

**REPORT TO:** Schools Forum

**DATE:** 14 March 2016

**PORTFOLIO:** Children, Young People and Families

**REPORTING OFFICER:** Senior Finance Officer

**SUBJECT:** Halton Scheme for Financing Schools, April 2016 update

**WARDS:** Borough-wide

## **1.0 PURPOSE OF THE REPORT**

1.1 To inform School Forum of the consultation response and proposed changes to the Halton SFFS for April 2016.

## **2.0 RECOMMENDATION: That**

- 1) Schools Forum notes the consultation responses, and**
- 2) Schools Forum agrees the changes to the Halton SFFS effective from 1<sup>st</sup> April 2016.**

## **3.0 SUPPORTING INFORMATION**

- 3.1 As reported to Schools Forum in January 2016 we have conducted a consultation with schools regarding changes to the Halton SFFS. Some changes are required by the Education Funding Agency and some are changes that we wish to make in relation to Central Reports and Local Bank Account returns.
- 3.2 The consultation was sent out on Monday 11<sup>th</sup> January 2016 and closed on Friday 22<sup>nd</sup> January 2016. We received just nine responses, only two of which were from chequebook schools. A summary of the responses are given below in Appendix A.
- 3.3 Given the responses received, we are recommending that the changes are accepted in accordance with the consultation. The new wording for the affected sections of the Halton SFFS is given in Appendix B.
- 3.4 The production and distribution of Central reports do not form part of the Halton Scheme For Financing Schools. However three consultation responses requested that Central Reports were continued for non-chequebook schools. We are investigating if Central Reports for non-chequebook schools can be automatically run and e-mailed to schools on the 1<sup>st</sup> of each month. At the time of writing the report this is still to be confirmed as to its viability.
- 3.5 The Halton SFFS draft version for April 2016 in full is attached.

#### 4.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
Scheme for Financing Schools Statutory Guidance for Local Authorities	Kingsway House	Anne Jones

## “2.9 Register of business interests.

It is important that governors and staff not only act impartially, but are also seen to act impartially. The governing body and school staff have a responsibility to avoid any conflict between their business and personal interests and affairs and those of the school. There is a legal duty on the Head Teacher and all governors to declare an interest likely to lead to questions of bias when considering any item of business at a meeting and for the individual concerned to withdraw, if necessary, whilst the matter is considered.

To help put this duty into practice, the governing body of each maintained school is required to have a register which lists for each member of the governing body and the head teacher:

- Any business interests that 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; and
- to keep the register up to date with notification of changes and through annual review of entries, to make the register available for inspection by governors, staff and parents, and the authority, and to publish the register, for example on a publicly accessible website.

There is no comprehensive definition of what constitutes a business interest, but declarations should include any links with individuals, businesses, contractors, directorships, shareholdings or other appointments where the school may purchase goods or services from or who are directly employed by the school. It should also include interests of related persons such as parent, spouse, co-habitee, child or business partners where influence could be exerted by that person over a governor or a member of staff.

Completed individual declarations should be maintained together in a register of interests. The register will enable governors to demonstrate that in spending public money they do not benefit personally from decisions that they make.

Governing bodies should ensure the register is up to date, complete and includes the Head Teacher and all governors as a minimum. Dated nil returns are, therefore, required. There should be notification of changes from governors, as appropriate, and through an annual review of entries. To ensure evidence of completeness the register should be signed off annually by the Chair of Governors.

The completed register should be retained in school and made available on request to members of the governing body, the Head Teacher, staff, parents and the Director Children's Services.

It is the responsibility of each individual governor to declare their interest. The register is not a substitute for declaring an interest at meetings. Any governor, Head Teacher or other member of staff who has a personal or material interest in any contract affecting the school shall declare that interest to the governing body, or its relevant committee, and not vote when a decision is being made. If there is

uncertainty as to whether or not to disclose an interest, the safest course is to disclose.”

### “3.6 Borrowing by schools

Schools are reminded that 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.

From time to time, however, the Secretary of State may introduce limited schemes in order to meet broader policy objectives. The scheme must contain a provision that allows schools to use any scheme that the Secretary of State has said is available to schools without specific approval, currently including the Salix scheme, which is designed to support energy saving.

The restrictions do not apply to Trustees and Foundations, whose borrowing, as private bodies, makes no impact on Government accounts. These debts may not be serviced directly from the delegated budget, but schools are free to agree a charge for a service which the Trustees or Foundation are able to provide as a consequence of their own borrowing. Governing bodies do not act as agents of the authority when repaying loans.

This provision does not apply to loan schemes run by the authority (see section 4.9).”

### “Appendix E Section 2.1

Monthly reconciliations of transactions made via the local bank account of the approved format, shall be undertaken and forwarded to the Financial Management Division by the 10<sup>th</sup> of the following month, in order to ensure that the appropriate accounting analysis is entered into the school’s accounts with the Borough Council. Failure to provide the monthly reconciliation analysis by the due date may result in delays in cash advances being made to schools.”