

## REPORT FOR SCHOOLS FORUM

1.	<b>Date of meeting:</b>	<b>21<sup>st</sup> June 2024</b>
2.	<b>Title:</b>	<b>Scheme for Financing Local Authority Maintained Schools (updated)</b>
3.	<b>Directorate:</b>	<b>Finance and Customer Services</b>

### 1. PURPOSE OF REPORT

- 1.1 This report builds upon previous reports to Schools Forum setting out the main amendments to the Scheme for Financing Schools to bring in line with the DfE's latest version, updated 28<sup>th</sup> March 2024.

### 2. RECOMMENDATION(S)

- 2.1 That Schools Forum note the updates to the Scheme for Financing Schools sections highlighted in yellow.
- 2.2 That Schools Forum note the DfE's latest version, updated 28 March 2024.
- 2.3 That the Schools Forum agree for the Updated Scheme for Financing Schools to be disseminated to schools.

### 3. BACKGROUND INFORMATION & CONTEXT

- 3.1 Nationally the DfE publishes statutory guidance for local authorities.
- 3.2 Local authorities are required to publish schemes for financing schools, setting out the relationships between them and the schools they maintain.
- 3.3 The DfE's latest version, updated 28 March 24 can be found by following the link below:

[Schemes for financing local authority maintained schools 2024 to 2025 - GOV.UK](https://www.gov.uk/government/publications/schemes-for-financing-local-authority-maintained-schools-2024-to-2025)  
([www.gov.uk](https://www.gov.uk))

## **4 UPDATES TO THE SCHEME FOR FINANCING SCHOOLS**

4.1 The guidance has been updated to reflect current policy and changes in legislation:

- Section 2.9: Multi-year Budget Forecasts – schools are required to submit a 3-year budget forecast along with their annual budget in May each year.
- Section 2.16: Purchasing, tendering and Contractual Requirements – we have updated the guidance to reflect that schools must seek at least three written tenders or quotes in respect of any contract with a value exceeding £10,000 in any one year.
- Section 2.24: Efficiency and value for money – the scheme now imposes a requirement on schools to achieve efficiencies and value for money, to optimise their resources and invest in teaching and learning, considering the purchasing, tendering, and contracting requirements.
- Section 3.6: Borrowing by Schools - we have updated guidance on borrowing to reflect the introduction of International Financial Reporting Standard 16 (IFRS16) and the Secretary of State providing blanket consent to certain categories of finance lease.
- section 5.8: Borrowing by schools, first paragraph - the introduction of IFRS16 for local authorities from 1 April 2024 ends the distinction between operating and finance leases at maintained schools and in effect, all leases will be classified as finance leases for accounting purposes.

## **6. NAMES & CONTACT DETAILS**

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