

Report to: Schools Forum

Date: 16th May 2024

Subject: Scheme for Financing Schools update

Report of: Colette Dutton - Director Children and Families

Contact officer: Mark Rotheram – Strategic Finance Manager
Kirsten Reid – 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:

*What are the **financial** implications?* n/a

*What are the **staffing** implications?* n/a

Risks: n/a

Please list any appendices:-

Appendix 1 – Scheme for Financing Schools
Appendix 2 – The IFRS16 Maintained Schools Finance Lease Class Consent

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. Outlined below are the key changes made to the scheme and the reasons for these changes:
- Updated section 3.6 to reflect the changes in the status of leases following IFRS16 being introduced for schools. All leases are now classed as borrowing for accounting purposes.
 - Included note that Secretary of State has agreed a blanket consent on the most common leasing activities set out in IFRS16. The IFRS16 maintained schools finance lease class consent is attached as Appendix 2
 - Updated regulation in 8.1 to School and Early Years Finance (England) Regulations 2024.
 - Annex A - Removed Abram Bryn Gates and Our Lady Immaculate primary schools from the list of schools to which the Scheme applies.

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.