



SCHOOLS FORUM
June 2024

Joint Report of the Strategic Director People Services and the Strategic Director of Corporate Resources

ITEM
03/24

Local Authority Scheme for Financing Schools 2024 Revision

SUMMARY

- 1.1 Each Local Authority is required to have a Scheme for Funding Schools in accordance with the School Standards and Framework Act 1998 (SSFA) and associated regulations. The Scheme applies to all schools (excluding academies and free schools) and sets out the financial relationship between the Council and the schools it maintains.
- 1.2 This report details the proposed changes to the Scheme. All Scheme changes must be approved by Schools Forum. The revised Scheme is attached at Appendix A

RECOMMENDATION

- 2.1 To approve the change to the Scheme for Funding Schools as detailed in this report and note the new Annex F: The IFRS16 Maintained Schools Finance Lease Class Consent. (Appendix B)

SUPPORTING INFORMATION

- 3.1 The Department for Education, from time-to-time issues updates to the statutory guidance to local authorities for their Schemes for Financing Schools. There are currently no directive revisions however the DfE have issued the following update to reflect current policy position and changes to legislation.

- 3.2 Updates to School Borrowing:

Borrowing by schools – The Dfe 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.

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

3.3 Derby had reflected these changes in its Scheme for Funding Schools at 3.17 and 11.3 and 11.4 of the main documents and created an additional Annex F for **The IFRS16 Maintained Schools Finance Lease Class Consent**.

The changes are also reflected in, Annex B School Financial Regulations. Section D3, G26, K, K15. (Appendix C)

For more information contact: Background papers: List of appendices:	Name e-mail Janice.Hadfield@derby.gov.uk Scheme for Funding Schools Appendix A Scheme for Funding Schools 2024 – main document Appendix B – Annex F - The IFRS16 Maintained Schools Finance Lease Class Consent Appendix C – Annex B School Financial Regulations
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