delegated budget where losses are incurred by resulting from either a failure to follow advice or a failure to seek advice where it should reasonably have done so.

Schools will be consulted on this scheme change in September 2017 in accordance with the School Standards and Framework Act 1998, the results of which will be reported to the Forum in the autumn term.

Service Level Agreements

To bring the scheme into line with agreements made with schools concerning SLAs over the last three years, it is proposed to change the wording in 8.3.2. It currently reads:

8.3.2 All services offered by the LA through service level agreements will be available to schools for the term of the agreement irrespective of whether extended agreements are offered. The LA may offer extended agreements and where it does so, may charge at a different rate. Schools wishing to end an agreement must give a terms notice.

And is proposed to be amended to:

8.3.2 All services offered by the LA through service level agreements will be available to schools for the term of the agreement irrespective of whether extended agreements are offered. The LA may offer extended agreements and where it does so, may charge at a different rate. Schools wishing to end an agreement must give one year's notice. Academy conversions may be treated outside this process.

School Redundancy Costs

Due to changes to the redundancy policy in September 2016, which has already been consulted on this section will be changed as follows:-

11.11.2 Schools will pay the full redundancy costs from September 2016. Where a school is managing falling rolls some provision will continue to be made centrally for the redundancy costs incurred based on specific criteria. Schools will also be responsible for the 'pension strain' where staff in the Local Government Pension scheme are entitled to access their pension as part of the redundancy process.

Annex A

The following schools that have converted to Academy will be removed from the list:-

4611	St Mary's Catholic Aided College
2244	Egremont Primary School
2234	Great Meols Primary School
2231	Poulton Lancelyn Primary School
2200	Stanton Road Primary School

Licenced Deficits (4.9.1(g))

The scheme currently has a maximum licenced deficit of 5% of the school budget share. There have been some schools needing a licence in excess of this and it is proposed to increase the threshold upto 10% in exceptional circumstances.

Other Changes

A number of other references within the scheme will be updated as part of the consultation.

Recommendation

That Forum notes the report.

Deborah Gornick
Interim Director of Children's Services

Scheme for Financing Schools - Summary of Contents

Schemes must deal with the following matters:

1. The carrying forward from one funding period to another of surpluses and deficits arising in relation to schools' budget shares.
2. Amounts which may be charged against schools' budget shares.
3. Amounts received by schools which may be retained by their governing bodies and the purposes for which such amounts may be used.
4. The imposition, by or under the scheme, of conditions which must be complied with by schools in relation to the management of their delegated budgets and of sums made available to governing bodies by the authority which do not form part of delegated budgets, including conditions prescribing financial controls and procedures.
5. Terms on which services and facilities are provided by the authority for schools maintained by them.
6. The payment of interest by or to the authority.
7. The times at which amounts equal in total to the school's budget share are to be made available to governing bodies and the proportion of the budget share to be made available at each such time.
8. The virement between budget heads within the delegated budget.
9. Circumstances in which a local authority may delegate to the governing body the power to spend any part of the authority's non-schools education budget or schools budget in addition to those set out in section 49(4)(a) to (c) of the 1998 Act.
10. The use of delegated budgets and of sums made available to a governing body by the local authority which do not form part of delegated budgets.
11. Borrowing by governing bodies.
12. The banking arrangements that may be made by governing bodies. 6
13. A statement as to the personal liability of governors in respect of schools' budget shares having regard to section 50(7) of the 1998 Act.
14. A statement as to the allowances payable to governors of a school which does not have a delegated budget in accordance with the scheme made by the authority for the purposes of section 519 of the 1996 Act.
15. The keeping of a register of any business interests of the governors and the head teacher.
16. The provision of information by and to the governing body.
17. The maintenance of inventories of assets.
18. Plans of a governing body's expenditure.
19. A statement as to the taxation of sums paid or received by a governing body.
20. Insurance.
21. The use of delegated budgets by governing bodies so as to satisfy the authority's duties imposed by or under the Health and Safety at Work etc Act 1974.
22. The provision of legal advice to a governing body.
23. Funding for child protection issues.
24. How complaints by persons working at a school or by school governors about financial management or financial propriety at the school will be dealt with and to whom such complaints should be made.
25. Expenditure incurred by a governing body in the exercise of the power conferred by section 27 of the 2002 Act.