



## NORTH YORKSHIRE SCHOOLS FORUM

<b>Date of meeting:</b>	Thursday 18 <sup>th</sup> May 2023
<b>Title of report:</b>	<b>North Yorkshire Council Scheme for Financing Schools</b>
<b>Type of report:</b> Delete as required	For information and decision
<b>Executive summary:</b> Including reason for submission	This report provides an update and requests approval from the Schools Forum for the amendment of the North Yorkshire Council Scheme for Financing Schools
<b>Budget / Risk implications:</b>	None for schools
<b>Recommendations:</b>	<p>The Schools Forum is asked:</p> <ul style="list-style-type: none"> <li>- To note the DfE changes to the statutory guidance on Schemes for financing local authority maintained schools</li> <li>- To approve an amendment to the North Yorkshire Council Scheme for Financing Schools to reflect the latest DfE statutory guidance.</li> </ul>
<b>Voting requirements:</b>	LA Maintained School members only
<b>Appendices:</b> To be attached	None
<b>Report originator and contact details:</b>	<p>Sally Dunn, Head of Finance – Schools &amp; Early Years</p> <p><a href="mailto:sally.dunn@northyorks.gov.uk">sally.dunn@northyorks.gov.uk</a></p> <p>01609 532118</p>
<b>Presenting officer:</b> If not the originator	

## **1.0 PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to provide an update on the DfE recent changes to their statutory guidance on Schemes for financing local authority maintained schools and to seek approval from the Schools Forum on an amendment to the Scheme for Financing Schools.

## **2.0 BACKGROUND**

- 2.1 Local authorities are required to publish a Scheme for Financing Schools that sets out the financial relationship between them and the schools they maintain.
- 2.2 Any amendments to the Scheme that are proposed by the local authority must be consulted on with all maintained schools within the local authority and be approved by the Schools Forum.
- 2.3 The DfE is able to direct local authorities to amend their schemes to reflect the latest statutory guidance. Schools are not required to be consulted on DfE directed changes.

On 31<sup>st</sup> March 2023, further guidance has been issued by the DfE in relation to 5.4 Income from the sale of assets:

**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.**

- 2.4 The current text in the North Yorkshire Scheme for Financing Schools will be updated to incorporate this guidance as follows:

Extract from NYCC LMS Scheme for Financing Schools

### **5.4 Income from the sale of assets**

Schools may retain the proceeds of sale of assets except in cases where the asset was purchased with non-delegated funds (in which case the LA should be informed of the disposal and it should be for the LA 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 LA.

The text from the paragraph above will be updated as follows:

Schools may retain the proceeds of sale of assets except in cases where the asset was purchased with non-delegated funds (in which case the LA should be informed of the disposal and it should be for the LA 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 LA. 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.

### **3.0 RECOMMENDATIONS**

- 3.1 The Schools Forum is asked to note the changes in DfE guidance and to approve amendment to the North Yorkshire Council Scheme for Financing Schools relating to income from sale of assets, as per the DfE directed revision in March 2023.

STUART CARLTON

Corporate Director – Children and Young People's Service

*Report Prepared by Sally Dunn, Head of Finance for Schools & Early Years*