

**York Schools Forum**

**1 February 2024**

Report of the Head of Children & Education Finance

**REVIEW OF THE CITY OF YORK COUNCIL LOCAL MANAGEMENT OF SCHOOLS (LMS)  
SCHEME FOR FINANCING SCHOOLS**

**Purpose of Report**

- 1 This report informs members of the Schools Forum of the results of the consultation with maintained schools and proposes a revised City of York Scheme for Financing Schools (the scheme) to be implemented from 1 April 2024.

**Background**

- 2 Delegated responsibilities for individual school financial management were introduced in the late 1980s followed by Fair Funding in 1999. Since then, education policies have continued to promote the principles of freedom, responsibility and fairness which has seen maintained schools taking on more responsibilities and freedoms over the years.
- 3 The scheme sets the funding framework for schools. It sets out the financial relationship between the LA and York's maintained schools. The Department for Education (DfE) sets out the frame of reference and statutory requirements within which LAs may draft their schemes and, therefore, the flexibility for local discretion is limited. The scheme contains requirements relating to financial management and associated issues, binding on both the LA and schools. The statutory guidance lists the provisions which an LA's scheme must, should or may include. Schemes do not need to follow the format used in the statutory guidance, except for the text of directed revisions.
- 4 The LA is required to regularly review the scheme; recommendations for any changes are then taken to the Schools Forum. Amendments to the scheme require consultation with all maintained schools and the formal approval of the Schools Forum.

**Consultation Feedback**

- 5 The consultation was launched on 20 November and closed on 12 January. As the scheme does not affect academy schools, the consultation was sent to all York's maintained schools and other LA services with an interest. Consultees were asked to make any comments that they had on the proposed new scheme to help inform the forum making a formal decision prior to 1 April.
- 6 No responses have been received from schools, suggesting there were no significant issues with the amendments being proposed. This is unsurprising as the LA was not proposing significant changes, merely updating in line with the latest DfE guidance and improving clarity.
- 7 The LA's legal services team have suggested one minor amendment from the draft scheme and that is to include, at paragraph 4.10, a specific link to the council's Contract Procedure Rules. This is only to ensure that it is clear to schools where the relevant rules can be found

that are referred to in the scheme. Other than this, no further amendments from the consultation draft are proposed.

**Revised LMS Scheme from April 2024**

- 8 The updated version of the LA’s proposed LMS Scheme for implementation from 1 April 2024, including the consultation feedback, is attached at Annex 1. This updated scheme incorporates the DfE guidance updates for 2018 to 2023, including any directed revisions.
- 9 Although schemes do not need to follow the format used in the DfE’s statutory guidance, the proposed scheme now closely matches the DfE format and numbering. This should enable the York scheme to be more easily compared to the DfE guidance and facilitate more efficient updating of the scheme in the future.
- 10 Amendments to the wording of a number of sections have also made in order to improve clarity and understanding whilst not actually changing the meaning and requirements within those sections.
- 11 A summary of all new, removed and materially amended sections of the scheme is included at Annex 2.

**Recommendations**

- 12 Local Authority maintained school members of the forum are asked to approve the revised City of York Council Scheme for Financing Schools (attached at Annex 1), and agree to the implementation of the new scheme from 1 April 2024.

<b>Contact Details Author:</b>	<b>Chief Officers Responsible for the Report:</b>
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

**Annex 1 – Proposed City of York Council Scheme for Financing Schools**  
**Annex 2 – Schedule of Main Changes from Previous Scheme**