



**Scheme for Financing
Schools**

Report to:	Schools Forum
Date of Meeting(s):	18th May 2023 and 29th June 2023
Subject:	Scheme for Financing Schools update
Report of:	Colette Dutton – Director Children and Families
Contact Officer:	Mark Rotheram Strategic Finance Manager Anthony Meehan Group Finance Manager
Summary:	To provide information on updates to the Scheme for Financing Schools.
Recommendation(s):	For members of maintained schools to agree to the proposed changes to the scheme.
Implications:	
<i>What are the financial implications?</i>	N/A
<i>What are the staffing implications?</i>	N/A
Risks:	N/A

Please list any appendices:-

Appendix 1 – Scheme for Financing Schools

1. Introduction

- 1.1 The Scheme for Financing Schools sets out the financial relationship between the local authority and the maintained schools which it funds. It contains requirements relating to financial management and associated issues, which are binding on both the local authority and on the schools.
- 1.2 Any proposed revisions to the scheme are required to be presented at Schools Forum, for approval by members representing maintained schools. The purpose of this report is to summarise the proposed updates to the Local Scheme (including directed revisions from the Secretary of State).

2. Scheme for Financing Schools updates

- 2.1 The revised Scheme for Financing Schools has been included in full in Appendix 1 of this report. A full review of the scheme was undertaken in 2021 and approved by Forum. This update reflects minor changes made to DfE guidance since then. Outlined below is a summary of the updates made to the scheme for approval:

Paragraph ref.	Summary of changes
3.6	Borrowing by Schools – Reference to Salix loans removed from the scheme as this has now been discontinued.
5.4	Income from the Sale of Assets – Further guidance on the retention of funds from the sale of land assets as per DfE’s recent update to guidance. This now clarifies that Secretary of State consent is required in relation to the retention of funds from the sale of land assets.
Annex A	List of Schools to which the Scheme applies – List of maintained schools updated to reflect recent changes.

3. Recommendations

- 3.1 To review details of the updates, and for forum members representing maintained schools to agree the proposed revised Scheme for Financing Schools.