

**Title of meeting:** Schools Forum

**Date of meeting:** 22 May 2024

**Subject:** Scheme for Financing Schools

**Report from:** Sarah Daly, Director of Children, Families and Education

**Report by:** Angela Mann, Finance Manager

**Wards affected:** All Wards

**Key decision:** No

**Full Council decision:** No

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**1. Purpose of report**

1.1. This report outlines the proposed changes to the Scheme for Financing Schools which reflects the revisions to the scheme as outlined in the guidance issued by the Department for Education (DfE).

**2. Recommendations**

2.1. It is recommended that Schools Forum members representing maintained schools, approve the revised 'Scheme for Financing Schools', attached at Appendix 1, to come into force on 23 May 2024.

**3. Background**

3.1. The latest statutory guidance for Local Authorities issued by the DfE in respect of the Scheme for Financing Schools reflects the recent changes to legislation as set out in The School and Early Years Finance and Childcare (Provision of Information About Young Children) (Amendment) (England) Regulations 2024. The proposed Portsmouth City Council Scheme for Financing Schools attached at Appendix 1, incorporates the requirements of the statutory guidance issued by the DfE.

3.2. There were no directed revisions to the Scheme in the guidance issued by the DfE for 2024 to 2025. The guidance included a number of changes across the whole of the document, and these have been reflected in the Scheme for Financing Schools issued by Portsmouth City Council where appropriate. The proposed scheme will become effective on 23 May 2024 once approved by Schools Forum.

3.3. Consultation on the changes to the Scheme with Headteachers, Governors and Finance Managers, took place between 15 April and 26 April 2024. No responses were received. The final document is attached at Appendix 1.

#### **4. Proposed revisions**

4.1. The proposed Scheme has been revised to ensure consistency of language, the correct use of titles for responsible officers together with updated hyperlinks to further information, and any changes to relevant legislation. The main revisions to the scheme are listed below and reflect both the changes to the statutory guidance issued by the DfE, together with the general revisions for changes to Portsmouth City Council policies and procedures.

<b>Paragraph</b>	<b>Update</b>
1.1	This section has been updated in line with the guidance issued by the Department for Education.
1.2	Updated date scheme will come into effect.
1.4	Updated to reflect that no directed revisions were required by DfE to the 2024 scheme.
2.2	Updated the link for the Consistent Financial Reporting Framework to the latest 2024-2025 version.
2.10	Updated guidance to remove the phrase "regulations" and replace with "Contract Procedure Rules". Added " Schools are also legally bound to abide by the wider procurement regulations for all in-scope contracts which are valued above the relevant statutory thresholds. The exemptions set out in the above bullet points do not apply to contracts caught by the wider regulations. To aid compliance Schools are encouraged to engage with the Authority's Procurement Service for any contracts with a lifetime value in excess of £150,000 inclusive of VAT."
2.16	Updated guidance to amend the year that schools should submit their SFVS to their local authority, by no later than 31 March 2025 and updated the date local authorities should submit their assurance statement to the DfE by no later than 31 May 2025.

**Paragraph      Update**

3.6                      The introduction of IFRS16 for local authorities from 1 April 2024 ends the distinction between operating leases and finance leases at maintained schools for accounting purposes. Under the Education Act 2002, all leases will be classed as borrowing and will require the Secretary of State for Education's consent.

The Secretary of State has agreed to provide blanket consent to a range of the most common leasing activities, as set out in the IFRS16 Maintained Schools Finance Lease Class Consent 2024. Leases not included in this Order will still require the written consent of the Secretary of State.

4.5                      Updated the year 2024.

4.8                      Legislation amended to "The School and Early Years Finance and Childcare (Provision of Information About Young Children) (Amendment) (England) Regulations 2024".

Annex 1                Special unit places numbers amended to reflect places agreed by Schools Forum and Cabinet Member for 2024-25.

4.3      The revised version of the Scheme for Financing Schools, once approved, will be issued to schools (including Head Teachers, Governors and Finance Managers) and made available on the intranet and the external website.

**5.                      Reasons for recommendations**

5.1      Part 4 of The School and Early Years Finance and Childcare (Provision of Information About Young Children) (Amendment) (England) Regulations 2024 sets out the responsibilities in respect of the scheme for Financing Schools, including the required content which the scheme must contain (Regulation 42) and the requirement for members of Schools Forum who represent schools maintained by the authority, to approve revisions to the Scheme (Regulation 43). The recommendations contained within this report, seek approval from the relevant Schools Forum members to the proposed changes to Portsmouth City Council's Scheme for Financing Schools in line with those Regulations.

**6. Equality impact assessment (EIA)**

6.1 The Scheme for Financing Schools sets out the financial relationship, procedural arrangements and the statutory duties between maintained schools and the City Council. There is no direct impact on any particular equalities group and therefore does not require an equities impact assessment.

**7. Legal comments**

7.1 Approval of the recommendations in this report will enable the Council to meet its statutory duties in respect of the maintenance and publication of a scheme for financing the schools which it maintains. (Section 48 and paragraph 2A of Schedule 14 of the School Standards and Framework Act 1998 and Part 4 and Schedule 4 of The School and Early Years Finance and Childcare (Provision of Information About Young Children) (Amendment) (England) Regulations 2024.

**8. Finance comments**

8.1 There are no financial implications arising directly from the recommendations contained within this report.

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Signed by: Sarah Daly, Director of Children, Families and Education

**Appendices:**  
Appendix 1 - Scheme for Financing Schools 2024-25 (Proposed)

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b>Title of document</b>	<b>Location</b>
Statutory Guidance - Schemes for Financing Schools	<a href="https://www.gov.uk/government/publications/schemes-for-financing-schools">https://www.gov.uk/government/publications/schemes-for-financing-schools</a>

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

.....  
Signed by: