Report of the Director of Finance

Item 3 – Scheme for Financing Schools – DfE Directed Revisions and LA Revisions

15th January 2025

1. Purpose of the Paper

The purpose of this report is to inform Schools Forum on the consultation process with regard to the requirement to update the Oldham Scheme for Financing Schools, effective from April 2024.

2. Background

Local authorities are required to publish schemes for financing schools setting out the financial relationship between them and the schools they maintain. The DfE has issued revised guidance on local authority schemes for financing schools which Local Authorities must take into account when they revise their scheme.

A copy of the summary changes and the scheme was sent to schools for consultation, the consultation ended on 20th December 2024. The revised guidance has been published on the Council's website and is attached as appendix 1.

3. Revisions

Changes to some of the wording in the scheme are called 'directed revisions'. This means that authorities must incorporate within, or remove from, their schemes the specified wording and no other process is needed in order to make the changes. The power of directed revision is used, to remove outdated provisions and to insert new provisions that are required for the implementation of policy.

The summary of scheme changes is as follows:

- Directed revisions already announced

- The Local Authority has updated Oldham's scheme in accordance with the specified instructions

4. Updates

A summary of the changes in accordance with updates to Guidance from the DFE and other Local Authority revisions for 2024 is shown below. There are no directed revisions. These changes were sent out for consultation with schools in December 2024. The Scheme for Financing Schools April 2024 is appended to this report.

Summary of main changes - Scheme for Financing Schools April 2024

SECTION	DETAILS	REVISION
3.6	Borrowing by schools - we 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	LA Revision
3.6	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	LA Revision

5. Actions/ Recommendations

To update the members of the Schools Forum representing maintained schools on the main changes to the document.