

**CITY OF WESTMINSTER
SCHOOLS' FORUM 19TH JUNE 2023
REPORT BY LEAD STRATEGIC FINANCE MANAGER – CHILDREN'S
SCHEME FOR FINANCING SCHOOLS**

Purpose of the report

This report sets out the recommended updates to the current policy.

FOR APPROVAL

1 Introduction

- 1.1 The Scheme for Financing Schools (the “policy”) sets out the financial relationship between the Local Authority and the maintained schools that it funds. It contains requirements relating to the financial management of its schools.
- 1.2 In making any changes to their schemes, other than DfE directed revisions, local authorities must consult all maintained schools and receive approval of the Schools Forum representing maintained schools.
- 1.3 The proposed policy in Annex B of this report is compliant with DfE guidance and the Authority's financial regulations.

2 Policy Updates for Consideration

- 2.1 The current Scheme for Financing Schools was last updated in January 2022 after presentation to Schools Forum.
- 2.2 The DfE published the updated [scheme for financing local authority maintained schools 2023 to 2024](#) at the end of March 2023.
- 2.3 There were no new directed revisions in the updated version of the scheme and one other change regarding the retention of funds from the sale of land assets.
- 2.4 Additionally, further detail has been added to paragraph 2.3 (submission of budget plans) regarding deficit schools / schools expecting to be in financial difficulty.

Paragraph	Revision Type	Change from January 2022 Scheme
5.4	Other update	<p>Any retention of funds from the sale of land assets is subject to the consent of the Secretary of State, and any conditions the Secretary of State may attach to that consent relating to use of proceeds.</p> <p>The retention of proceeds of sale for premises not owned by the local authority will not be a matter for the scheme.</p>
Annex A	Other update	Deleted Westminster Cathedral Roman Catholic Primary School from the annex (amalgamated).
2.3	Other update	<p>Submission of budget plans</p> <p>Current:</p> <p>From 2023/24, Schools are required to submit a 3-year budget plan to the Authority by 1 May (or the first working day of May) each year. The school's budget plan must be approved and signed by the governing body (or a committee of the governing body).</p> <p>The governing body is not permitted to set a budget which plans for a cumulative deficit at the end of any of the financial years, except where the Authority has authorised such a budget formally.</p> <p>Proposed:</p> <p>From 2023/24, Schools are required to submit a 3-year budget plan to the Authority by 1 May (or the first working day of May) each year. The school's budget plan must be approved and signed by the governing body (or a committee of the governing body).</p> <p><i>Schools anticipating financial difficulties likely to impact their ability to set and operate within a balanced budget are asked to provide a draft budget plan by the end of March (as set out in section 4.5 of the Scheme, planning for deficit budgets). This is to allow enough time for a licensed deficit recovery plan (that sets out arrangements for returning to a balanced position within an agreed period) to be formulated. Recovery plans are formulated in conjunction with the Local Authority and the final plan must signed off by the governing body and submitted by the end of May.</i></p> <p>The governing body is not permitted to set a budget which plans for a cumulative deficit at the end of any of the financial years, except where the Authority has authorised such a budget formally.</p>

3 Consultation

- 3.1 In accordance with the provision set out in 1.4 of the Scheme and DfE guidance, *‘any proposed revisions to the Scheme will be the subject of consultation with the governing body and the headteacher of every school maintained by the Authority, before they are submitted to the Schools Forum for their approval’.*
- 3.2 To comply with this requirement, Schools Forum is asked to note the updated revisions and provide consent for the proposed Scheme to be circulated to all maintained schools for consultation.
- 3.3 If the outcome of the consultation is in support of the changes to the Scheme, the changes will be enacted and the updated Scheme made available to all maintained schools.

4 Recommendations

- 4.1 Schools Forum is asked to:
- review and approve the updated Scheme to be consulted on with all maintained schools (in line with provision 1.4 of the policy)
 - note that the outcome of the consultation will be reflected in the next issue of the Scheme.

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Background Papers

Department for Education: Statutory guidance for local authorities on Schemes for Financing Schools: <https://www.gov.uk/government/publications/schemes-for-financing-schools/schemes-for-financing-local-authority-maintained-schools>

Annexes

- Annex A – Current Scheme for Financing Schools
- Annex B – Proposed Scheme for Financing Schools