

Wiltshire Council

Schools Forum Finance & SEN Working Group 22 May 2023

Schools Forum 8 June 2023

Scheme for Financing Local Authority Maintained Schools

Purpose of report

1. To provide members of Schools Forum with an update required to the Wiltshire Scheme for Financing Maintained Schools.

Background

2. Local authorities are required to publish schemes for financing schools, setting out the financial relationship between them and the schools they maintain. Wiltshire undertook a wholesale re-write of its scheme ready for the 2021-22 year and is required to ensure that any Department for Education (DfE) Directed Revisions or other updates are duly incorporated.

Update 2023-24

3. The update issued in March 2023 required one minor tweak to the scheme, which will be incorporated into the Wiltshire scheme. The update reads as follows.

7.4 Income from the sale of assets

The scheme should contain a provision which allows schools to retain the proceeds of sale of assets, except in cases where the asset was purchased with non-delegated funds (in which case it should be for the local authority to decide whether the school should retain the proceeds), or the asset concerned is land or buildings forming part of the school premises and is owned by the authority. 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.

The retention of proceeds of sale for premises not owned by the local authority will not be a matter for the scheme.

Update 2022-23

4. The update issued in March 2022 also required one minor change to the scheme, which will be incorporated into the Wiltshire scheme for 2023-24. The update reads as follows.

5.8 Borrowing by schools

The scheme should contain a provision reminding schools that governing bodies may borrow money (which includes the use of finance leases) only with the written permission of the Secretary of State. The Secretary of State's general position is that schools will only be granted permission for borrowing in exceptional circumstances. From time to time, however, the Secretary of State may introduce limited schemes in order to meet broader policy objectives.

The scheme must contain a provision that allows schools to use any scheme that the Secretary of State has said is available to schools without specific approval.

Schemes may explicitly bar schools from using interest bearing credit cards and overdrafts, which are regarded as borrowing. However, they should encourage the use of procurement cards by schools, as these cards can be a useful means of facilitating electronic purchase. Schemes may also wish to permit the use of credit or charge cards. However, no interest charges should be incurred by the school, with balances fully cleared on a monthly basis.

Proposals

5. That Schools Forum note the updates required to the Scheme for Financing Maintained Schools.

Report author:
Grant Davis, Schools Strategic Financial Support Manager
01225 718587
grant.davis@wiltshire.gov.uk