

York Schools Forum**7 May 2026**

Report of the Head of Children & Education Finance

BANK ACCOUNTS FOR SCHOOLS (BAFS) SCHEME – PROPOSED REVIEW**Purpose of Report**

- 1 This report sets out the intention of the local authority to undertake a review of the Bank Accounts for Schools (BAFS) Scheme during the remainder of 2026, with a view to implementing any agreed changes from April 2027, if practicable.

Background

- 2 The BAFS Scheme provides the framework through which delegated budgets are transferred to maintained schools operating their own bank accounts. The current arrangements have been in place for several years, during which time the wider financial, banking and interest rate environments have changed significantly. It is therefore timely to review the scheme to ensure it remains fair, transparent and aligned with good financial management practice. A copy of the current York BAFS Scheme is included at Annex A of this report.

Scope of the Review

- 3 Subject to the views of the forum, it is intended that the review will have a focus on the timing and methodology of cash transfers between the LA and schools via the monthly remit system. In particular, it is proposed that it will examine:
 - The schedule and frequency of regular planned cash transfers to schools.
 - When and how additional ad hoc cash advances to schools should be allowed.
 - The basis on which interest is calculated, applied and charged on negative balances.
 - Whether the current arrangements appropriately reflect the cost of cashflow management to the authority and the financial autonomy of schools.
 - Opportunities to simplify processes, improve clarity and ensure consistency across all BAFS schools.
 - Any other aspects of the scheme that the forum wishes the LA to consider.
- 4 It is proposed that the review will include engagement with a representative group of school finance leads to ensure that the operational impacts and views of schools are fully considered. As a minimum, it is recommended that this reference group includes at least one secondary school and two primary school representatives.

Timetable

- 5 It is proposed that the review will follow the following timetable:
- May to July 2026: Initial review work by LA officers, including a meeting with the representative group before the end of the summer term.
 - August to October 2026: Draft proposals developed and discussed with the representative group.
 - November 2026: Draft proposals presented to the Schools Forum and, if material changes to the scheme are proposed, the forum considers undertaking a consultation with all maintained schools.
 - January 2027: Final proposals, following any consultation with schools, are considered by the Schools Forum.
 - April 2027: Earliest implementation date for any changes – may be subject to the extent and complexity of any system changes required.

Recommendations

- 6 Members of the forum are asked to note and comment on the proposed review of the BAFS Scheme and the draft timetable.

Contact Details Author:	Chief Officers Responsible for the Report:
Richard Hartle Head of Children & Education Finance Tel: 01904 554225 email: richard.hartle@york.gov.uk	Martin Kelly Corporate Director of Children & Education Debbie Mitchell Chief Finance Officer