Dorset Schools' Forum

Date of Meeting:	**26 September 2025**
Report Title:	**Update to the Scheme for Financing Schools**
Executive Director:	**Paul Dempsey, Executive Director for People - Children**
Corporate Director:	**Alice Deacon, Corporate Director for Commissioning and Partnerships**
Report Author: Title: Tel: Email:	Tom Easterbrook Schools' Forum Officer Schools, Finance & Support 01305 224567 tom.easterbrook@dorsetcouncil.gov.uk
Presenting Officer:	**Tom Easterbrook, Schools' Forum Officer Schools' Forum Officer Schools, Finance & Support**
Report Status:	**Public**
Reason for Submission to Schools' Forum:	**For APPROVAL** **Under Forum power/responsibility**: 1(e) Changes to the Scheme for Financing Schools
Recommendation(s):	That the maintained members of the Schools' Forum approve the updates to the Dorset Scheme for Financing Schools.
Reason for Recommendation(s):	To ensure the Council is compliant with latest statutory guidance and that the Dorset Scheme remains in line with Government best practice.
DECLARATIONS OF INTEREST	Schools' Forum members are reminded of their responsibility to make a declaration of interest in any agenda item in which they have an interest, to the Chair or the Clerk, preferably in advance of the meeting.

1. Executive Summary

Local authorities are required to publish schemes for financing schools setting out the financial relationship between them and the schools they maintain, to meet the provisions of Section 48 of the School Standards and Framework Act 1998, and Schedule 14 to that Act.

When making any changes to their schemes, they must consult all maintained schools in their area and then obtain the approval of the members of their schools' forum representing maintained schools, except in the case of presentational changes and changes known as 'directed revisions' requested by the Secretary of State. There are no directed revisions in this issue.

We last updated the scheme in July 2023 following approval from Forum, since then the DfE has issued updated guidance, so we are seeking approval for an updated scheme in the light of the new guidance.

We consulted maintained schools on three proposed changes to the scheme from 10 September 2025 – 18 September 2024. 10 out of 47 maintained schools responded.

The changes consulted on were:

•Section 4.2 has been updated to add requirement for schools to use the Dorset Council published chart of accounts for financial reporting. Introduced a prohibition on the use of internal trading codes to ensure data compatibility and integrity.
•Section 8.3 has been updated in line with the new regulations to ensure that 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 school budget shares can be charged to recover the debt.

Overall, the response was Overwhelmingly positive with only one objection relating to the changes to section 8.3. A full response to this objection is provided below

Response to Consultation Feedback on Clause 8.3 – Energy Invoice Charging

> Comment received:
> *"I would not agree to this as there may be circumstances that are preventing the payment of that invoice which could cause a detrimental effect to the school's finances. It would be better to consult with the school regarding the reason for non-payment."*
>
> Response:
> We acknowledge the concern raised regarding the potential financial impact on schools and the importance of understanding the context behind any non-payment. The clause added to Section 8.3 reflects a requirement under Regulation 23 of the School and Early Years Finance (England) Regulations, which permits local authorities to charge a school's budget share in cases where an undisputed energy invoice under an agreement with the Secretary of State remains unpaid.
>
> This provision is intended to ensure that public funds are managed responsibly and that liabilities arising from national energy contracts are settled promptly. However, we agree that communication and transparency are essential. While the regulation allows for direct charging, in practice, the local authority will seek to engage with the school prior to any deduction to understand the reasons for non-payment and explore possible resolutions.
>
> This approach aims to balance regulatory compliance with a fair and supportive process for schools.

2. Financial Implications

n/a

3. Climate Implications

n/a

4. Other implications

n/a

5. Risk Assessment

Having considered the risks associated with this decision, the level of risk has been identified as:
Current Risk: low
Residual Risk: low

6. Equalities Impact Assessment (EqIA)

n/a

7. Appendices

Appendix A: Dorset Scheme for Financing Schools (September 2026 version)

8. Background Papers

n/a

Footnote:

Issues relating to financial, legal, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.