
Scheme for Financing Schools

Report being considered by: Schools' Forum

Date of Meeting: 13 July 2026

Report Author: Kirsty Bray/Edith Cheng

Item for: Decision

By: All Maintained Schools
Representatives

1. Purpose of the Report

- 1.1 To discuss the responses to the consultation on the updated Scheme for Financing Schools.

2. Recommendation

- 2.1 To recommend to Schools Forum to approve the suggested amendment and publish and adopt the updated Scheme for Financing Schools by 13 July 2026.

Is the Schools' Forum required to make a decision as part of this report or subsequent versions due to be considered later in the meeting cycle?

Yes: ☒

No: ☐

3. Implications and Impact Assessment

Equalities Impact:	Positive	No Impact	Negative	Commentary
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		x		

Scheme for Financing Schools

B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		x		
Data Impact:		x		
Consultation and Engagement:	All maintained schools			

4. Executive Summary

- 4.1 Local authorities are required to publish schemes for financing schools which set out the financial relationship between the local authority and the schools they maintain.
- 4.2 The Department for Education (DfE) issues statutory guidance for local authorities on schemes for financing schools. The DfE guidance lists the provisions which a local authority must, should or may include. Local schemes need not follow the exact format used in the DfE guidance, except for the text of directed revisions. The DfE guidance is updated annually.
- 4.3 Issue 17 was published on 26 March 2026 and can be found at:
[Schemes for financing local authority maintained schools 2026 to 2027 - GOV.UK](#)
- 4.4 In making any changes to the scheme, a local authority must consult all maintained schools in their area and receive the approval of the members of their Schools' Forum representing maintained schools.
- 4.5 The local authority has reviewed the current scheme to ensure that all sections are still appropriate. The proposed Scheme for Financing Schools (2026 update) and Appendix B highlighting the proposed updates were both emailed to schools.
- 4.6 The consultation period was undertaken for 10 working days from 16 June 2026.

5. Supporting Information

- 5.1 Eleven responses have been received with mixed replies. From the responses received, one school is happy with the changes and had no further comments to make. A further ten schools have concerns regarding the proposed changes. All responses have been attached as Appendix A.
- 5.2 Notwithstanding the responses received through the consultation, it is recommended that the proposed changes to the Scheme for Financing Schools remain unchanged.

The proposed approach aligns with the Department for Education's guidance and model Scheme for Financing Schools, ensuring that the local scheme reflects current national expectations and promotes consistent financial management across schools.

In addition, the local authority is anticipating an increasing number of schools entering deficit positions, with current projections indicating that around 20% of schools may be in deficit in the coming years.

Maintaining the proposed changes will strengthen financial oversight, support earlier intervention where financial difficulties arise, and help safeguard the long-term sustainability of school budgets across the sector.

6. Consultation and Engagement

Section 151 Officer

Service Director for Education and Special Educational Needs and Disabilities (SEND)

7. Appendices

7.1 Appendix A – School Consultation Responses
