

Manchester City Council Report for Resolution

Report to: Schools Forum

Subject: Scheme for Financing Schools

Report of: Directorate Finance Lead – Children’s and Schools

Summary

The Scheme for Financing Schools sets out the financial relationship between the Council and the schools it maintains. Any changes to the Scheme, that are not a direct revision by Department of Education (DfE) need to be agreed by members of the Schools Forum representing maintained schools.

The Scheme sets out the principles underlying the funding of schools, and the basis for the financial relationship between maintained schools in Manchester and the Council. There has been no direct revision by DfE required to Manchester’s Scheme for Financing schools. There has been a minor change in the wording to bring in line with DfE phrasing. The Schools Financial Regulations that underpin the scheme have been updated to strengthening procurement guidance.

Recommendations

Schools Forum (maintained school members only) are asked to note:

- No changes to the Scheme for Financing Schools 2021
- Procurement guidance within Schools Financial Regulations has been updated.

All Schools Forum members are asked to note:

- Council’s Social Value and Ethical procurement policy, incorporating Manchester Living Wage (MLW)

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- Scheme for Financing Schools 2021
- Financial Regulations for Schools 2021

1. INTRODUCTION

- 1.1 The Scheme for Financing Schools sets out the financial relationship between the Local Authority and Manchester's maintained schools, which is binding on both parties. The scheme covers financial management, financial control and associated issues. Any revision to the scheme, that is not a directed revision by DfE, are subject to consultation with all maintained schools, which is then presented to School Forum for their approval.
- 1.2 This report is to confirm that no revision is required to Manchester's Scheme for financing schools.
- 1.3 The Scheme for Financing Schools requires maintained schools to manage and control their finances within the guidance detailed in the Schools Financial Regulations. These regulations underpin the Scheme for Financing Schools by providing the framework for maintained schools to manage their financial affairs. The procurement section within the Schools Financial Regulations has been updated.

2. Schools Financial Regulations - Procurement

- 2.1 Procurement regulations, section 5 of the Schools Financial Regulations regarding the award process and thresholds have been updated in accordance with UK statutory regulations now in operation, which have replaced the European Union Regulations. The procurement process dependant on values remains unchanged but the wording has been made current.
- 2.2 The school's procurement regulations have also been updated with details of the commitment to Manchester Living wage (MLW), in November 2019 the Council became a Real Living Wage Accredited Organisation (RLW). As part of that accreditation the Council is required to provide information relating to its supplier's payment of the Living Wage to their employees. This aligns to supporting the Council in meeting many of its social, economic and environmental objectives, including:
 - Ensuring that wages in the City can sustain families and individuals
 - Attracting and retaining motivated employees, thereby reducing the impact of staff turnover.
 - Helping to underpin a thriving economy.

A link to [Ethical procurement policy - Manchester City Council](#) has been added to the School Financial Regulations (section 5).

- 2.3 The Council has implemented a Social Value Policy, which must be clearly evidenced for any Council specification. This policy is in place to encourage organisations to operate and provide goods and services in such a way that offers maximum social, environmental and economic benefit to Manchester residents and communities. Social value has become even more of a priority in light of the coronavirus pandemic and the economic and social impacts it has had on Manchester.

A link to [Manchester City Council's Social Value Policy](#) has been added to the School Financial Regulations (section 5).

- 2.4 The Council recommends that that any future agreements/contracts being considered by Manchester schools that they look at incorporating the MLW as part of the tender process and consider how the contract will deliver its social value commitments.
- 2.5 The Council's Integrated Commissioning and Procurement team are strengthening procurement advice for schools by drafting a concise guidance for maintained schools, to be released shortly.

3. CONCLUSION AND RECOMMENDATIONS

- 3.1 Schools Forum (maintained school members only) are asked to note:
- No changes to the Scheme for Financing Schools 2021
 - Procurement guidance within Schools Financial Regulations has been updated.
- 3.2 All Schools Forum members are asked to note:
- Council's Social Value and Ethical procurement policy, incorporating Manchester Living Wage (MLW)