



SCHOOLS FORUM
21st October 2025

ITEM XX

Report sponsor: Sharon Buckby, Service
Director – Learning Skills and Inclusion.

Report author: Janice Hadfield, Head of
Finance

Local Authority Scheme for Financing Schools 2025 Update

SUMMARY

- 1.1 Each Local Authority is required to have a Scheme for Funding Schools in accordance with the School Standards and Framework Act 1998 (SSFA) and associated regulations. The Scheme applies to all schools (excluding academies and free schools) and sets out the financial relationship between the Council and the schools it maintains.
- 1.2 This report details the proposed changes to the Scheme. All Scheme changes must be approved by Schools Forum. The revised Scheme is attached at Appendix A – the format is an unfinalised ‘tracked changes’ document, that will be finalised and uploaded onto Derby’s web pages once changes have been approved.

RECOMMENDATION

- 2.1 To approve the changes to the Scheme for Funding Schools as detailed in this report.

SUPPORTING INFORMATION

- 3.1 The Department for Education, from time to time issues updates to the statutory guidance to local authorities for their Schemes for Financing Schools. There are currently no directive revisions however they are recommending that Local Authorities review and update for 2025-26 the follow:

Section 6.2 instruction to add the following to the charging of school budget share sections.

21. The cost of an undisputed invoice for energy where a school has entered into an agreement with the Secretary of State for the supply of energy and failed to pay such an invoice (Regulation 23 of the regulations).

Section 10.3 to make reference to school's insurance options through Secretary of State Risk Protection Arrangement (RPA)

The scheme must require the local authority to have regard to the actual risks which might reasonably be expected to arise at the school in question in operating such a requirement, rather than applying an arbitrary minimum level of cover for all schools. Instead of taking out insurance, a school may join the Secretary of State's Risk Protection Arrangement (RPA) for risks that are covered by the RPA.

The scheme should contain a provision which allows schools to join the RPA. Schools may do this individually when any insurance contract of which they are part expires.

The scheme should also provide for all primary and/or secondary maintained schools to join the RPA collectively by agreeing through the schools forum to de-delegate funding.

Section 15.1 refers to adding the children's and family act 2014 to the scheme with regard to the impact on community facilities. Removing the initial consultation with the local authority. In this instance there is no reference existing in Derby's scheme to consult solely with the authority only the instruction to consult with those affected by the school's decisions, which remains as an instruction. Therefore no change is proposed to Derby's Scheme with regard to this note.

For more information contact:
Background papers:
List of appendices:

Name e-mail Janice.Hadfield@derby.gov.uk
Scheme for Funding Schools
Appendix A Scheme for Funding Schools 2025