

Furniture Finance for Schools Werk Solutions

A practical guide to leasing, lease purchase and IFRS 16

A clear, governance-aware overview for maintained schools, academies and multi-academy trusts.

Why This Guide Exists

Schools are under increasing pressure to improve learning environments while managing tight budgets and complex governance requirements. Furniture plays a critical role in teaching, behaviour, wellbeing and accessibility — yet funding improvements can be challenging when capital budgets are limited or unavailable.

What You'll Find Inside

How furniture finance works, what IFRS 16 means in practice, what's different for maintained schools versus academy trusts, and the key governance checks that protect value for money and audit confidence.

Understanding Furniture Finance in Education

Furniture finance allows schools to spread the cost of furniture over an agreed period rather than paying the full amount upfront. This can help deliver improvements sooner while maintaining predictable budgets.

Leasing

- Paying for the use of furniture over a defined term
- Predictable payments
- Often aligned to refresh cycles or phased refurbishments
- End-of-term options depend on the contract

Lease Purchase

- Payments spread over time
- Ownership typically transfers at the end of the agreement
- Often used where furniture is intended to be retained long term

Common finance routes

- Leasing — paying for the use of furniture over a defined term
- Lease purchase — spreading payments over time with ownership typically transferring at the end

Both approaches are widely used across education, provided the correct approvals, governance and accounting treatment are followed.

What Changed with IFRS 16

Most leases are now recognised on the balance sheet. Schools and trusts typically record:

- A Right-of-Use (ROU) asset, representing the right to use the furniture
- A Lease liability, representing the obligation to make future payments

Instead of a single annual rental cost, financial statements usually show:

- Depreciation of the ROU asset
- Interest on the lease liability

The purpose of IFRS 16 is not to prevent leasing, but to ensure transparency and consistency in how long-term commitments are reported.

Maintained Schools

Leasing is generally treated as borrowing under education finance regulations. In many cases, leasing arrangements fall under Department for Education class consent, meaning separate approval is not required provided the agreement meets the criteria. Local authority processes still apply.

Academy Trusts / MATs

Trusts must follow the requirements set out in their funding agreement and the Academy Trust Handbook. Leasing decisions should be approved through trust governance processes and reviewed with finance teams and auditors.

In all cases, governance and audit discipline remain essential.

What Furniture Can Be Financed?

Furniture is commonly considered suitable for finance because it has a defined lifespan, clear specification, and direct educational use.

- Classroom desks & chairs
- Storage and shelving
- Staff workstations
- Library & breakout furniture
- Specialist and SEND furniture

Eligibility depends on school status, provider terms and internal approvals.

Governance and Value for Money

Checks that protect your audit trail

- Approval authority – in line with schemes of delegation and financial regulations
- Value for money – why finance was chosen over outright purchase (whole-life cost, not just monthly payments)
- Contract clarity – term length, break clauses, end-of-term position and early termination implications

Maintaining a clear audit trail reduces year-end queries and ensures confidence in decision-making.

How Furniture Finance Projects Typically Work

01	Define the need Educational outcomes, capacity, ergonomics and accessibility requirements
02	Design and specification Layouts, quantities and furniture selection
03	Procurement-ready quotation Itemised pricing, specification and delivery planning
04	Choose the funding route Direct purchase or finance, subject to approval
05	Approvals and documentation Internal sign-off and compliance checks
06	Delivery and installation Typically scheduled around the school calendar
07	Handover and aftercare Warranties, snagging and long-term support

Why Schools Choose Furniture Finance

When used appropriately, furniture finance can help schools:

- Spread costs across financial years
- Protect cash flow and reserves
- Deliver improvements sooner
- Standardise classrooms across phases or sites
- Align furniture investment with lifecycle planning

Finance should always support educational outcomes — not drive them.

Important Note

Werk Solutions does not provide financial, legal or accounting advice. This information is provided to support understanding and planning only.

Schools and trusts should always confirm accounting treatment, consent requirements and procurement compliance with their finance teams, auditors and relevant advisers.

How Werk Solutions Supports Schools

Werk Solutions supports schools and trusts by:

- Designing effective, education-led furniture solutions
- Providing clear specifications and visual layouts
- Supplying procurement-ready quotations
- Coordinating delivery and installation
- Supporting projects that align with governance and finance processes

We work alongside your team to ensure projects are deliverable, compliant and well planned.

Speak to Us

If you're planning a furniture or learning-space project and would like to understand your options, our team is happy to help.

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