

York Schools Forum

17 October 2024

Report of the Head of Children & Education Finance

LOCAL MANAGEMENT OF SCHOOLS (LMS) SCHEME UPDATE

Purpose of Report

- 1 This report informs members of the Schools Forum of a proposed update to York's LMS Scheme from April 2025.

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 normally require consultation with all maintained schools and the formal approval of the Schools Forum.

Revised LMS Scheme from April 2025

- 5 LA officers have updated the LMS Scheme for implementation from 1 April 2025. This updated scheme incorporates the most recent DfE directed revisions and changes to the council's financial regulations that affect schools.
- 6 None of the proposed changes to the scheme are expected to have a material impact on schools as they simply reflect updates to other regulations that maintained schools are required to follow.
- 7 The proposed scheme for 2025 is attached at Annex 1, including tracked changes from the current version. A summary of the changes is set out at section 1.3 of the proposed scheme.

Consultation with Maintained Schools

- 8 Given the limited nature of the changes being proposed for 2025 (compared to the more substantial revision of the scheme implemented in 2024), officers are asking maintained school members of the forum to consider whether they are happy to approve the new scheme without engaging in a full consultation with all maintained schools.

- 9 If the forum doesn't feel able to approve the new scheme then officers will undertake a consultation with all maintained schools in the second half of the autumn half term. Schools would be asked to make any comments that they may have on the proposed new scheme by the end of the autumn term. This should then give time to consider schools' comments before a report back to the January meeting of the forum where the formal decision could be made.

Recommendations

- 10 Maintained school members of the forum are asked to comment on the LA's proposed amendments to the City of York Local Management of Schools Scheme for April 2025, and considered whether they are prepared to approve the new scheme, or refer it to a full consultation process with all maintained schools.

Contact Details Author:	Chief Officers Responsible for the Report:
Richard Hartle Head of Children & Education Finance email: richard.hartle@york.gov.uk	Martin Kelly Corporate Director of Children & Education Debbie Mitchell Chief Finance Officer

Annex 1 – Proposed City of York LMS Scheme for 2025