
York Schools Forum

19 October 2023

Report of the Head of Children & Education Finance

LOCAL MANAGEMENT OF SCHOOLS (LMS) SCHEME UPDATE & CONSULTATION

Purpose of Report

- 1 This report informs members of the Schools Forum of a proposed update to York's LMS Scheme from April 2024 and a consequent consultation with all maintained schools.

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 LMS 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 need not 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.

Revised LMS Scheme from April 2024

- 5 LA officers are currently finalising an updated version of the LA's proposed LMS Scheme for implementation from 1 April 2024. This updated scheme incorporates the DfE guidance updates for 2018 to 2023, including any directed revisions.
- 6 Officers have also taken the opportunity to review the format, structure and numbering of the scheme. Although schemes need not follow the format used in the DfE's statutory guidance, the LA has chosen to update the current scheme so that it 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.
- 7 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.
- 8 As part of the consultation papers that will go to schools, it is intended to highlight all new, removed and materially amended sections of the scheme.

Consultation with Maintained Schools

- 9 The main purpose of this report to is to inform members of the forum of the LA's proposed consultation process.
- 10 We are planning to launch the consultation immediately after the autumn half term break. Schools will be asked to make any comments that they may have on the proposed new scheme with the intention of closing the consultation on 15 January 2024. This should then give time to consider schools' comments before a report back to the 2 February meeting of the forum where a formal decision can be made.

Recommendations

- 11 Members of the forum are asked to note and comment on the LA's proposal to update the City of York Local Management of Schools Scheme and comment on the proposed consultation process.

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