

Regulatory and Other Committee

NAME OF COMMITTEE:	Lincolnshire Schools Forum
DATE OF MEETING:	13 January 2016
SUBJECT:	Scheme for Financing Schools
REPORT BY:	Lizzie Bowes (Strategic Finance Manager, Schools Finance Team)
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IS THE REPORT EXEMPT?	No
IS REPORT CONFIDENTIAL?	No

SUMMARY

The purpose of this report is to alert the Schools Forum to the latest publication by the DfE of its revised guidance on Schemes for Financing Schools.

DISCUSSION

Background

Schemes for Financing Schools were first introduced under the Schools Standards and Framework Act 1998. The Local Authority (LA) is required to publish a scheme for financing schools. This sets out the financial relationship between the LA and the schools it maintains. Any amendments to schemes must be consulted on with all maintained schools and be approved by the Schools Forum. The Scheme is not relevant to academies. They have their own arrangements with the EFA.

The Schools Forum will recall that in addition to the amendments to the scheme as required by the DfE, the LA made its own change to the scheme in January 2015 to increase the carry forward limit for nursery schools from 8% to 10% of their budget share. The LA made a further amendment to the scheme in October 2013 requiring that all maintained schools submit a medium term finance plan (MTFP) to the LA by the 31st May each year.

DfE changes

The DfE review the scheme on an annual basis and directs LAs to amend their schemes in accordance with the DfE revisions. The LA has updated the Scheme in those instances and has reported the changes to the Schools Forum. On 3rd September 2015, the DfE directed LAs to make further revisions to the Scheme. Details of the DfE's Scheme guidance are available at:

<https://www.gov.uk/government/publications/schemes-for-financing-schools>

From Lincolnshire's perspective, the most important revisions to the Scheme from 1st April 2016 are:

- Maintained schools are required to publish a register of the business interests of their governors, along with any relationships with staff.
- Clarification that borrowing includes the use of finance leases and is not allowable, with the exception of certain schemes approved by the Secretary of State. Currently only Salix loans have such approval.

The LA will publish a revised scheme before April 2016 on the below link:

<http://www.lincolnshire.gov.uk/parents/schools/for-schools/s251-statements/>

RECOMMENDATIONS

The Schools Forum is asked to note the content of the report.

BACKGROUND PAPERS

The following reports were relied upon in the writing of this report.

PAPER TYPE	TITLE	DATE	ACCESSIBILITY
Report to Schools Forum	Scheme for Financing Schools	14 January 2015	County Offices, Newland, Lincoln.
DfE's guidance	LA schemes for financing schools	3 September 2015	Please see the web link above

APPENDICES

None.