**SCHOOLS FORUM – 9th December 2015**

**Manual of Financial Guidance for NELC Schools**

1. **PURPOSE**

The purpose of this report is to advise maintained school representatives of two EFA directed revisions to the Manual of Financial Guidance.

1. **BACKGROUND**

The local Scheme for Financing Schools (which applies to all schools whilst they continue to be maintained) must be approved by the local Schools’ Forum’s maintained school representatives.

This requirement is in: *Schemes for Financing Schools: Section 48 of the School Standards and Framework Act 1998, and Schedule 14 to the Act*.

All maintained schools are required to follow the Manual of Financial Guidance.

The DfE will from time to time publish directed revisions, these are mandatory and must be included in the local scheme.

1. **SUMMARY OF CHANGES**

In August 2015 the DfE published the “Schemes for financing schools:

Statutory guidance for local authorities” document. Contained within this document were two directed provisions which are repeated below:

* Requirement for maintained schools to publish a register of the business interests of their governors, along with any relationships with staff.
* Clarification that borrowing includes the use of finance leases and is not allowable, with the exception of certain schemes approved by the Secretary of State. Currently only Salix loans have such approval.

Directed provisions are just that and will need to be included within the local Scheme of Financing. Our scheme will be amended in due course however in the meantime all maintained schools will be contact advising them of the directed provisions and requesting that the email detailing these be treated as an addendum until the new manual is issued.

1. **RECOMMENDATION**

It is recommended that the changes be noted by the maintained representatives. No formal approval or voting is necessary as these are mandated changes.

David Kirven

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27th November 2015