



Title of report: Publication of Herefordshire's 2026/27 Scheme for Financing Schools

Meeting: Herefordshire Schools Forum

Meeting date: Friday 10 July 2026

Report by: Head of Strategic Finance (Deputy S151)

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose

For Schools Forum to note the publication of the Herefordshire's Scheme for Financing Schools (Local Management of Schools (LMS) Scheme), for implementation with immediate effect.

Recommendation(s)

That:

- a) Schools Forum note there are no Department of Education (DfE) directed changes to Herefordshire's Scheme for Financing Schools (LMS Scheme) for 2026/27,
- b) Schools Forum note that there are no local revisions to Herefordshire's Scheme for Financing Schools (LMS Scheme), and as such the existing scheme will remain in place for 2026/27 financial year, as set out at Appendix A.

Alternative options

- 1. Department for Education (DfE) instructed changes must be implemented, however local changes can be rejected if Schools Forum so wish. The Scheme would remain as it is for those items until a solution is found, or the Council seeks permission from the Secretary of State, in

accordance with Part 4 of the School and Early Years Finance and Childcare (England) Regulations 2025.

Key considerations

2. Section 48 of the Schools Standards and Framework Act 1998 obliges Local Authorities to establish and maintain a Scheme for Financing Schools dealing with how a Local Authority will finance the schools that it maintains.
3. The Scheme applies to all community, nursery, special, voluntary, foundation (including trust), foundation special schools and PRUs maintained by the local authority, whether they are situated in the area of the authority or situated elsewhere. It does not apply to schools situated in the local authority's area which are maintained by another authority. Nor does it apply to academies.
4. In line with the Regulations, revisions to a Local Authority's Scheme for Financing Schools can only be implemented once a Local Authority has consulted with their maintained schools and obtained the approval of either their Schools Forum or the Secretary of State for Education.
5. Only Schools Forum members representing maintained schools are eligible to vote on the proposed changes.
6. However, amendments to a Scheme for Financing Schools, that are necessary to enable it to comply with changes to the law introduced by the Regulations, do not require consultation or the approval of a Schools Forum.
7. The Department for Education (DfE) published their statutory guidance to local authorities on 26 March 2026, which confirmed there are no directed changes required for 2026/27 financial year. In addition, Herefordshire Council will not make any local revisions to the scheme, therefore there is no requirement for consultation on this year's scheme.
8. Included at Appendix A is the latest Herefordshire Council Scheme for Financing Schools (LMS Scheme) which is effective immediately for 2026/27 financial year.

Community impact

9. In accordance with our code of corporate governance, Herefordshire Council is accountable for how it uses the resources under its stewardship, including accountability for outputs and outcomes achieved. In addition, the council has an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. The council is committed to ensuring openness and transparency and the recommendations of this report demonstrate the reasons for a policy change being made.

Environmental impact

10. This is a consultation with Schools Forum on school funding and will have no direct environmental impacts. School governing bodies and trustees are responsible for deciding on expenditure and they will be encouraged to minimise waste and resource use in line with the Council's Environmental Policy.

Equality duty

11. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.
12. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows: A public authority must, in the exercise of its functions, have due regard to the need to – (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
13. In relation to school finance, it is the responsibility of individual governing bodies to commit expenditure according to individual pupil need. Changes in high needs provision will require consultation with users, and further advice from legal services will be sought should this be necessary. However, the decisions of the school forum should have regard to this duty and the potential implications of any decisions made.

Resource implications

14. The school's budget is fully funded by Dedicated Schools Grant (DSG).

Legal implications

15. The recommended amendments to the Scheme are in accordance with updates to the Department for Education (DfE) guidance to reflect changes in the Schools and Early Years Finance (England) Regulations 2026. DfE statutory guidance on schemes for financing schools for local authorities March 2026 states that councils are required to publish schemes for financing schools setting out the financial relationship between them and the schools they maintain. In making any changes to their schemes, councils must consult all schools in their area and receive the approval of members of their Schools Forum representing maintained schools. Councils must take this guidance into account when revising their schemes, in consultation with the Schools Forum.

Risk management

16. The council will fully comply with the amendments to the scheme.

Consultees

17. This report was discussed by Budget Working Group (BWG) at the meeting on the 30 June 2026.

Appendices

Appendix A – Herefordshire's Scheme for Financing Schools 2026/27

Background papers

None.

Glossary of terms, abbreviations and acronyms used in this report

BWG	Budget Working Group (of Schools Forum)
DfE	Department of Education
DSG	Dedicated Schools Grant
LMS	Local Management of Schools