

THE PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITY

Timescales for the provision of services bought back from the LA using delegated budgets

Current wording in Schools Financing Scheme

For those services charged on the basis of an annual subscription, agreements with the LA will be continuous unless schools advise the provider by 1st April that they no longer wish to purchase the service. To assist schools in making their decisions, by 31st December of the previous year, service providers must advise schools of any significant restructuring of their services or price increases above the rate of inflation.

Where a school has advised a provider that it no longer wishes to purchase the service, the service will continue at the previous year's price plus inflation until 31st August.

For other services, the term of any arrangement with a school to buy services or facilities from the LA will be limited to a maximum of three years from the date of the agreement, and periods not exceeding five years for any subsequent agreement relating to the same services. In the case of catering services an extension applies to five and seven years respectively.

Services provided for which expenditure is not retainable centrally by the LA under the Regulations made under section 46 of the Act, will be offered at prices which are intended to generate income which is no less than the cost of providing those services. The total cost of the service must be met by the total income, even if schools are charged differentially.

Current notification clause on the portal

- A school must give notice by 30 March as to whether it wishes to continue or discontinue the service for the full financial year ending 31 March of the following year.
- If a school does not give notice by 31 March, then the contract is deemed to be extended for the financial year ending 31 March of the following year.
- If a school gives notice between 1 April and 30 September (inclusive) that it does not want to continue the service for the following financial year, the service will discontinue on the following 31 March.
- If a school gives notice between 1 October and 31 March (inclusive) that it does not want to continue the service for the following financial year, the service will discontinue on the following 31 August.

Proposed wording

For those services charged on the basis of an annual subscription, agreements with the LA will be need to be completed by 30th April. To assist schools in making their decisions, by 31st December of the previous year, service providers must advise schools of any significant restructuring of their services or price increases above the rate of inflation.

Where a school has advised the LA's Business Support Team between 1 October and 30 April (inclusive) that it does not wish to continue the service for the following financial year, the service will discontinue on 31 August.

Where a school has advised the LA's Business Support Team between 1 May and 30 September (inclusive) that it does not wish to continue the service for the following financial year, the service will discontinue on 31 March.

The term of any arrangement with a school to buy services or facilities from the LA will be limited to a maximum of three years from the date of the agreement, and periods not exceeding five years for any subsequent agreement relating to the same services. In the case of catering services an extension applies to five and seven years respectively.

Service will be offered at prices which are intended to generate income which is no less than the cost of providing those services. The total cost of the service will be met by the total income, even if schools are charged differentially.

Proposed notification clause

- A school must complete the purchase of services offered through annual subscription by 30th April.
- Where a school has advised the LA's Business Support Team between 1 October and 30 April (inclusive) that it does not wish to continue the service for the following financial year, the service will discontinue on 31 August.
- Where a school has advised the LA's Business Support Team between 1 May and 30 September (inclusive) that it does not wish to continue the service for the following financial year, the service will discontinue on 31 March.

DFE GUIDANCE

PROVISION OF SERVICES BOUGHT BACK FROM THE AUTHORITY USING DELEGATED BUDGETS

The scheme should contain a provision limiting the term of any arrangement with a school to buy services or facilities from the authority to a maximum of three years from the date of the agreement, and periods not exceeding five years for any subsequent agreement relating to the same services. However, schemes may contain an extension to five and seven years respectively for contracts for supply of catering services.

There is no minimum period, although arrangements lasting less than two years may well be uneconomic.

The scheme should contain a provision which requires that when a service is provided for which expenditure is not retainable centrally by the authority under the Regulations made under section 45A of the Act, it should be offered at prices which are intended to generate income which is no less than the cost of providing those services. The total cost of the service should be met by the total income, even if schools are charged differentially.

This provision complements the implied requirements of the regulations on central retention of funds. It is recognised that absolute break-even or profit is not always achievable over fixed financial years: it is for the authority to show during audit tests that the charging policy can reasonably be expected to avoid central subsidy of services.

8.2.1 Packaging

The scheme should contain a provision to the effect that any service which an authority is providing on a buyback basis must be offered in a way which does not unreasonably restrict schools' freedom of choice among the services available, and where practicable,

this will include provision on a service-by-service basis as well as in packages of services.

This provision would not prevent authorities offering packages of services which offer a discount for schools taking up a wider range of services; but authorities are encouraged to offer services singly as well as in combination.

8.3 Service level agreements

The scheme should provide that service level agreements must be in place by a certain date to be effective for the following financial year, and that schools must have at least a month to consider the terms of agreements.

8.3.1 The scheme should contain a provision which stipulates that if services or facilities are provided under a service level agreement - whether free or on a buyback basis - the terms of any such agreement starting on or after the inception of the scheme will be reviewed at least every three years if the agreement lasts longer than that.

8.3.2 The scheme should explicitly provide that services, if offered at all by the authority, will be available on a basis which is not related to an extended agreement, as well as on the basis of such agreements.

Where services are provided on an ad hoc basis they may be charged for at a different rate than if provided on the basis of an extended agreement.

The scheme should specifically exclude centrally arranged premises and liability insurance from these requirements as to service supply, as the limitations envisaged may be impracticable for insurance purposes.