



Schools Forum

Wednesday 18 June 2025 at 6.00 pm

This will be undertaken as an online virtual meeting.

The press and public are welcome to attend this online virtual meeting with the link to attend and view the meeting available [HERE](#)

Membership Representing

SCHOOL MEMBERS

Nursery

Nisha Lingam	Head
Angela Turner	Governor

Primary

Vacancy	Head
Michelle Ginty	Head
Melissa Loosemoore	Head
Raphael Moss	Head
Vacancy	Governor
Ilana Myers	Governor
Michael Odumosu	Governor
Ernest Toquie	Governor

Secondary

Vacancy	Head (Maintained)
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Special Education Needs

Nick Cooper	Head
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Pupil Referral Unit

Ranjna Shiyani	Head
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ACADEMY MEMBERS

Primary

Vacancy	Head
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Jo Jhally Governor

Secondary

Andy Prindiville	Head
Jude Enright	Head
Vacancy	Governor
Vacancy	Governor
Martin Beard	Governor
Mike Heiser (Chair)	Governor

Special Education Needs

Jayne Jardine	Head
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NON –SCHOOL MEMBERS

Early Years PVI

Paul Russell
Wioletta Bura

Trade Union

John Roche/Jennifer Cooper

16-19 Provider Representative

Vacancy

For further information contact: Abby Shinhmar, Governance Officer
Email: abby.shinhmar@brent.gov.uk

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Notes for Members - Declarations of Interest:

If a Member is aware they have a Disclosable Pecuniary Interest* in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent and must leave the room without participating in discussion of the item.

If a Member is aware they have a Personal Interest** in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent.

If the Personal Interest is also significant enough to affect your judgement of a public interest and either it affects a financial position or relates to a regulatory matter then after disclosing the interest to the meeting the Member must leave the room without participating in discussion of the item, except that they may first make representations, answer questions or give evidence relating to the matter, provided that the public are allowed to attend the meeting for those purposes.

***Disclosable Pecuniary Interests:**

- (a) **Employment, etc.** - Any employment, office, trade, profession or vocation carried on for profit gain.
- (b) **Sponsorship** - Any payment or other financial benefit in respect of expenses in carrying out duties as a member, or of election; including from a trade union.
- (c) **Contracts** - Any current contract for goods, services or works, between the Councillors or their partner (or a body in which one has a beneficial interest) and the council.
- (d) **Land** - Any beneficial interest in land which is within the council's area.
- (e) **Licences** - Any licence to occupy land in the council's area for a month or longer.
- (f) **Corporate tenancies** - Any tenancy between the council and a body in which the Councillor or their partner have a beneficial interest.
- (g) **Securities** - Any beneficial interest in securities of a body which has a place of business or land in the council's area, if the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body or of any one class of its issued share capital.

****Personal Interests:**

The business relates to or affects:

- (a) Anybody of which you are a member or in a position of general control or management, and:
 - To which you are appointed by the council;
 - which exercises functions of a public nature;
 - which is directed is to charitable purposes;
 - whose principal purposes include the influence of public opinion or policy (including a political party or trade union).
- (b) The interests of a person from whom you have received gifts or hospitality of at least £50 as a member in the municipal year;

Or

A decision in relation to that business might reasonably be regarded as affecting the well-being or financial position of:

- You yourself;
- a member of your family or your friend or any person with whom you have a close association or any person or body who is the subject of a registrable personal interest.

Agenda

Introductions, if appropriate.

Item	Page
1 Apologies for Absence and Membership	
2 Declarations of Interest	
3 Deputations (if Any)	
4 Minutes of the Previous Meeting	1-6
To approve the minutes of the previous meeting held on Thursday 13 February 2025 as a correct record.	
5 Actions Arising	
To consider any actions arising from previous meetings.	
6 Dedicated Schools Grant Outturn Financial Outturn 2024-25	7-24
This report sets out the final Dedicated Schools Grant (DSG) outturn against the budget set for 2024/25.	
7 Update on the DSG High Needs Block Deficit Management Plan and the Delivering Better Value (DBV) in SEND Programme	25-34
The report provides an update on the DSG Deficit Management Plan and Delivering Best Value Programme.	
8 Updated Scheme for Financing Schools & Schools Financial Regulations 2025/26	35-148
This report details the Scheme for Financing Schools and the Schools Financial Regulations for the financial year 2025-26.	
9 SEND Funding Allocations for Additionally Resourced Provisions (ARPs) and Early Years	149-166
This report provide an update on the Additionally Resourced Provisions and Early Years Banding Review.	

10 Any Other Urgent Business

11 Dates of Future Meetings

Members are asked to note the schedule of dates for meetings of the Schools Forum during the 2025-26 Municipal Year as follow:

- Tuesday 11 November 2025
- Monday 1 December 2025 (additional date if needed)
- Monday 26 January 2026
- Thursday 26 February 2026

These meetings have all been scheduled to be held online starting at 6pm.

Date of the next meeting: Tuesday 11 November 2025

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MINUTES OF THE SCHOOLS FORUM

Held as an online virtual meeting on Thursday 13 February 2025 at 6.00pm

Membership

Representing

PRESENT (all in remote attendance):

Governors

Mike Heiser (Chair)
Michael Odumosu

Headteachers

Raphael Moss
Andy Prindiville
Ranjna Shiyani
Nick Cooper
Jude Enright
Melissa Loosemore

Trade Union

John Roche

Councillors

Councillor Grahl, Cabinet Member for
Children, Young People & Schools

Officers

Nigel Chapman, Corporate Director
Children and Young People
Roxanna Glennon, Head of Inclusion
Folake Olufeko, Head of Finance
Abby Shinhmar, Governance Team

1. **Apologies for Absence and Membership**

Apologies were received from Wioletta Burra, Jennifer Cooper, Jayne Jardine and Ilana Myers.

2. **Declarations of Interest**

None.

3. **Deputations (if Any)**

None.

4. **Minutes of the previous meeting**

It was **RESOLVED** to approve the minutes of the previous meeting held on Monday 27 January 2025 as a correct record.

5. **Actions arising**

None.

6. **Dedicated Schools Grant High Needs Block Budget 2025 – 26**

Folake Olufeko (Head of Finance, Brent Council) introduced a report, which set out the proposed DSG Schools Budget for 2025/26 for consultation and agreement by Schools Forum. The Forum noted the following key points as part of the update provided:

- The DfE's HNB funding had been confirmed at £90.3m for 2025/26. This was £5.3m more than that received in 2024/25 and represented an increase of 6%.
- In addition, the Schools Forum had approved a Schools Block transfer of 0.5% totalling £1.5m. This brought the total funding for the HNB in 2025/26 to £91.8m.
- £9.5m of the total HNB funding would be recouped by the Department for Education (DfE) to be paid directly to academies for their base funding, leaving a balance of £82.3m.
- The budget assumed that the top up banding rates would remain the same for the Pupil Referral Units (PRUs) and Special Schools. Following agreement at the November Schools Forum, the banding rates for mainstream schools had been adjusted for rounding. Three bands had been rounded down and two had been rounded up with a negligible financial impact on the overall funding allocated to schools and colleges. These rates were detailed in Appendix 3 of the report.
- The rates for Additionally Resourced Provisions (ARPs) had remained the same for the purpose of setting a balanced HNB budget for 2025/26. However, the local authority planned to consult on the use of a Resource Allocation System for the funding of ARPs and non-statutory early years funding from the HNB. The consultation, which was initially planned for January 2025 had been delayed and was anticipated to commence later in Spring 2025. This would be informed by modelling of the impact of proposed rates and benchmarking information and a report provided to Schools Forum after the proposed consultation had been completed.
- The DfE had announced that three separate grants received in 2024/25, TPAG (The Teachers' Pay Additional Grant), TPECG (Teachers' Pension Employer Contribution Grant) and CSBG (Core Schools Budget Grant) would be paid as a separate CSBG in 2025/26.
- Further information about the distribution of additional funding to compensate employers for the planned increase in their National Insurance Contributions from April 2025 would be published by the government in spring 2025.
- A £0.683m budget allocation had been set aside to continue to pass the historic Teachers' Pay and Pensions Grant at the same rate provided by the DfE of £660 per place.
- Additional cost pressures seen in 2023/24, for which a 3.4% funding increase was made available, equivalent to the Mainstream Schools' Additional Grant (MSAG) continued to be allocated to special schools and PRUs. £1.2m had been set aside to account for this cost.
- There were increases in the overall top-up funding allocations for Special Schools and mainstream pupils both in and out of the borough. These budget increases reflected the rise in demand through increased commissioned places and the spending patterns of previous years. In total £3.6m of the increased HNB funding had been allocated in response to the demand against these lines.

- The HNB budget included funding allocation for three new ARPs that were expected to be in operation from September 2025, however it was noted the start date may be delayed subject to completion of building works.
- The budget for funding the education element of the cost of placing children in independent residential special schools had reduced by £0.1m, in line with current forecasts.
- The recoupment budget was an income budget which offset expenditure related to pupils from other boroughs, inclusive of administrative charges. This budget had been set at £3.7m in line with the current year's forecast and projected demand for 2025/26.
- The budget for funding the education element of the cost of placing children in independent residential special schools had reduced by £0.1m, in line with current forecasts.
- A zero-based budget setting approach had been applied to the budgets for SEN Services. There was also an increase from a change in the Speech and Language Therapy contract, which was funded from this budget due to expected increased demand and the extension of the contract to include provisions for children placed in ARPs from April 2025. This area had seen a budget increase mainly due to aligning staffing costs to current agreed establishments and allocating a 3% increase in pay award for 2025/26.
- In terms of risks applied to the budget, there was still a statutory override in place where the local authority had been allowed to carry a deficit and the current deficit was £13.6m, which should come to an end in March 2026 but posed a significant risk against the Council's General Fund reserves.
- The available resources had been allocated within the constraints of the funding for the provision of SEND, with a budgetary gap of £1.1m that had been mitigated by setting a tight budget against the independent day special budget line, with the intention to place more children in settings within the borough instead.
- There was also the risk of rising inflation for SEND provision in out-of-borough and independent settings, where providers were seeking over inflationary prices to deal with pressures.

The Chair thanked Folake Olufeko for her report and welcomed any questions from the Forum, with the following noted:

- It was clarified that the Schools Block transfer of 0.5% was top sliced from funding for both maintained schools and academies.
- Nick Cooper raised a concern about top up funding rates remaining the same as 2021 and not being increased and it was queried if there was a plan to review these. It was also felt that the 3.4% funding increase being made available to be allocated to Special Schools and PRUs was not accumulative however pay increases and on-cost services were accumulative, so this was not sustainable for Special Schools. Additionally, costs could be saved by utilising empty or part empty buildings for the provision of SEND places, which would mitigate the need for out of borough places so it was queried whether there was a plan for this and whether this could be raised at the next Schools Forum meeting. Lastly, at the Cabinet meeting held in January 2022, £44m of capital investment for additional SEND places was approved, so it was asked if the detailed plan for this expenditure could be shared with the Forum.

In response, Roxanne Glennon advised that there had been a 6% funding increase but EHCPs had increased by 8% and so had the complexities that the children were presenting with. The level of funding was not keeping pace with the level of demand.

Folake Olufeko advised that the 3.4% funding increase was one-off funding by the DfE to address the additional pressures faced that year and it had been passed onto Special Schools and ARPs since then, which comprised of almost 25% of the 4.9% increase. Roxana Glennon advised that the School Places Planning Strategy revealed that there was in-house capacity so Brent was currently exploring the potential around empty buildings and there was capacity for satellite provision within the primary sector. Nigel Chapman added that progress was being made in terms of building works with the additional capacity on track to be open by September 2025.

- Councillor Gwen Grahl stated that the SEND capital investment programme was a priority with the priority for any empty buildings that were formally educational sites, to be retained for educational use. Councillor Grahl thanked colleagues for their hard work in supporting SEND pupils in this difficult landscape. Councillors had been lobbying with other London councils and lead members and a submission had been made to the Education Select Committee who would be addressing this issue soon. Lobbying was conducted for an increase in core SEND funding, as well as ring fenced funding for accessibility adaptations in schools including Specialist Schools. Targeted work was being done to address workforce issues and better training and targeted funding was aimed at addressing waiting lists in the NHS for children waiting for assessments for ASD or ADHD.
- In Jennifer Cooper's absence the following question was submitted in written form – "The NEU has a large density of members within the Special Schools in Brent and is extremely concerned by the proposals around the High Needs budget/banding funding which impacts this sector. If we have interpreted figures correctly there appears to be no actual increase in banding funding for special schools despite an increase in the high needs budget of 6%. This is not in our view sustainable for the existing schools bearing in mind efficiencies that have already been made due to increased costs overall. Our high needs pupils deserve a quality education and due to their complex needs are unable to access this without the funding needed to provide for these very needs such as, for example, adequate and safe staffing ratios, specialised equipment and additional costs associated with engaging with the community safely through educational visits. As far as we are aware there has now been four years without an increase in the banding funding and this freeze has operated during the cost of living crisis which has impacted on school bills and the extortionate cost of specialist resources needed to access education for these pupils".

In response. Officers advised that the issues raised were felt to have already been addressed in response to the comments also raised by Nick Cooper.

As no further questions or comments were raised the Forum **RESOLVED** to note the report and approve the High Needs Block budgets as set out in Appendix 1 of the report.

8. **Any Other Urgent Business**

The Chair advised that he would be reviewing the required frequency of Forum meetings during 2025-26 with Shirley Parks, Director of Education, Partnerships and Strategy & Folake Olufeko in an attempt to ensure they were arranged at sufficient intervals.


9. **Dates of Future Meetings**

To note that a provisional schedule of dates for meetings of the Schools Forum during the 2025-26 Municipal Year along with invites would be circulated once the Council's draft calendar of meetings has been finalised.

The meeting closed at 6:36pm.

M Heiser
Chair

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	Schools Forum 18 June 2025
	Report from the Corporate Director of Children, Young People and Community Development
Dedicated Schools Grant Financial Outturn 2024/25	

Wards Affected:	All
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt:	N/A
List of Appendices:	Two Appendix A: DSG Outturn 2024/25 Appendix B: Maintained School Balances 2024/25
Background Papers:	
Contact Officer(s): (Name, Title, Contact Details)	Folake Olufeko Head of Finance Tel: 0208 937 2491 Email: Folake.Olufeko@brent.gov.uk Pallavi Shah Senior Finance Analyst Tel: 0208 937 2156 Email: Pallavi.Shah@brent.gov.uk

1. Executive Summary

- 1.1. This report sets out the final Dedicated Schools Grant (DSG) outturn against the budget set for 2024/25 and provides detail on the in-year 2024/25 deficit of £0.4m.

2. Recommendation

- 2.1. Schools Forum to note the contents of this report.

3. Contribution to Borough Plan

- 3.1 This report aligns with the Council's Borough Plan, which focuses on giving children and young people the best start in life. This is achieved by collaborating with schools and other partners to ensure fair and equal access to education.

4. Detail

- 4.1. While the DSG has seen a favourable outturn in 2023/24, 2024/25 has ended with an in-year deficit of £0.4m against a £396.2m budget. The in-year deficit is mainly due to overspend of £2.1m against the High Needs (HN) Block offset by a £1.5m underspend against the Early Years (EY) Block, £0.1m underspend against the Schools Block and £0.1m underspend against the Central Schools Services Block (CSSB).
- 4.2. The cumulative DSG deficit carried forward from 2023/24 was £13.2m. This has increased to £13.6m at the end of 2024/25. However, there remains a risk that the EY Block surplus may be clawed back by the Department for Education (DfE) in 2025/26. This will depend on the final allocations which are based on the actual take up of the free entitlements in Brent, as determined by the January 2025 census. The DfE is expected to publish the final allocations in July 2025.

5. 2024/25 DSG Outturn

- 5.1. The schools' funding formula for 2024/25 was set in December 2023 and the final DSG budget was confirmed in January 2024. The total DSG expenditure budget (excluding funding for academies) was £232.1m plus a £4m sixth form grant.
- 5.2. Table 1 shows DSG budget lines after DfE recoupment. Further budget details are in Appendix A.

Table 1: DSG Budgets Before DfE Recoupment

Funding Blocks	DSG 2024/25 Funding (includes transfers between blocks)	2024/25 Final Outturn	Over/ (Under)spend
	£m	£m	£m
Schools Block	118.2	118.2	(0.1)
High Needs Block	77.4	79.5	2.1
Early Years Block	34.6	33.1	(1.5)
Central Block	2.1	2.0	(0.1)
Total DSG	232.4	232.8	0.4
DSG brought forward deficit			13.2
DSG cumulative deficit c/f			13.6

- 5.3. The £396.2m represents the total cost of funding education for early years and school age pupils in the borough before recoupment of funds by the Department for Education (DfE) to fund the borough's academies (including free schools). In 2024/25, during the year, the DfE recouped total income of £161.4m from the Schools Block (£152.5m) and the High Needs block (£8.9m). The DfE also

recouped £2.3m for National Non-Domestic Rates (NNDR) to be passed on to billing authorities on behalf of schools, leaving £232.4m. In addition, £4m of sixth form funding was received and passed on to maintained schools that have sixth form provision.

6. Schools Block

- 6.1. The Schools Block allocation was £274.4m. However, £152.5m was recouped by the DfE and allocated directly to academies, £2.3m was recouped for NNDR, and £1.4m was transferred to the High Needs Block. Therefore, the final budget after recoupment and transfers was £118.2m.
- 6.2. The Schools Block surplus was due to underspends against the de-delegated budgets held for contingencies and maternity and paternity cover.

7. High Needs Block

- 7.1. The High Needs (HN) Block budget was £77.4m and the allocation includes a contribution of £1.4m (or 0.5%) of Schools Block income. This excludes £8.9m, which was recouped by the DfE to allocate directly to academies.
- 7.2. Table 2 below shows the variances against the HN Block budget for 2024/25.

Table 2: High Needs Block Outturn

DSG High Needs Block	2024/25 Budget (£m)	2024/25 Outturn (£m)	2024/25 Variance (£m)
Place funding in Brent maintained schools and ARPS	2.5	2.5	0.0
Top-up funding in Brent maintained schools and ARPS	11.8	11.5	(0.3)
Top-up funding in Brent non-maintained Special schools and academies	30.9	33.4	2.5
Independent day and residential settings	11.5	12.7	1.2
Out-of-borough placements	8.0	8.3	0.3
Post-16	5.0	5.8	0.8
Recoupment income	(3.5)	(4.0)	(0.5)
Education Otherwise / Awaiting Placement	2.0	2.0	0.0
Early Years Inclusion Fund	1.1	1.1	0.0
Support for inclusion	1.0	0.7	(0.3)
SEN Services	6.4	5.2	(1.2)
SEN Support	0.5	0.2	(0.3)
SEN Transport	0.1	0.1	(0.1)
Total Expenditure: High Needs Block	77.4	79.5	2.1

7.3 The HN block supports high needs pupils in specialist provisions and mainstream settings. It also covers specialist support services and costs in relation to post-16 provision. The HN Block has reported an overspend of £2.1m. The main reason for the pressure is the top-up funding for children placed in special schools and academies due to an increase in the number of pupils with Education, Health and Care Plans (EHCPs) and average unit costs from January 2025. The number of children requiring EHCPs was 3,892 at the end of March 2025 compared to 3,598 in March 2024, an increase of 8.2%. This led to increases in the top-up funding for in-borough mainstream academies and special schools, additional placements in independent day special schools and alternative education settings for children awaiting placements, as well as increased pupils in post-16 provision.

7.4 The significant variances are as detailed below:

7.4.1 £0.8m overspend against the top-up funding for post-16 provision. This was mainly due to increased fees and pupil numbers. Final post-16 charges are usually confirmed in the last quarter of the financial year due to the volatile nature of pupil attendance at these settings.

7.4.2 £2.3m overspend on the budgeted HN top-up funding allocation to schools in Brent. This variance was primarily attributed to an increase in the number of pupils with SEND, reflecting a 9% growth in FTE pupils across Special, ARP and mainstream settings compared to 2023/24. Additionally, an overspend of £0.3m was incurred for the cost of placing Brent children in settings out of borough due to increased rates.

7.4.3 £1.2m pressure against the independent day and residential top-up funding due to increased number of pupils placed in these settings in addition to an increase of fees for some settings. Independent school pupils increased by 9% in 2024/25.

7.4.4 These pressures were offset by:

- £0.5m underspend against the recoupment income expected from other local authorities that have placed children in Brent schools, following finalised confirmation of pupil information from schools and actual charges processed.
- £1.2m underspend against the SEN Services budgets due to unutilised funds held for contingencies. Additionally, a further £0.6m underspend was reported across the SEN support and support for inclusion budgets.

8. Early Years

- 8.1 The £1.5m underspend against the EY Block is mainly driven from the additional funding from the DfE to cover the increase in provision of free childcare for working parents from September 2024 to 30 hours. This allocation was provided based on an estimated take-up of hours by working parents in Brent. However, take-up has been lower than predicted leading to underspends of £0.5m and £0.7m reported against the under 2- to 2-year-old and the 2-year-old working parent entitlements respectively.
- 8.2 The EY Block is a self-contained block based on headcount and therefore there is a risk that the DfE may claw back the surplus following a final in-year adjustment expected in July 2025. The accounts have been adjusted to make a provision for this potential clawback.

9. Central Block

- 9.1. The Central Block allocation of the DSG, which totals £2.1m, funds central services for schools. This budget saw an underspend of £0.5m due to vacancies held throughout year and a reduction in spend towards the training offer. This budget included a contingency of £0.1m which was not utilised and contributed to the underspend.

10. DSG Balances

- 10.1. At the end of the financial year 2024/25, the DSG deficit increased to £13.6m. This is based on the DSG reserves opening balance at the start of the year of £13.2m and the in-year DSG deficit of £0.4m (Appendix A).
- 10.2. The DSG deficit will be disclosed as an earmarked unusable reserve in line with DfE regulations (the School and Early Years Finance (England) Regulations 2023). The regulations make clear the requirement for any DSG deficit balance to be held within the local authority's overall DSG and carried forward to be funded from future year's funding and/or recovery plans agreed with the DfE. This also means that authorities cannot fund a deficit from the General Fund without the secretary of state's approval. This arrangement is expected to be in place till the end of the financial year 2025/26.
- 10.3. 2024/25 was the final year of the DfE's Delivering Better Value (DBV) in SEND programme that provided dedicated support and funding to help local authorities reform their high needs systems. The Council received a grant of £1m grant funding allocated over two financial years i.e., 2023/24 and 2024/25 to deliver agreed actions in the DSG Management Plan, as well as cost benefits identified as part of the programme. The DBV pilot programme has been successful and there is a plan to continue some of the workstreams that were

developed with the DfE as part of business-as-usual processes. This will continue work towards reducing the overall deficit and achieving a more sustainable High Needs Block budget in the future.

- 10.4 Despite the programme's success, Brent continues to face an in-year overspend on its HN Block budget, largely due to insufficient funding uplifts relative to rising demand and complexity of need. Further details and update on the DSG management plan and DBV Programme are provided in a separate report presented to this forum, but effectively the percentage HN Block annual uplift is not keeping pace with the percentage increase in children and young people with SEND

11. School Balances

Table 3: School Balances 2021/22 to 2024/25

Type of Establishment	No. of Schools	2021/22 School Balances	2022/23 School Balances	2023/24 School Balances	2024/25 School Balances	Increase / (Decrease) in balances
		£m	£m	£m	£m	£m
Nursery	4	0.9	0.6	0.6	0.7	0.1
Primary	45	13.7	12.1	10.5	10.2	(0.3)
PRU	2	1.1	0.9	0.8	0.8	0.0
Secondary	2	0.4	(0.3)	(0.4)	(1.2)	(0.8)
Special	1	0.8	1.1	1.3	1.5	0.2
Totals	54	16.9	15.0	12.9	11.9	(1.0)

- 11.1. The table above summarises school balances over the past 4 years. Overall school balances have reduced by £1.0m from £12.9m in 2023/24 to £11.9m in 2024/25 (Appendix B). Of the 54 maintained schools, 28 increased their overall reserves balance (increase of £2.0m) and 26 decreased their balance over the 2024/25 financial year (decrease of £3.0m).

- 11.2. In summary, whilst some schools have improved their financial positions, the overall picture remains mixed, with many schools continuing to face significant financial pressures:

- Of the 45 maintained primary schools, 22 (49%) compared to 18 (38%) in 2023/24 increased their reserve balance by an average of £73k, and 23 (51%) compared to 26 (55%) in 2023/24 decreased their reserve balances by an average of £85k.
- Two schools cleared their deficits, and three additional schools went into deficit in 2024/25, resulting in eight schools being in deficit at the end of 2024/25. Of the 45 maintained primary schools, 18 have closed with

balances of 8% or more and 27 have closed with balances of less than 8%.

- Of the 2 maintained secondary schools, one has seen no significant change in reserves and the other has seen a 210% decrease in reserves.
- The only maintained special school saw an increase in reserves of 12% with a £1.5m reserve balance. One of the 2 PRUs decreased their reserves by 29% and the other saw an increase of 269% compared to balances in 2023/24.
- Three of the four Nursery schools had increased reserves and the one reported decreased reserves with one remaining in deficit since 2023/24.

11.3. The reduction in balances from 2023/24 to 2024/25 is primarily driven by a combination of declining pupil numbers, particularly in primary schools, and the sustained impact of inflation. Falling rolls, have led to reductions in funding, while inflation has increased the cost of staffing, utilities and essential services. Additionally, schools are contending with rising demand for SEND provision, increasing staffing costs due to national pay awards, which are all contributing to pressures to maintain educational standards within constrained budgets. These factors have made it increasingly difficult for schools to maintain healthy reserves, despite efforts to manage resources efficiently.

11.4. It is expected that the funding and expenditure pressures within Brent schools will persist with the requirement for schools to take action to balance their budgets. Licensed deficit agreements to recover the deficit over a 3-year period will be arranged with the 3 new schools in deficit. The schools in deficit will be monitored closely throughout the year to review performance against their recovery plans.

11.5. One school was supported by the DfE as part of the School Resource Management programme to identify ways to make better use of their resources to drive savings. More schools will be recommended to take part in the programme in the new financial year 2025/26.

12. Updates for 2025/26

12.1 The government has announced the national Spending Review on Wednesday, 11 June. Key notes for schools include:

- Core schools budget in England to go up by 0.4% or £2bn (£3bn increase in 2024/25) in real terms on average over the next three years, reaching £69.5bn by 2029, compared to 2025/26, which ensures average real terms growth of 1.1% a year per pupil. Brent schools' budgets increased by 4.3% in 2024/25 with a 1.7% increase seen against the Schools Block.

- £2.3bn a year to fix and maintain existing schools, and £2.4bn on building new schools
- Free school meals to be extended to around 500,000 more children whose parents are receiving benefits, costing around £1bn up to 2029.
- The Department for Education has confirmed a 4% pay increase for teachers in 2025/26, following the School Teachers' Review Body's recommendation. Schools are expected to fund the first 1% of this increase through internal efficiencies and smarter spending, while the government will cover the remaining 3% via existing school budgets and an additional £615m in new funding. The School Teachers' Pay and Conditions Document (STPCD), which sets out teachers' pay and conditions, will be updated ahead of the new academic year. This should remove the need for schools to backdate the pay award, meaning teachers can expect their updated salaries from September. The Schools Forum members are advised to consider the implications of these pay awards on schools' budgets.
- To make the system more inclusive and improve outcomes for all children and young people, the government will reform the current SEND system. Details of the government's intended approach to SEND reform will be set out in a Schools white paper in the autumn. The government will also set out further details on supporting local authorities as the government transitions to a reformed system as part of the upcoming local government funding reform consultation.

13. Stakeholder and ward member consultation and engagement

- 13.1 This paper enables consultation with members of Brent's Schools Forum. The recommendations include a requirement for members to note the final position of the 2024/25 DSG budgets.

14. Financial Considerations

- 14.1. The overall DSG budget is reporting a £13.6m deficit as of end of March 2025. The financial pressures on the HN Block continue to present a significant challenge, both locally and nationally. This is not unique to the borough; it reflects a wider systemic issue affecting the majority of local authorities across England, including most London boroughs. While the DfE has increased HN allocations in recent years, the rate of demand growth continues to outpace funding. The HNB position continues to be closely monitored with cost containment measures being implemented in line with the DBV plan.
- 14.2 The arrangement for the statutory override set out in the School and Early Years Finance Regulations 2021 which requires local authorities to either carry

forward any cumulative DSG deficit to set against the DSG in the next funding period or carry forward some or all the deficit to the funding period after that is due to end in March 2026. There is currently no confirmed plan for how DSG deficits will be treated beyond March 2026. The local authority will continue working towards deficit recovery through local planning and continuation of the DBV initiatives. Further updates to the Schools Forum will be provided as more information becomes available from the DfE.

15. Legal Considerations

15.1. There are no legal implications directly arising from this report.

16.0 Equity, Diversity & Inclusion (EDI) Considerations

16.1 Not applicable.

17.0 Climate Change and Environmental Considerations

17.1 Not applicable.

18.0 Human Resources/Property Considerations (if appropriate)

18.1 Not applicable.

19.0 Communication Considerations

19.1 All Schools Forum papers are published and available to members of the public and schools.

Related document(s) for reference

Prior Schools Forum papers 2024/25

Report sign off:

Nigel Chapman

Corporate Director Children, and Young People and Community Development

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Appendix A - DSG Outturn 2024-25

Children and Young People 2024-25 Schools Forum reporting on Schools and LA services funded by the Dedicated Schools Grant and the 16-19 Funding Grant			2024-25 Schools Forum Agreed Budget £m	2024-25 Final Outturn £m	2024-25 Final Outturn £m
Schools Block					
Expenditure	Individual Schools Budget				
	Primary Schools		102.7	102.8	0.0
	Secondary Schools		13.5	13.5	(0.1)
Total	Expenditure	Individual Schools Budget	116.3	116.2	(0.0)
Expenditure	De-delegated Items - Schools				
	Contingencies		0.5	0.4	(0.1)
	Maternity, Paternity and Facilities		0.3	0.2	(0.1)
	Licences/Subscriptions [SB]		0.0	0.0	(0.0)
Total	Expenditure	De-delegated Items - Schools	0.8	0.6	(0.2)
Expenditure	De-delegated Items - Central Provision				
	Contribution to combined budgets		0.5	0.5	0.0
	Pupil Growth/Out of School places		0.7	0.8	0.2
Total	Expenditure	De-delegated Items - Central Provision	1.2	1.3	0.2
Income	Dedicated Schools Grant - Schools Block				
	Schools Block		(119.6)	(119.6)	
	0.5% transfer Schools Block to High Needs Block		1.4	1.4	
Total	Income	Dedicated Schools Grant - Schools Block	(118.2)	(118.2)	
Total	Net	Schools Block	(0.0)	(0.1)	(0.1)

Appendix A - DSG Outturn 2024-25

Children and Young People 2024-25 Schools Forum reporting on Schools and LA services funded by the Dedicated Schools Grant and the 16-19 Funding Grant			2024-25 Schools Forum Agreed Budget £m	2024-25 Final Outturn £m	2024-25 Final Outturn £m
High Needs Block					
Expenditure	Place funding				
	IB Place Funding [Finance]		2.5	2.5	(0.0)
Total	Expenditure	Place funding	2.5	2.5	(0.0)
Expenditure	Top-up and Targeted Funding				
	IB Mainstream Top-ups [Finance]		11.8	11.5	(0.3)
	IB Mainstream Top-ups [Inclusion]		29.1	31.6	2.5
	IB PRUs and Special Schools: Supplementary Grant		1.8	1.8	(0.0)
	Independent Day Special		10.2	11.6	1.4
	Independent Residential Special		1.3	1.2	(0.1)
	OB ARPs		0.2	0.0	(0.2)
	OB Mainstream		2.8	3.6	0.8
	OB Recoupment Income		(3.5)	(4.0)	(0.5)
	OB Special		5.0	4.7	(0.3)
	Post 16		5.0	5.8	0.8
Total	Expenditure	Top-up and Targeted Funding	63.8	67.7	4.0
Expenditure	SEN Support Services				
	Early Years Inclusion Fund		1.1	1.1	(0.0)
	Education Otherwise / Awaiting Placement		2.0	2.0	(0.0)
	SEN Services		6.4	5.2	(1.2)
	SEN SUPPORT		0.5	0.2	(0.3)
	SEN Transport		0.1	0.1	(0.1)
	Support for Inclusion		1.0	0.7	(0.3)
Total	Expenditure	SEN Support Services	11.1	9.2	(1.9)
Income	Dedicated Schools Grant - High Needs Block				
	High Needs Block		(76.1)	(76.1)	
	0.5% transfer Schools Block to High Needs Block [B9HNdB]		(1.4)	(1.4)	
Total	Income	Dedicated Schools Grant - High Needs Block	(77.4)	(77.4)	
Total	Net	High Needs Block		2.1	2.1

Appendix A - DSG Outturn 2024-25

Children and Young People 2024-25 Schools Forum reporting on Schools and LA services funded by the Dedicated Schools Grant and the 16-19 Funding Grant			2024-25 Schools Forum Agreed Budget £m	2024-25 Final Outturn £m	2024-25 Final Outturn £m
Early Years Block					
Expenditure	Early Years Entitlement				
	Under 2 Year old Nursery Education - Working parents		3.3	2.8	(0.5)
	2 Year old Nursery Education - Working parents		3.1	2.5	(0.7)
	2 Year old Nursery Education		4.0	5.2	1.2
	3 and 4 Year old Nursery Education		20.8	20.1	(0.7)
	Early Years Central Expenditure		1.4	0.9	(0.5)
	Early Years Panel Funding		0.7	0.6	(0.1)
	Early Years Pupil Premium		0.1	0.1	(0.0)
Total	Expenditure	Early Years Entitlement	33.5	32.2	(1.3)
Expenditure	Supplementary Funding				
	Maintained Nursery Schools		0.9	0.9	0.0
Total	Expenditure	Supplementary Funding	0.9	0.9	0.0
Income	Dedicated Schools Grant - Early Years Block				
	Early Years Block		(34.3)	(34.7)	(0.3)
Total	Income	Dedicated Schools Grant - Early Years Block	(34.3)	(34.7)	(0.3)
Total	Net	Early Years Block		(1.5)	(1.5)
Central School Services Block					
Expenditure	Central Provision				
	Contribution to combined budgets [CSSB]		1.0	0.8	(0.2)
	Termination of employment costs		0.3	0.3	
	Licences/Subscriptions [CSSB]		0.3	0.3	(0.0)
	School Admissions		0.6	0.6	0.0
Total	Expenditure	Central Provision	2.1	2.0	(0.1)
Income	Dedicated Schools Grant - Central School Services Block				
	Central School Services Block		(2.1)	(2.1)	
Total	Income	Dedicated Schools Grant - Central School Services Block	(2.1)	(2.1)	
Total	Net	Central School Services Block	(0.0)	(0.1)	(0.1)
Other Expenditure					
Expenditure	6th Form Funding				
	6th Form Schools		4.0	4.0	0.0
Total	Expenditure	6th Form Funding	4.0	4.0	0.0

Appendix A - DSG Outturn 2024-25

Children and Young People			2024-25	2024-25	2024-25
2024-25 Schools Forum reporting on Schools and LA services funded by the Dedicated Schools Grant and the 16-19 Funding Grant			Schools Forum	Final	Final
			Agreed Budget	Outturn	Outturn
			£m	£m	£m
Income	16-19 Funding Grant				
	6th Form Funding		(4.0)	(4.0)	0.0
	6th Form Funding Transfer To (+) / From (-) Reserves			(0.0)	(0.0)
Total	Income	16-19 Funding Grant	(4.0)	(4.0)	(0.0)

Appendix A - DSG Outturn 2024-25

Children and Young People 2024-25 Schools Forum reporting on Schools and LA services funded by the Dedicated Schools Grant and the 16-19 Funding Grant		2024-25 Schools Forum Agreed Budget £m	2024-25 Final Outturn £m	2024-25 Final Outturn £m
Outturn Summary - Gross				
Gross	Schools Block	118.2	118.2	(0.1)
Gross	High Needs Block	77.4	79.5	2.1
Gross	Early Years Block	34.3	33.1	(1.2)
Gross	Central School Services Block	2.1	2.0	(0.1)
Gross	Other Expenditure	4.0	4.0	0.0
Gross Total		236.1	236.8	0.6
Outturn Summary - Net				
Net	Schools Block		(0.1)	(0.1)
Net	High Needs Block		2.1	2.1
Net	Early Years Block		(1.5)	(1.5)
Net	Central School Services Block		(0.1)	(0.1)
Net	Other Expenditure		#REF!	0.0
Net Overspend / (Underspend)			0.3	0.3
DSG Reserves Balance				
19.20	2018-19 DSG Brought Forward (Surplus)			(2.4)
19.20	2019-20 DSG Final Outturn Deficit			7.4
20.21	2019-20 DSG Brought Forward Deficit			4.9
20.21	2020-21 DSG Final Outturn Deficit			5.6
21.22	2020-21 DSG Brought Forward Deficit			10.5
21.22	2021-22 DSG Final Outturn Deficit			4.7
22.23	2021-22 DSG Brought Forward Deficit			15.2
22.23	2022-23 DSG Final Outturn (Surplus)			(1.4)
23.24	2022-23 DSG Brought Forward Deficit			13.8
23.24	2023-24 DSG Final Outturn (Surplus)			(0.6)
24.25	2023-24 DSG Brought Forward Deficit			13.3
24.25	2024-25 DSG Forecast Deficit / (Surplus)			0.3
2024-25 DSG Carry Forward Deficit / (Surplus)				13.6

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Appendix B - Brent Maintained Schools' Reserves 2024-25

Establishment Type	School	2023-24 Total Reserves £	2024-25 Total Reserves £	Increase / (Decrease) in reserves £	Reserves as a % of 2024-25 Total Income	No.of pupils on Roll (Oct 24 census)	2024-25 Income £
Nursery	College Green Nursery School and Services	182,641	243,609	60,968	19%	86	1,256,797
Nursery	Curzon Crescent Nursery School	316,497	335,929	19,432	29%	79	1,158,304
Nursery	Fawood Children's Centre	172,336	149,040	(23,297)	8%	60	1,896,188
Nursery	Granville Plus Nursery School	(89,071)	(76,316)	12,755	-8%	37	902,854
Primary	Anson Primary School	139,729	(1,978)	(141,707)	0%	399	3,160,907
Primary	Barham Primary School	955,314	911,606	(43,708)	15%	926	6,044,381
Primary	Brentfield Primary School	360,654	317,101	(43,553)	9%	414	3,368,683
Primary	Carlton Vale Infant School	(156,629)	(146,420)	10,209	-16%	56	915,858
Primary	Chalkhill Primary School	197,202	226,316	29,114	6%	447	3,513,179
Primary	Christ Church CofE Primary School	153,371	212,609	59,238	13%	163	1,636,387
Primary	Convent of Jesus and Mary RC Infant School	(55,460)	11,224	66,684	1%	205	1,828,652
Primary	Donnington Primary School	365,418	212,329	(153,089)	11%	226	1,865,639
Primary	Elsley Primary School	232,564	233,639	1,075	4%	795	5,879,053
Primary	Fryent Primary School	181,567	(153,865)	(335,432)	-3%	688	5,655,389
Primary	Harlesden Primary School	(114,390)	158,647	273,038	6%	305	2,664,614
Primary	Islamia Primary School	3,859	555	(3,304)	0%	418	3,375,762
Primary	John Keble CofE Primary School	488,697	508,864	20,166	15%	397	3,348,596
Primary	Kingsbury Green Primary School	45,083	346,723	301,640	7%	572	4,950,699
Primary	Leopold Primary School	986,437	703,128	(283,309)	14%	540	4,912,029
Primary	Lyon Park Primary School	54,739	(80,542)	(135,280)	-1%	903	5,989,593
Primary	Malorees Infant School	18,446	8,128	(10,318)	1%	183	1,621,932
Primary	Malorees Junior School	12,486	12,157	(329)	1%	220	1,700,362
Primary	Mitchell Brook Primary School	536,583	611,478	74,895	12%	645	5,102,711
Primary	Mora Primary School	494,122	496,492	2,371	15%	410	3,246,382
Primary	Mount Stewart Infant School	62,541	143,423	80,883	7%	298	2,195,718
Primary	Mount Stewart Junior School	98,283	183,082	84,799	8%	355	2,359,370
Primary	Newfield Primary School	15,875	41,204	25,330	2%	228	2,468,921
Primary	Northview Primary School	313,051	252,979	(60,072)	13%	220	1,876,236
Primary	Oliver Goldsmith Primary School	565,399	495,252	(70,147)	15%	452	3,210,627
Primary	Our Lady of Lourdes RC Primary School	204,814	185,587	(19,227)	10%	219	1,888,217
Primary	Park Lane Primary School	803,349	786,137	(17,212)	23%	452	3,355,205
Primary	Preston Park Primary School	136,372	186,255	49,883	4%	604	4,381,731
Primary	Princess Frederica CofE Primary School	143,049	55,077	(87,972)	2%	439	3,056,537
Primary	Roe Green Infant School	306,820	356,761	49,941	11%	431	3,358,264
Primary	Roe Green Junior School	52,727	71,697	18,970	2%	472	3,262,878
Primary	Salusbury Primary School	179,987	147,912	(32,075)	3%	640	4,686,957
Primary	Sinai Jewish Primary School	(122,795)	(171,226)	(48,431)	-3%	639	5,196,703
Primary	St Joseph RC Junior School	784,327	732,462	(51,865)	39%	276	1,875,993
Primary	St Joseph's RC Infant School	885,935	838,899	(47,036)	47%	256	1,770,532
Primary	St Joseph's Roman Catholic Primary School	267,252	317,947	50,695	8%	478	3,759,614
Primary	St Mary Magdalen Catholic Junior School	128,437	203,883	75,446	10%	245	2,024,078
Primary	St Mary's CofE Primary School	59,156	272,426	213,270	17%	185	1,647,955
Primary	St Robert Southwell RC Primary School	28,297	54,385	26,088	2%	451	3,240,089
Primary	The Kilburn Park School Foundation	134,088	47,048	(87,040)	5%	60	985,916
Primary	The Stonebridge School	(122,044)	(35,107)	86,937	-1%	337	2,463,747
Primary	Torah Temimah Primary School	2,455	428	(2,027)	0%	194	1,542,917
Primary	Uxendon Manor Primary School	82,147	95,536	13,389	2%	675	4,460,645
Primary	Wembley Primary School	575,598	309,344	(266,254)	5%	819	6,431,341
Primary	Wykeham Primary School	51,456	28,121	(23,334)	1%	450	3,343,998
PRU	Ashley College	714,063	509,927	(204,136)	42%	*3	1,226,600
PRU	Brent River College	74,924	276,253	201,329	10%	35	2,727,663
Secondary	JFS	13,562	14,077	515	0%	2044	21,254,756
Secondary	Newman Catholic College	(393,724)	(1,221,259)	(827,535)	-19%	686	6,547,156
Special	Phoenix Arch School (KS1 and KS2)	1,325,943	1,483,846	157,902	73%	55	2,036,226
TOTAL		12,853,539	11,902,808	(950,731)	6.4%	21,869	184,631,540

* Pupils in PRUs are in most cases dual registered and recorded on the mainstream school's census.

Type of Establishment	No. of Schools	2023-24 Total Reserves £	2024-25 Total Reserves £	Increase / (Decrease) in reserves £	Reserves as a % of 2024-25 Total Income
TOTALS					
Nursery	4	£582,404	£652,262	69,858	12.5%
Primary	45	£10,536,368	£10,187,702	(348,665)	7.0%
PRU	2	£788,987	£786,179	(2,808)	19.9%
Secondary	2	£380,162	£1,207,182	(827,020)	-4.3%
Special	1	£1,325,943	£1,483,846	157,902	72.9%
Total		12,853,539	11,902,808	(950,731)	6.4%
AVERAGES					
Nursery	4	145,601	163,065	17,465	
Primary	45	234,142	226,393	(7,748)	
PRU	2	394,493	393,090	(1,404)	
Secondary	2	(190,081)	(603,591)	(413,510)	
Special	1	1,325,943	1,483,846	157,902	

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	Schools Forum 18 June 2025
	Report from the Corporate Director Children, Young People and Community Development
Update on the DSG High Needs Block Deficit Management Plan and the Delivering Better Value (DBV) in SEND Programme	
Wards Affected:	All
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt:	N/A
List of Appendices:	One Appendix A: Brent DSG Deficit Management Plan
Background Papers:	None
Contact Officer(s):	Shirley Parks, Director Education Partnerships & Strategy 020 8937 4529 Email: Shirley.Parks@brent.gov.uk Folake Olufeko Head of Finance – CYP 0208 937 2491 Email: Folake.Olufeko@brent.gov.uk

1.0 Executive Summary

- 1.1. This report provides a further update on progress to date against the DSG Management Plan and an update on Brent's participation in the Department for Education's (DfE) Delivering Better Value (DBV) in Special Educational Needs and Disabilities (SEND) programme, aimed at supporting a reduction in expenditure against the High Needs Block of the Dedicated Schools' Grant (DSG).

2.0 Recommendation(s)

- 2.1 Schools Forum to note the updated Management Plan and update on the DBV in SEND programme.

3.0 Contribution to Borough Plan Priorities and Strategic Context

- 3.1 This report is linked to the Council's Borough Plan which aims to support children and young people to get the best start in life, by working in partnership with schools and other partners to ensure access to education is fair and equal.

- 3.2 In January 2025, an Area SEND Inspection of the Brent Local Area Partnership was undertaken by Ofsted and CQC. The inspection found that the Local Area Partnership's special educational needs and/or disability (SEND) arrangements typically lead to positive experiences and outcomes for children and young people with SEND. The inspection also found that action is being undertaken where improvements are needed.

4.0 Background

- 4.1 The cumulative DSG deficit balance carried forward from 2023/24 was £13.2m. The deficit at the end of 2024/25 was £0.4m (High Needs Block deficit was £2.1m which was offset by underspends in the Schools, Early Years and Central Block), increasing the overall cumulative deficit to £13.6m.
- 4.2 This pressure has arisen within the High Needs Block (HNB) and the main cost driver of this deficit is the rising number of children with Education, Health, and Care Plans (EHCPs).
- 4.3 Table 1 below shows the year-on-year increase of EHCPs over the past 6 years in Brent. The recent trend shows an average rate of growth of 10%, in line with the national trend, with a reduction in the last two years to 8% per year. This decline can be attributed to the successful pilot of the DBV in SEND Programme in Brent which commenced in 2022. For additional context, the HNB allocation from the DSG has only increased by 3% in 2024/25 and 6% in 2025/26, highlighting the ongoing budget pressures.

Table 1: Annual Increase in EHCPs

Brent EHCPs as per SEN2 Return	Jan-20	Jan-21	Jan-22	Jan-23	Jan-24	Jan-25
Number of EHCPs	2426	2784	2938	3251	3500	3795
Brent % Increase	12%	15%	6%	11%	8%	8%
National % Increase	10%	10%	10%	9%	11%	TBC pending publication

- 4.4 The government has indicated that information on a new policy framework for support for children and young people with special educational needs and disabilities will be shared in the autumn. Indications are that the expectation will be that all mainstream schools become fully inclusive schools, but there is as yet no detail of what this means or what funding will be available to support schools in this regard. In the meantime, Brent is continuing to drive forward agreed actions on the DSG Deficit Management Plan and to develop the local SEND system. In this regard, a Headteacher SEND Reference Group has been established with representation from early years, primary, secondary and special schools. The

group is being used to shape changes to the local system, including the SEND support offer, to ensure it meets local needs.

5.0 DSG Deficit Management Plan Update

5.1 The existing Management Plan includes longer-term actions to mitigate the deficit grouped into three themes: a) managing demand, b) increasing the sufficiency of local places and c) financial management adjustments. As at the end of quarter 4, 2024/25, the cost avoidance against the three themes, equated to £2.1m.

5.2 An update on the three themes are as follows:

- a) **Managing demand** – This involved ceasing Education, Health and Care Plans (EHCPs) following appropriate assessment, with 31 plans having been ceased through this route during 2024/25 (cost avoided £0.321m). Savings from a further 40 plans proposed to be ceased will be seen in the 2025/26 financial year. Separately, cost avoidance has been realised from the introduction of the Graduated Approach to SEND across schools and settings, aimed at the early identification of children's needs and delivery of appropriate support with training provided to improve the capacity of schools to meet pupils' needs at an earlier stage. No plans have been issued where Brent's Graduated Approach Framework (GAF) has not been utilised. For example, 29% Education, Health and Care Needs Assessment (EHCNAs) in the fourth quarter of the financial year were not agreed as GAF had not been fully explored and/or needs could be met within ordinarily available provision.

New processes have resulted in tighter control and oversight on placement decisions, with strong emphasis on ensuring that the maintained sector in and out of borough is explored first before children are placed in the independent special sector. This approach aims to ensure both cost-effectiveness and better integration of children within local settings. To support this, a banding review for mainstream schools was completed in October 2024 and implemented in December 2024, aligning funding more closely with pupils' needs.

- b) **Improving sufficiency of local places.** This theme is focused on cost avoidance by reducing the number of children and young people who are placed out of borough or in independent special schools at a higher cost than local provision. This year 72 full time equivalent additional places have been created through increased ARP provisions and Special places within the borough, resulting in an overall cost avoidance of £1.7m. The total number of places planned to be delivered by the end of the 2025/26 financial year is 161, in line with the existing SEND capital programme, including new buildings for Wembley Manor, the new secondary special

school for children with autism. A second phase of the SEND Capital Programme is under development to create additional special school and ARP places within the borough.

- c) **Financial management workstream.** This has involved a deep dive into each area of spend to identify efficiencies, including administrative charges to other local authorities for out of borough pupils in Brent (an increase of £125k in income) and a review of commissioning arrangements for placements within the independent sector.

6.0 DBV in SEND Programme update

- 6.1 Brent participated in the DfE's DBV programme in 2022-25, of which the main objective was to identify local and national opportunities to improve outcomes for children and young people with SEND within the available budget. Brent was awarded a grant of £1m to support the reform of the high needs system whilst achieving efficiencies. As part of the programme for Brent, four main workstreams were developed and quarterly progress update submissions made to the DfE. Actions from the workstreams as a result of the investment from the DfE have led to cost avoidance of £0.264m to date. The DBV programme officially came to an end in March 2025. However, as set out below some of the DBV pilot projects are being taken forward into business as usual:

- a) **Intervention First**

The Intervention First Team (IFT) pilot has been running since October 2023 and ends in September 2025. It offers an intensive 12-week multi-disciplinary programme to children aged between 4 – 7 years old in the Harlesden locality. The service is targeted for children with emotional wellbeing and learning needs who do not have an EHCP. IFT was created as part of the DBV Programme to offer earlier, targeted intervention for children with the aim of achieving a positive impact on outcomes for children without them requiring EHCPs. The clinical team comprises two Child and Family Specialists (1.2 FTE), a Trainee Clinical Psychologist and a Clinical Psychologist (0.4 FTE), an Assistant Education Psychologist and Team Manager. 107 CYP have been referred to the service over the 2-year programme from the 13 identified Harlesden cluster schools, 41 in the academic year 2023/2024 and 66 in the academic year 2024/25. 21 referrals have been received from schools since January 2025 and have been triaged and direct work has now begun with children, families and schools, apart from two referrals which were signposted to another service within the LA. Schools have welcomed access to specialist therapists as part of an early intervention approach and have noted that the majority of the children referred to the IFT might otherwise have been considered for an EHCP. The Inclusion Service is currently considering how

a similar early intervention approach could be rolled out to other school clusters.

b) **SEND Assurance**

This workstream focused on the audit of EHCPs and accompanying records of plans for children aged under 7 that included support 26 hours and above and post-16 plans that included support of 19.5 hours and above to assess if this level of support was needed. The team identified pupils for whom allocated support funding could be reduced and are developing a model of support for these children that can be cascaded to the other cases. A process for allocating hours beyond those given at initial plan allocation has also been reviewed to ensure effectiveness. A new banding tool has been applied to all EHCPs issued from December 2024 (45 in total) that focuses on needs rather than support hours. This will help to ensure that schools have flexibility in how they use funding to support children with SEND.

c) **Workforce and inclusive environments**

This workstream focused on ensuring schools have the relevant training and workforce experience to support the wide range of needs of children and young people at SEN Support. A survey was undertaken across all schools and settings to develop a wider understanding of the training that staff felt they need, with training subsequently commissioned for SCERTS, Makaton and THRIVE (SEMH/Attachment based support). In addition, one of Brent's special schools' Trust, 'The Rise Partnership' supports universal training offers for teachers. At the end of the summer term, a review will take place led by the SEND Support team to ascertain if appreciable impact has been made in children remaining at SEN Support and not requiring an EHCNA. Training will continue to be provided via the half termly SENCO forums to support workforce development for Brent schools.

To enable schools to support a wide range of children at SEN support, £1m capital funding has been set aside to support environmental adaptations that would make more school environments inclusive., 38 proposals from schools were agreed and projects have been installed in 14 schools to date. In September 2024, this funding opportunity was rolled out to the Private, Voluntary, and Independent (PVI) sector. To date, 22 proposals have been agreed, with installations planned over the next few months...

d) **Commissioning**

A review of funding in the Early Years took place in 2024/2025, with proposals subject to consultation with key stakeholders in March 2025. The proposals were well received and the new funding model for SENIF and the new banding for enhanced places (EPs) at early years is planned to come into force from September 2025. The objective is to ensure that funding is more closely

aligned with actual needs while simultaneously minimising administrative workload.

A review of the funding of additionally resourced provisions (ARPs) also took place 2024/2025, with proposals subject to consultation with key stakeholders in March 2025 that proposed a flat rate of funding to create consistency across funding for all ARPs. Though feedback to the wider consultation was minimal, individual meetings held by the Head of Service for Inclusion with schools who either have, or will soon have, an ARP during May and June 2025 have clarified the position. To date, only one school has responded negatively to the proposals stating that their ARP should be funded at a higher rate than the flat rate proposed. The new funding model for ARPs and the new service level agreements (SLAs) designed to clarify expectations between schools and the LA is planned to come into force from September 2025.

Following an extensive review of current provision and local needs, a new speech language and communication needs (SLCN) offer is being developed within Brent. Partners in Public Health will be rolling out the 'WellComm' communication model across Brent (due to commence in autumn 2025)). Additionally, a new speech and language therapy (SALT) contract for children with an EHCP commenced 1st April 2025. This contract represented a 34% increase in the number of children and young people supported by the contract and included an expanded offer for children in ARPs and attending out of borough schools. A similar (in terms of scale and scope) contract is currently being procured for occupational therapy (OT) services for children with an EHCP.

- 6.2 Brent is currently in the process of recruiting a specialist SEND Commissioner, whose role will include a focus on oversight of spend in the independent sector, as well as in assisting case officers to find placements for the hardest to place children.

7.0 Stakeholder and ward member consultation and engagement

- 7.1 Schools Forum is regularly kept abreast of the DSG including the Management Plan. The Lead Member for Children, Young People and Schools is regularly updated on matters related to the DSG including SEND. The DSG Management Plan is also presented at the HNB Sub-group of the Schools' Forum.

8.0 Financial considerations

- 8.1 The statutory override in place to carry forward a deficit balance against the DSG is due to end March 2026 which would put a significant risk against the Council's General Fund reserves.

- 8.2 The current Management Plan including the DBV benefits will not recover the deficit by 2026/27, and the mitigated deficit is at risk of increasing from £13.6m carried forward from 2024/25 to £20.3m by 2027/28. Mitigating actions totalling £4.925m in cost avoidance from the provision of additional in-borough SEND places are planned for the current financial year 2025/26, aiming to deliver a break-even outturn for the period (See Appendix A). A report on the planned SEND Capital programme will be presented to Forum later in November 2025.
- 8.3 There also remains a risk that the number of children and young people with EHCPs will continue to grow without the HNB funding increasing in line with this growth. Over the years, this has created financial pressures with many authorities holding deficit balances. In addition, the continued impact of the cost-of-living crisis could see providers continuing to request high inflationary price increases.

9.0 Legal considerations

- 9.1 There are no legal implications directly arising from this report.

10.0 Equality, Diversity, and Inclusion (EDI) considerations

- 10.1 The key groups affected by the proposals are children and young people with SEND aged 0-25 in Brent. The Council is committed to inclusive education for all children and young people with SEND in mainstream schools, additionally resourced provision in mainstream schools and within special schools.

11.0 Climate Change and Environmental Considerations

- 11.1 Not applicable

12.0 Human Resources/Property Considerations (if appropriate)

- 12.1 Not applicable.

13.0 Communication Considerations

- 13.1 All Schools Forum reports are published and available to members of the public and schools.

Related document(s) for reference

Previous School Forum papers

Report sign off:

Nigel Chapman

Corporate Director Children, Young People and Community Development


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Appendix A - Brent DSG Deficit Management Plan 2025

Summary of end of year positions							
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Planned DSG position (surplus)/deficit	15,181	13,828	13,257	13,606	13,606	15,648	20,337
Unmitigated expenditure forecast					257	267	278
Savings forecast					5	4	2
Mitigated expenditure forecast					252	263	275

Financial plan per funding block										
Overall DSG position (pre recoupment total)	2021-22	2022-23	2023-24	2024-25	2025-26	2025-26	2026-27	2026-27	2027-28	2027-28
Income/surplus should be shown as negative	outturn	outturn	outturn	outturn	Mitigated forecast	Unmitigated forecast	Mitigated forecast	Unmitigated forecast	Mitigated forecast	Unmitigated forecast
1. Expenditure (positive figures)	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Schools block	116,984	117,413	118,858	118,185	125,991	125,991	129,771	129,771	133,664	133,664
Central school services block	2,127	1,866	1,826	1,980	2,445	2,445	2,519	2,519	2,594	2,594
Early years block	22,721	22,238	23,415	32,829	41,442	41,442	42,685	42,685	43,966	43,966
High needs block	68,770	71,436	76,188	79,497	82,136	87,061	88,256	92,166	95,182	97,320
Planned spend from DSG reserves	0	0	0	0	0	0	0	0	0	0
Total expenditure	210,601	212,952	220,287	232,491	252,015	256,940	263,231	267,142	275,406	277,545
2. DSG income (negative figures)	0	0	0	0	0	0	0	0	0	0
Schools block	(118,698)	(118,443)	(120,800)	(119,600)	(127,469)	(127,469)	(131,293)	(131,293)	(135,232)	(135,232)
Central schools services block	(2,284)	(2,129)	(2,105)	(2,125)	(2,445)	(2,445)	(2,519)	(2,519)	(2,594)	(2,594)
Early years block	(22,680)	(23,238)	(24,430)	(34,350)	(41,442)	(41,442)	(42,685)	(42,685)	(43,966)	(43,966)
High needs block	(58,785)	(66,517)	(73,524)	(76,068)	(80,658)	(80,658)	(84,691)	(84,691)	(88,926)	(88,926)
Total income	(202,447)	(210,327)	(220,859)	(232,142)	(252,015)	(252,015)	(261,188)	(261,188)	(270,718)	(270,718)
3. High needs block - other income (negative figures)	0	0	0	0	0	0	0	0	0	0
ICS contributions	0	0	0	0	0	0	0	0	0	0
Other (Please specify)	(3,500)	(3,978)	0	0	0	0	0	0	0	0
Total other income	(3,500)	(3,978)	0	0	0	0	0	0	0	0
4. Block transfers (income/block moved to as negative, outgoing/block moved from as positive. Should net to 0)	0	0	0	0	0	0	0	0	0	0
Schools block	1,185	1,240	1,299	1,360	1,478	1,478	1,522	1,522	1,568	1,568
Central schools services block	0	0	0	0	0	0	0	0	0	0
Early years block	0	0	0	0	0	0	0	0	0	0
High needs block	(1,185)	(1,240)	(1,299)	(1,360)	(1,478)	(1,478)	(1,522)	(1,522)	(1,568)	(1,568)
Total block transfers (should net to 0)	0	0	0	0	0	0	0	0	0	0
5. In year net position deficit / (surplus)	0	0	0	0	0	0	0	0	0	0
Schools block	(529)	209	(643)	(55)	0	0	0	0	(0)	(0)
Central schools services block	(157)	(263)	(278)	(145)	0	0	0	0	0	0
Early years block	41	(1,000)	(1,015)	(1,520)	0	0	0	0	0	0
High needs block	5,299	(299)	1,365	2,069	0	4,925	2,043	5,953	4,688	6,827
Total net	4,655	(1,352)	(572)	349	0	4,925	2,043	5,953	4,688	6,827
6. Other	0	0	0	0	0	0	0	0	0	0
Council contribution (negative)	0	0	0	0	0	0	0	0	0	0
Add brought forward deficit / (surplus) (net)	10,526	15,181	13,828	13,257	13,606	13,606	13,606	18,531	15,648	24,484
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
Planned year end position	15,181	13,828	13,257	13,606	13,606	18,531	15,648	24,484	20,337	31,310

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	Schools Forum 18 June 2025
	Report from the Corporate Director Children, Young People and Community Development
Updated Scheme for Financing Schools & Schools Financial Regulations 2025/26	
Wards Affected:	All
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt:	N/A
No. of Appendices:	Four Appendix A: Scheme for Financing Schools 2025/26 Appendix B: Scheme for Financing Schools 2025/26 Summary of changes Appendix C: Schools Financial Regulations 2025/26 Appendix D: Schools Financial Regulations 2025/26 Summary of changes
Background Papers:	None
Contact Officer(s):	Folake Olufeko Head of Finance (CYP) 0208 937 2491 Email: Folake.Olufeko@brent.gov.uk

1. Executive Summary

- 1.1. This report details the changes to be implemented to the Scheme for Financing Schools and the Schools Financial Regulations for the financial year 2025/26.

2. Recommendation

- 2.1. For all maintained school members of Schools Forum to vote and approve the amendments to the proposed changes to the 2025/26 Scheme for Financing Schools.
- 2.2. The Schools Forum is requested to note and comment on the Schools Financial Regulations 2025/26.

3. Detail

- 3.1. All changes applied in the revision are in line with the March 2025 Department for Education's Scheme for Financing Local Authority Maintained Schools –

Statutory Guidance issued to Local Authorities, changes to the Local Authority's own regulations, the new EU Public Procurement Regulations and all relevant regulations.

- 3.2. The Scheme for Financing Schools for 2025/26 attached in Appendix A has been updated, with the summary of changes itemised in Appendix B. The changes will become immediately effective following Schools Forum approval.
- 3.3. The Schools Financial Regulations for 2025/26, attached as Appendix C, has been updated, with the summary of changes itemised in Appendix D. The changes will become immediately effective after consultation with Schools Forum.

4. Stakeholder and ward member consultation and engagement

- 4.1. Voting is open to all maintained school members of Schools Forum for the proposed changes to the 2025/26 Scheme for Financing Schools.
- 4.2. All maintained school members are invited to formally comment on the 2025/26 Schools Financial Regulations.

5. Financial considerations

- 5.1 There are no financial implications for this report

6. Legal considerations

- 6.1 There are no legal implications directly arising from this report.

7. Equality, Diversity and Inclusion (EDI) considerations

- 7.1 Not applicable.

8. Climate Change and Environmental Considerations

- 8.1 Not applicable.

9. Human Resources/Property Considerations (if appropriate)

- 9.1 Not applicable.

10.0 Communication Considerations

- 10.1 All Schools Forum reports are published and available to members of the public and schools.

Related document(s) for reference

Prior year's reports to Schools Forum

Report sign off:

Nigel Chapman

Corporate Director Children, Young People and Community Development

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SCHEME FOR FINANCING SCHOOLS

2025-26

CONTENTS

(Updated June 2025)

This contents page is hyperlinked; therefore, click on the relevant heading to go to that section.

SECTION 1: Introduction

- 1.1 The Funding Framework
- 1.2 The Role of the Scheme
- 1.2.1 Application of the Scheme to the Authority and Maintained Schools
- 1.3 Publication of the Scheme
- 1.4 Revision of the Scheme
- 1.5 Delegation of Financial Powers to the Head Teacher
- 1.6 Maintenance of Schools

SECTION 2: Financial Controls

- 2.1.1 Application of Financial Controls to Schools
- 2.1.2 Provision of Financial Information and Reports
- 2.1.3 Payment of Salaries; Payment of Bills
- 2.1.4 Control of Assets
- 2.1.5 Accounting Policies (Including Year-End Procedures)
- 2.1.6 Writing Off Of Debts
- 2.2 Basis of Accounting
- 2.3 Submission of Budget Plans
- 2.3.1 Submission of Financial Forecasts
- 2.4 School Resource Management
- 2.5 Virement
- 2.6 Audit: General
- 2.7 Separate External Audits
- 2.8 Audit of Voluntary and Private Funds
- 2.9 Register of Business Interests
- 2.10 Purchasing, Tendering and Contracting Requirements
- 2.11 Application of Contracts to Schools
- 2.12 Central Funds and Earmarking
- 2.13 Spending For the Purposes of the School
- 2.14 Capital Spending From Budget Shares
- 2.15 Notice of Concern
- 2.16 Schools Financial Value Standards (SFVS)
- 2.17 Fraud

SECTION 3: Instalments of Budget Share; Banking Arrangements

- 3.1 Frequency of Instalments
- 3.2 Proportion of Budget Share Payable at Each Instalment
- 3.3 Interest Clawback
- 3.3.1 Interest on Late Budget Share Payments
- 3.4 Budget Shares for Closing Schools
- 3.5 Bank and Building Society Accounts
- 3.5.1 Restrictions on Accounts
- 3.6 Borrowing by Schools
- 3.7 Other Provisions

CONTENTS

(Updated June 2025)

This contents page is hyperlinked; therefore, click on the relevant heading to go to that section.

SECTION 4: The Treatment of Surplus and Deficit Balances Arising in Relation to Budget Shares

- 4.1 Right to Carry Forward Surplus Balances
- 4.2 Controls on Surplus Balances
- 4.3 Interest on Surplus Balances
- 4.4 Obligation to Carry Forward Deficit Balances
- 4.5 Planning for Deficit Balances
- 4.6 Charging of interest on Deficit Balances
- 4.7 Writing off Deficits
- 4.8 Balances of Closing and Replacement Schools
- 4.9 Licensed Deficits
- 4.10 Loan Schemes
- 4.10.1 Credit Union Approach

SECTION 5: Income

- 5.1 Income from Lettings
- 5.2 Income from Fees and Charges
- 5.3 Income from Fund-Raising Activities
- 5.4 Income from the Sale of Assets
- 5.5 Administrative Procedures for the Collection of Income
- 5.6 Purposes for which Income may be used

SECTION 6: The Charging of School Budget Shares

- 6.1 General Provision
- 6.1.1 Charging of Salaries at Actual Cost
- 6.2 Circumstances in which Charges may be made

SECTION 7: Taxation

- 7.1 Value Added Tax (VAT)
- 7.1.1 Construction Industry Taxation Scheme (CIS)

SECTION 8: The Provision of Services and Facilities by the LA

- 8.1 Provision of Services from Centrally Retained Budgets
- 8.2 Provision of Services Bought Back from the LA using Delegated Budgets
- 8.2.1 Packaging
- 8.3 Service Level Agreements

SECTION 9: Pensions

- 9.1 Teachers' Pensions
- 9.2 Local Government Pension Scheme (LGPS)

SECTION 10: Private Finance Initiative (PFI) Schemes

SECTION 11: Insurance

- 11.1 Insurance Cover

CONTENTS

(Updated June 2025)

This contents page is hyperlinked; therefore, click on the relevant heading to go to that section.

SECTION 12: Miscellaneous

- 12.1 Right of Access to Information
- 12.2 Liability of Governors
- 12.3 Governors' Expenses
- 12.4 Responsibility for Legal Costs
- 12.5 Health and Safety
- 12.6 Right of Attendance for Corporate Director Finance and Resources
- 12.7 Special Educational Needs
- 12.8 Interest on Late Payments
- 12.9 Whistleblowing
- 12.10 Child Protection
- 12.11 Redundancy/ Early Retirement Costs

SECTION 13: Responsibility for Repairs and Maintenance

SECTION 14: Community Facilities

ANNEX A: List of Maintained Schools (to which this scheme applies as at June 2025)

SECTION 1: INTRODUCTION

1.1. The Funding Framework

The funding framework is set out in the legislative provisions in s.45 – s.53 of the School Standards and Framework Act 1998 (the Act).

Under this legislation, the local authority (LA) will determine for itself on an annual basis, the size of the schools budget and their non-schools education budget – although at a minimum an LA must appropriate its entire Dedicated Schools Grant (DSG) to the schools budget.

The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, but included within the two, taken together, is all expenditure, direct and indirect, on the LA's maintained schools except for capital and certain miscellaneous items.

LAs may deduct funds from their schools budget for purposes specified in regulations made by the Secretary of State under s.45A of the Act (the centrally retained expenditure). The amounts to be deducted for these purposes are decided by the LA annually, subject to any limits or conditions (including gaining the approval of their Schools Forum or the Secretary of State in certain instances) as prescribed by the Secretary of State. The balance of the schools budget remaining after deduction of the centrally retained expenditure is termed the Individual Schools Budget (ISB).

Expenditure items in the non-schools education budget must be retained centrally (although earmarked allocations may be made to schools).

LAs must distribute the ISB amongst their maintained schools using a formula, which accords with regulations made by the Secretary of State and enables the calculation of a budget share for each maintained school. This budget share is then delegated to the Governing Board of the school concerned, unless the school is a new school, which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with s.51 of the Act.

The financial controls within which delegation works are set out in the London Borough of Brent's Scheme for Financing Schools (this document), and also in the London Borough of Brent's Schools Financial Regulations in accordance with s.48 of the Act and regulations made under that section.

All proposals to revise the scheme must be approved by the Schools Forum, though the LA may apply to the Secretary of State for approval in the event of the forum rejecting a proposal or approving it subject to modifications that are not acceptable to the LA.

Subject to the provisions made by or under the scheme, Governing Boards of schools may spend such amounts of their budget shares as they think fit for any purposes of their school* and for any additional purposes prescribed by the Secretary of State in regulations made under s.50 of the Act. (*s.50 has been amended to provide that amounts spent by a Governing Body on providing community facilities or services under s.27 of the Education Act 2002 are treated as if they were amounts spent for the purposes of the school (s.50(3A) of the Act.)

An LA may suspend a school's right to a delegated budget if the provisions of this scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the budget

share has not been managed satisfactorily. A school's right to a delegated budget share may also be suspended for other reasons (s.17 to the Act) but in that case, there is no right to appeal.

The LA is obliged to publish each year a statement setting out details of its planned schools budget and other expenditure on children's services, showing the amounts to be centrally retained and funding delegated to schools. After each financial year the LA must publish a statement showing out-turn expenditure at both central level and for each school, and the balances held in respect of each school.

The detailed publication requirements for financial statements are set out in directions issued by the Secretary of State, but each school must receive a copy of each year's budget and outturn statements as far as they relate to that school or central expenditure. Brent's section 251 budget and outturn statements detailing this information can be found on the LA's website at:

<https://www.brent.gov.uk/the-council-and-democracy/budgets-and-spending/section-251-statements#purpose>

Regulations also require an LA to publish their scheme and any revisions to it on a website accessible to the general public, by the date that any revisions come into force, together with a statement that the revised scheme comes into force on that date.

1.2. The Role of the Scheme

This scheme sets out the financial relationship between the LA and the maintained schools, which it funds. The schools maintained by Brent as at April 2025, and therefore covered by this scheme, are listed in Annex A.

This scheme contains requirements relating to financial management and related issues and is binding on both the LA and on schools.

1.2.1. Application of the Scheme to the LA and maintained schools

This scheme applies in respect of all community, nursery, voluntary, foundation (including trust), community special or foundation special schools and pupil referral units (PRUs) maintained by the LA, as listed for information in Annex A. It does not apply to schools situated in Brent, which are maintained by another LA, nor does it apply to academies.

1.3. Publication of the Scheme

This scheme will be published on the LA's website, which is accessible to the general public together with a statement stating the date the revised scheme comes into force.

1.4. Revision of the Scheme

Any proposed revisions to the scheme will be the subject of consultation with the Governing Board and Head Teacher at every Brent maintained school prior to seeking approval from the Schools Forum.

The members of the Schools Forum representing maintained schools will submit all proposed revisions to the schools forum for approval. If the Schools Forum does not approve the changes or approves the changes subject to modifications, which are not acceptable to the LA, the LA may apply to the Secretary of State for approval.

1.5. Delegation of Financial Powers to the Head Teacher

Governing Boards should consider the extent to which they wish to delegate their financial powers to the Head Teacher, and must record their decision (and any revisions to that decision) in the minutes of the Governing Board meeting.

The 3-year budget shall be proposed by the Head Teacher and agreed and set by the Governing Board. It is recommended that a committee of the Governing Board, such as a Finance / Resources Committee, completes the budget preparation work and ratification but the approval of the budget cannot be delegated to a committee. The budget must be approved at a meeting of the full Governing Board and submitted to the LA by the deadline set by the LA.

Whilst Brent has no desire to impose uniformity on schools, the following are suggestions on the levels of delegation that should be considered:

- To ensure the effective management of resources, Governing Boards are advised to delegate the responsibility for day to day financial management to the Head Teacher, subject to the establishment of appropriate arrangements for the exercise of that delegated authority.
- The Head Teacher should present the first formal budget plan for each financial year to the Finance/ Resources Committee and subsequently to the full Governing Board for approval prior to submission to Brent.
- The Governing Board should ensure that the Head Teacher reports progress on a regular basis to the full Governing Board or a Finance/ Resources Committee of the Governing Board.
- Financial limits should be defined for the authorisation of orders, invoices and virements between budget heads by the Head Teacher. The level of these limits will depend largely on the size of the school budget and the pattern of expenditure. The limits should not inhibit day-to-day financial management, but should not place undue responsibility on the Head Teacher.
- The Head Teacher is responsible to the Governing Board for the maintenance of financial controls within the school. The Head Teacher should ensure that the financial controls are maintained in the absence of key staff and should ensure that all staff are adequately trained. The Head Teacher should be responsible for amending and updating financial procedures in line with Audit, Brent or government recommendations. Such changes should be reported back to the Governing Board.
- The Head Teacher should ensure that recommendations arising from Internal Audit reports are addressed in accordance with the agreed action plan and that all reports are reviewed by the Governing Board or relevant sub-committee.
- The Head Teacher should oversee the administration of the personnel function within the school and ensure that an adequate division of duties exists.
- The Head Teacher should ensure that effective procedures exist for the backing up of computer-based systems and that they are followed. The Head Teacher should also ensure that adequate security measures are in place to protect financial data.
- The Head Teacher should liaise with the LA, its agents or insurers over matters relating to insurance, and report back to the Governing Board on important issues.
- The Head Teacher should ensure that stocks are secure, maintained at a reasonable level or independently stock-checked on a periodic basis. Valuable items should also be secured and checked regularly.

- The Governing Board should establish a charging policy for the provision of goods and services. The Head Teacher is responsible to the Governing Board for carrying out this policy and accounting for the income generated. Discretion over the provision of goods and services should lie with the Head Teacher in consultation with the Governing Board.
- The Head Teacher should ensure the security of money held on the premises and ensure that such money is banked on a weekly basis. If money is not banked daily, then money should be held securely and should not exceed insurance limits e.g. in a safe or a locked drawer.
- The Governing Board should agree an appropriate level of petty cash and the Head Teacher is responsible to the Governing Board for the proper management of the petty cash.

1.6. Maintenance of Schools

The LA is responsible for maintaining the schools covered by the scheme, and this includes the duty of defraying all the expenses of maintaining them (except in the case of a voluntary aided school where some of the expenses are, by statute, payable by the Governing Board). Part of the way a LA maintains its schools are through the funding system put in place under s.45 – s.53 of the Act.

SECTION 2: FINANCIAL CONTROLS

2.1. General Procedures

2.1.1. Application of Financial Controls to Schools

In managing their delegated budgets, schools must abide by the LA's requirements on financial controls and monitoring as contained in this scheme and the Schools Financial Regulations.

2.1.2. Provision of Financial Information and Reports

Schools are required to provide the LA with details of anticipated and actual expenditure and income, in a form determined by the LA and by the deadlines set by the LA, which will be issued annually in the year-end closing of accounts guidance. The format provided by the LA will take account of Consistent Financial Reporting (CFR) framework.

In addition, schools are required to submit a monthly FIN1 return (bank reconciliation) and supporting documents, a quarterly budget monitoring report showing clearly the forecasted year end position and monthly VAT returns in the format prescribed by the LA. For schools in deficit, budget monitoring reports are required each month. These must all be reviewed and signed by the Head Teacher in a timely manner and all supporting/backing documents should be submitted at the same time as the return.

The timetable for the submission of all financial returns will be notified to schools via Best Brent.

The LA will discharge its monitoring role and ensure that schools are effectively managing the resources delegated to them by the monitoring of these returns and by the review of internal audit reports.

In the event that the LA is not receiving any of the required returns in a timely manner, the LA reserves the right to send in their officers to provide the required information, which may also result in a *Note of Concern* issued as set out in section 2.15 below.

2.1.3. Payment of Salaries; Payment of Bills

Schools are responsible for the correct payment of all salaries, bills and relevant taxes relating to its budget share unless the LA has agreed to perform this on behalf of the school through a separate service level agreement.

Schools should ensure that payments for invoices are made within 30 days of the invoice date. This is both a central government and an LA policy. Where an invoice is disputed, the query should be raised with the supplier as soon as known. The invoice should subsequently be cleared promptly for payment once the query has been resolved or a credit note has been received. All invoices should be cleared, or queries raised, prior to long holiday periods.

Any costs including penalties, legal or administrative costs incurred because of a school's none or late payment of bills or salaries are chargeable to the school's budget share.

2.1.4.Control of Assets

Inventories must be maintained by all schools. The inventories must contain an adequate description of furniture, fittings, equipment, plant and machinery and other moveable non capital assets held for the purpose of the school, including items purchased, donated, leased or on loan/hired from other schools or other sources.

Asset registers are useful both as a deterrent to theft (through the annual checks) but also as a prime document in the event of an insurance claim. The importance of keeping records and ensuring their accuracy should therefore be acknowledged by schools.

DfE guidance suggests that all items, which have a purchase price above £1,000 (ex VAT), should be included in the inventory. However, Brent strongly suggests that schools record all items above £100. This guidance is notwithstanding any specific requirements relating to the retention of records for areas such as grant conditions, insurance or leases. Head Teachers should use their discretion in deciding whether to include items of a lesser value, although a register must be kept in some form for such items. Schools should consider recording 'portable and desirable' items (e.g. digital cameras) that may fall below the recommended levels referred to above.

Head Teachers should keep a separate record of inventory items taken off the school premises. Head Teachers are responsible for the control and proper use of all items on the inventory and for arranging that a check is carried out at not greater than annual intervals to ensure that all items are accounted for. Head Teachers should ensure that the individual responsible for performing the check certifies the inventory.

Head Teachers are responsible for ensuring that proper records are kept in relation to the accounts and custody of any stocks and stores in the school for which the Corporate Director Finance and Resources requires such controls to be established.

Head Teachers are responsible for maintaining proper security for all buildings, stocks, stores, furniture, vehicles, equipment, plant, money, sensitive data etc. under their control. Keys to safes and similar receptacles shall be carried on the person of those responsible at all times; the loss of any such keys must be reported to the Corporate Director of Children, Young People & Community Development without delay.

2.1.5.Accounting Policies (including Year End Procedures)

The Corporate Director Finance and Resources is responsible for determining the LA's accounting policies. Each Head Teacher is responsible for ensuring that these policies are adhered to and applied consistently in units' accounts. The underlying principles include:

- The accounts should be a fair presentation of the school's financial position and transactions in respect of that financial year.
- Income and expenditure should relate to the services provided in the same accounting period (the financial year). In revenue accounts, provision must be made for income and expenditure earned/used irrespective of when the amounts are actually paid or received.
- The accounts should be prepared on a prudent basis with income only being included to the extent that it is likely to be received; proper allowance should be made for all known liabilities and losses.

Schools must abide by the procedures issued annually by the LA for the year-end closing of accounts procedures and other accounting policies.

- The year-end procedures are set out in the Schools Closing Guidance issued every year in January, which includes a closedown timetable, which must be adhered to.
- The financial information system of the LA will be the statutory accounts for each school and will be used to assess financial performance.
- Head Teachers must ensure that accounting procedures and financial records are maintained accurately and kept up to date.

2.1.6. Writing off of Debts

Debts in respect of income due to the schools delegated budget and collected by them, which are found to be irrecoverable, may be written off only by resolution of the Governing Board in accordance with the Schools Financial Regulations. The write-off of property, i.e. stocks and surplus assets, should be treated in the same way. All write-offs should be initiated by a written report from the Head Teacher, and should be formally considered and approved by the full Governing Board and recorded in the minutes of the meeting. This cannot be delegated to a committee of the Governing Board.

The amount of any debt written-off will be borne by the delegated budget of the school to which the income would have been due. All appropriate budgets/forecasts should be amended to reflect this.

Where the invoice exceeds £1k, the Governing Board must notify and obtain approval from Corporate Director Finance and Resources before writing off the debt. Any proposed write-off that exceeds £3k will also be reported to the LA's Cabinet. All requests for approval must be submitted to the Schools' Finance Team.

All write-offs must be correctly recorded in the accounts, by reversal of the original income transaction. All documentation relating to the write-off and approval of this should be retained by the school. No property that has been written-off can be sold or otherwise disposed of.

2.2. Basis of Accounting

Schools are free to use any accounting software they choose, providing any reports are submitted to the LA in the required format, and if they meet the costs of modification to provide output required by the LA. Schools may therefore account for expenditure and income during the financial year on their internal systems using either a cash or an accruals basis. Reports submitted to the authority in accordance with this scheme must however be amended, where necessary, at the year-end to an accruals basis in order to comply with the LA's requirements.

2.3. Submission of Budget Plans

Each school is required to submit a formal budget plan approved by the Governing Board, no later than 1st June each year. The LA would however consider it good practice for Governing Boards to agree their budget plan prior to the start of the new financial year.

The budget plan must show the school's intentions for expenditure in the current and the following two financial years, and details of any assumptions made underpinning the budget plan. In determining the budget plan, schools are required to take into account any estimated surplus or deficit at the previous financial year end to 31st March. The budget plan should be a numerical reflection of the school's development plan (SDP) and should be prepared to reflect the full year effect of decisions made in the current year, the estimated effect of pupil number increases and decreases and any other development issues.

The Governing Board is not permitted to set a budget, which plans for a cumulative deficit at the end of any of the financial years, except where the LA has authorised such a budget.

The format of the budget plan and any supporting documents shall comply with the budget template provided and the *Budget Preparation Guidelines* issued by the LA each year, which takes into account the Consistent Financial Reporting (CFR) framework and the desirability of compatibility with that.

Evidence of approval must be submitted at the same time as the budget plan. The LA issues a Budget Approval form each year, which needs to be signed by the Head Teacher and the Chair of Governors. An extract of the minutes of the Governing Board meeting can also be submitted for further evidence.

2.3.1.Submission of Financial Forecast

As part of budget management, schools are required to undertake regular forecasts of outturn against budget. Schools are required to provide a full year forecast as at the end of each quarter as part of the budget monitoring submissions to the Schools Finance Team.

These forecasts will be used to confirm if schools are undertaking effective financial planning and to identify any potential budgetary problems in future years. In addition, these will be used as evidence to support the LA's assessment of the Schools Financial Value Standards (SFVS).

2.4. Schools Resource Management

Schools must seek to achieve effective management of resources and value for money, to optimise the use of their resources and to invest in teaching and learning. Schools must do so whilst taking into account the LA's purchasing, tendering and contracting requirements outlined in section 2.10.

Head Teachers and governors are required to determine how to secure better value for money for their school. There are significant variations between similar schools, and so it is important for schools to review their current expenditure, compare it to other schools and think about how to make improvements.

Given that school's delegated budgets account for a very high proportion of LA spending, it is important that schools are able to demonstrate that they are following best value principles in their expenditure.

2.5. Virement

A virement is the transfer of funds from one budget line to another. It is an administrative exercise that provides a degree of flexibility in spending a budget to deal with changing circumstances and/or unexpected developments.

Provided overall spending is contained within the total delegated budgets, schools may vire freely between budget heads in the expenditure of their budget share. However, there needs to be appropriate control arrangements established, and Governing Boards are advised to establish criteria for virements and financial limits above which the approval of the governors

is required, in their Schemes of Delegation. Decisions should be recorded in Governing Board minutes.

2.6. Audit: General

All maintained schools fall within both the internal and external audit regime determined by the LA, and schools are required to co-operate with both of these.

The LA's maintained schools will be the subject of regular internal audit to review the management of the school's finances and its stewardship of public money on behalf of the LA. Internal audit of schools will be based on a rolling programme, it is expected that each school will be subject to an internal audit review approximately once every 2-3 years.

Schools must allow internal and external auditors access, for the purpose of programmed internal audit or adhoc investigations, to such premises, documents and assets, as the auditors consider necessary. The school staff must provide auditors with any explanations they consider necessary.

The Head Teacher should consider and respond promptly to recommendations in audit reports and report to the Governing Board on the results of audits and any actions required by the school.

The Head Teacher should immediately notify the internal auditors and the Schools Finance team of any suspected irregularities involving fraud, bribery, theft or corruption of cash, stores, stocks or any other property held for the purposes of the school or in any other way affecting school finances or any breach of financial regulations.

2.7. Separate External Audits

In instances where a school wishes to seek an additional source of assurance at its own expense, a Governing Board is permitted to spend funds from its budget share to obtain external audit certification of its accounts, separate from any LA internal or external audit process. Where a school chooses to seek such an additional audit it does not remove the requirement that the school must also be subject to and co-operate with the LA's internal and external auditors. In the event of a difference of opinion between the LA's external auditors and a Governing Board appointed auditor, the views of the LA's external auditor will prevail.

2.8. Audit of Voluntary and Private Funds

Schools are also required to provide annual audit certificates to the LA's internal auditors in respect of voluntary and private funds held by them together with the accounts of any trading organisations, which they control. A school refusing to provide audit certificates to the LA as required by this scheme is in breach and the LA may choose to take action on that basis.

Both voluntary and private funds come under the definition of *non-official funds* or *school funds*. Such funds are those funds, which do not contain official monies/ delegated funding from the LA and is controlled wholly or in part by the Head Teacher by reason of his/her employment by the school. Although such funds are not public money, parents and other benefactors are entitled to the same standards of stewardship in regard to them.

An auditor appointed by the Governing Board, as minuted in Governing Board minutes should carry out an audit of these funds annually. The audit must be completed within three months

of the end of each financial year. In the interests of accountability, the auditor should not be an employee and should be independent of the school with no association to the fund. A qualified accountant who will provide a certificate in accordance with published professional standards must audit funds in excess of £20k. Funds below £20k does not need to be audited by a qualified accountant, but must be audited by a suitable individual familiar with the principles of accountancy. A report of the audit must be submitted to the Governing Board.

Governors have responsibility for the oversight of the management of these funds. The Head Teacher should be held accountable for the good management of these funds. It is therefore recommended that governors should be kept informed about these funds, and therefore in addition to the annual report received, governors should receive interim reports. These reports should include details of income received, major items of expenditure and the balance of the funds, supported by certified reconciliations.

Official (delegated funding) and non-official (voluntary and private funds) should never be mixed. Any income, which properly relates to the school's delegated budget, should not be credited to a non-official fund. Any expenditure, such as staffing costs, which properly relates to the school's delegated budget, should not be paid from the non-official fund.

Voluntary and private funds are not eligible to reclaim VAT on expenditure, unless separately registered for VAT.

2.9. Register of Business Interests

The Governing Board of each school must have in place a register that lists for each member of the Governing Board, the Head Teacher and staff:

- any business interests they or any member of their immediate family have;
- details of any other educational establishments that they govern;
- any relationships between school staff and members of the Governing Board.

The register must be kept up to date with notification of changes and through annual review of entries, or when a new governor is appointed or elected. This also needs to be done when the term of office of an existing governor expires and he/she is re-appointed/re-elected, and should be made available for inspection by governors, staff, parents and the LA. This register must be published on a publicly accessible website.

Declaration of any interests, including pecuniary, should be raised as a standing agenda item at every full Governing Board and Finance/ Resources Committee meeting and such declarations should be minuted.

Governors, the Head Teacher and any member of staff must refrain from the decision making process or taking any action where they or any member of their immediate family has a business or pecuniary interest.

Further guidance can be found with the Register of Business & Personal Interest form.

2.10. Purchasing, Tendering and Contracting Requirements

Schools are required to abide by the LA's financial regulations and standing orders in purchasing, tendering and contracting matters, including leasing. This includes a requirement to assess in advance, where relevant, the health and safety competence of contractors, taking

account of the LA's policies and procedures. Nothing within these requirements shall be construed as requiring schools to:

- a) do anything incompatible with any of the provisions of this Scheme for Financing Schools, or any statutory provision, or the National Procurement Policy Statement and any Procurement Policy Notes;
- b) seek LA officer countersignature for any contract for goods or services or works;
- c) select suppliers only from an approved list;
- d) seek fewer than three tenders or quotations in respect of any contract with a value exceeding £30,000 (inclusive of VAT), subject to specific listed exceptions.

The Governing Board/ Head Teacher must ensure that they consider quality, economy and efficiency when purchasing goods, services and works.

Although Governing Boards are empowered to enter into contracts in their own right (Education Act 2002, Paragraph 3 of Schedule 1), and may do so where they have a clear statutory obligation (e.g. contracts made by Aided or Foundation Schools for the employment of staff). In most cases, they do so on behalf of the LA as maintainer of the School and the owner of the funds in the budget share. It is a particular government requirement that all Schools shall approve and abide by both Financial Regulations and Contract Standing Orders. In Brent, the Scheme for Financing Schools requires all Schools to adopt the corporate models of these governance documents, which have been formulated to account for the particular financial and operational arrangements that exist within Schools.

All procurement by schools maintained by the LA must therefore comply with the Procurement Act 2023 which is supplemented by the Procurement Regulations 2024(referred to elsewhere herein as "Procurement Legislation"), the LA's Financial Regulations and Contract Standing Orders. Each Head Teacher shall maintain and supply the Corporate Director Finance and Resources with such information as is required for corporate compliance with these rules.

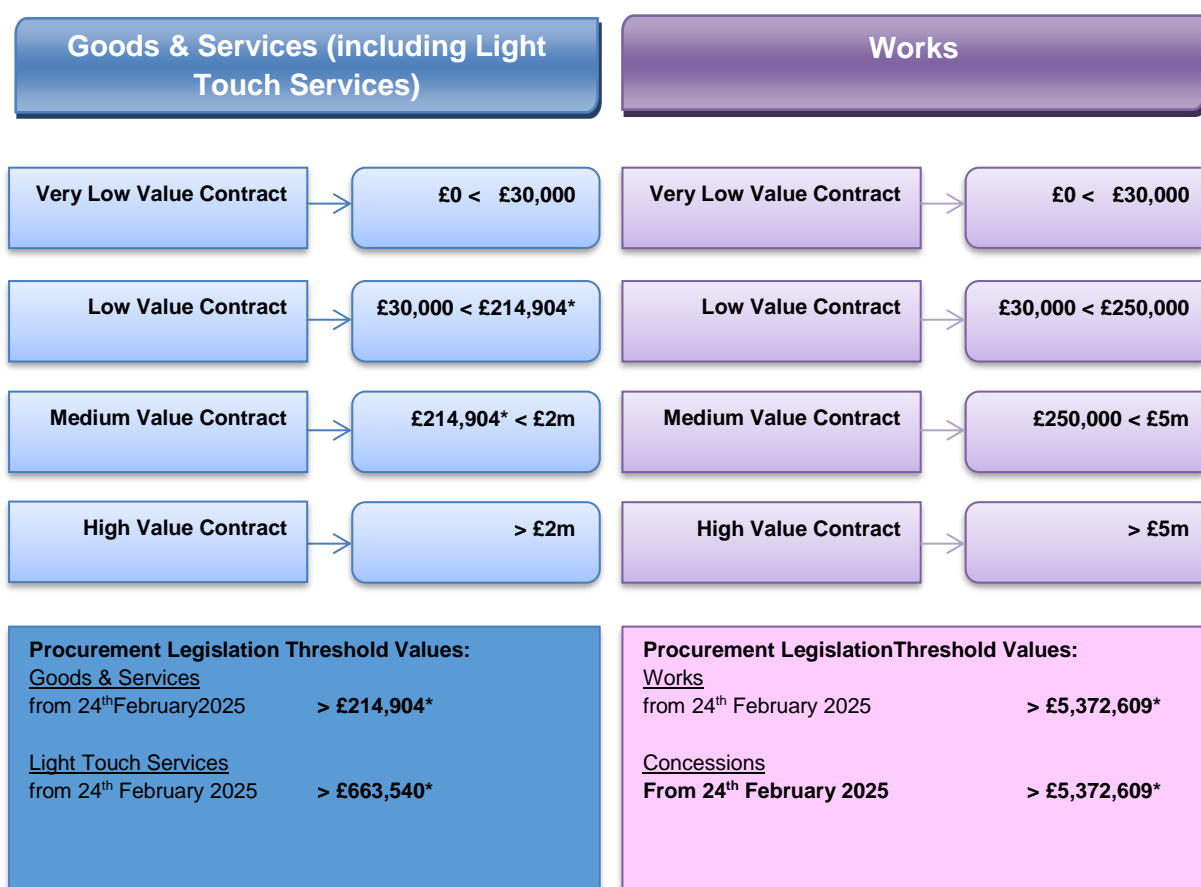
An electronic version of the LA's Constitution encompassing the Financial Regulations and Contract Standing Orders can be obtained here: [Constitution \(brent.gov.uk\)](https://www.brent.gov.uk/constitution)

A brief overview of the LA's Financial Regulations and Contract Standing Orders is provided below however, the Governing Board must be mindful of referring to and complying the full requirements contained in the LA's Constitution, which may be amended from time to time. Further details are also contained in the Brent's Schools Finance Regulations 2025/26.

The table below sets out different categories of contract, depending on the value of the contract (over the life of the contract, including any possible extension) for goods, services and works.

Contract Value

It is a mandatory requirement to estimate a contract value at the start of a procurement. The value of the contract must be calculated as the maximum amount which you expect to pay over the entire length of the contract, including any period of extension(s) anticipated.



* When calculating the estimated value of the contract to determine whether the requirements of the Procurement Legislation apply, the contract value estimation should be **inclusive of VAT** (where applicable) from 24 February 2025. The figures in the table above which are not marked with an asterisk are exclusive of VAT. When valuing contracts the Governing Board will need to be conscious of VAT levels and whether the goods, services or works attract standard rate VAT (currently 20%), attract some other rates or are exempt or outside the scope of VAT. Advice on VAT is available from the LA's VAT officer.

**A Light Touch Service is defined as those health, social and other related services listed in Schedule 1 of The Procurement Regulations 2024

- **Very Low Value Contract** – No formal procurement procedures apply to Very Low Value Contracts apart from a requirement to secure best value. For Very Low Value Contracts, the best way to demonstrate best value is by seeking three quotations or another procurement route. Whilst the use of these procedures is not mandatory, it is however a mandatory requirement to keep an auditable record to demonstrate how value for money has been achieved.
- **Low Value Contract** – Schools are required to seek at least three written quotations from potential providers unless the contract opportunity has been advertised. Where three quotations have been sought schools must record the quotes sought and/or obtained for

audit and probity purposes.

- **Medium Value Contract** – The Governing Board must undertake a competitive tendering exercise. Before commencing the tender exercise, formal approval to tender shall be sought from the Governing Board (or Head Teacher where the Governing Board has delegated this responsibility). In seeking approval to tender, a report shall be submitted to the Governing Board or Head Teacher as the case may be, which addresses the pre-tender considerations set out in the LA's Contract Standing Order 89, to include details of the criteria for evaluation and award. The tendering exercise must be advertised on the Central Digital Platform, a web-based facility operated by the Minister for the Cabinet Office and that the school must use to advertise contract related notices, including contract opportunities on or after 24 February 2025.. Where the contract is above the relevant threshold and the Procurement Legislation apply in full to the procurement, a tender notice (advert) must be placed on the Central Digital Platform . Where a Governing Board elects to utilise the LA's e-Tendering system to advertise and run the procurement, they must then comply with Contract Standing Order 101 (e Tendering and e-Auctions). Following receipt and evaluation of tenders, approval for the award of contract shall be sought from the Governing Board (or Head Teacher where the Governing Board has delegated this responsibility) by way of a report setting out the outcome of the tender process and evaluation
- **High Value Contract** – Schools must seek and obtain the LA's Cabinet approval before the procurement process is started. In seeking the LA's Cabinet approval to tender, the Governing Board shall address the pre-tender considerations set out in the LA's Contract Standing Oder 89, to include details of the criteria for evaluation and award. The requirements for the tender exercise will be as for Medium Value Contracts as set out above. Following receipt and evaluation of bids, further Cabinet authority must be sought prior to awarding the contract.

When valuing a rolling contract with no defined termination date, the contract should be valued by estimating the maximum possible value, including VAT, taking into account any potential extensions, renewals and additional goods / services m.

The Governing Board shall consider whether a contract should be subdivided into lots and if a decision is decided not to subdivide contract into lots, shall record the reason for such decision in writing. Contracts must not however be subdivided into lots to avoid competitive tendering. The estimated value of contracts split into lots shall be calculated using the total value of all lots.

The fact that the LA has let a contract in accordance with the Procurement Act 2023 does not automatically mean that the school is a party to the contract or able to access the contract's goods, services or works. For the purposes of Procurement Legislation, schools are viewed as discrete units and therefore have to be specifically named (individually or as a class) to benefit from a LA let contract. As discrete units, schools can consider collaboration arrangements not only with the LA, but also with other schools in the area, e.g. via the use of framework agreements, joint procurements, etc. to realise economies of scale.

For further details, please refer to Brent's Schools Finance Regulations 2025/26.

2.11. Application of Contracts to Schools

Although Governing Boards are empowered under paragraph 3 of Schedule 1 to the Education Act 2002 to enter into contracts, in most cases they do so on behalf of the LA as maintainer of the school and the owner of the funds in the budget share.

Other contracts may be made solely on behalf of the Governing Board when the Governing Board has clear statutory obligations – for example, contracts made by aided or foundation schools for the employment of staff.

Schools have the right to opt out of LA arranged contracts. Schools are only bound into LA arranged contracts through scheme provisions. Without such cover, they are free to leave a LA arranged contract at any time. Schools will be bound by any internal contract they have freely entered into with the LA.

2.12. Central Funds and Earmarking

The LA can make sums available to schools from central funds, in the form of allocations, which are additional to and separate from the schools' budget shares. Such allocations will be subject to conditions setting out the purpose or purposes for which the funds may be used. While these conditions need not preclude virement (except, of course, where the funding is supported by a specific grant, which the LA itself is not permitted to vire), this should not be carried to the point of assimilating the allocations into the school's budget share. This will also include allocations for pupils with statements of Special Educational Need.

Such earmarked funding from centrally retained funds can only be spent on the purposes for which it is given, or on other budget heads for which earmarked funding is given and is not vired into the budget share. Schools must be able to demonstrate that this requirement has been complied with in their accounts.

Any earmarked funds must be returned to the LA if not spent within any period stipulated by the LA over which schools are allowed to use the funding.

Under no circumstances will the LA deduct interest from schools in relation to payments of devolved specific grants.

2.13. Spending for the purposes of the school

Governing Boards are free (in accordance with s.50(3) of the Act) to spend budget shares *for the purposes of the school* to include pupils at other maintained schools, academies and community facilities, subject to regulations made by the Secretary of State and any provisions of the scheme.

By virtue of s.50(3A) (which came into force on 1st April 2011), amounts spent by Governing Boards on community facilities or services under s.27 of the Education Act 2002 will be treated as if spent for any purposes of the school to include pupils on roll at other maintained schools, academies and community facilities.

Governing Boards may not incur expenditure from the school budget for purposes, which are properly the responsibility of other agencies.

2.14. Capital Spending from Budget Shares

Governing Boards can use their budget shares to meet the cost of capital expenditure on the school premises. This includes expenditure by the Governing Board of a voluntary aided school on work, which is their responsibility under paragraph 3 of Schedule 3 of the Act.

Capital expenditure is money spent to acquire, improve or upgrade physical assets such as buildings and machinery, which provides benefits for a period exceeding one year. This may include work on the school site, playing fields, buildings, vehicles or other equipment.

The LA applies a de-minimis limit of £5,000, below which items of expenditure are not capitalised. If the expected capital expenditure from the budget share in any one year is expected to exceed £25,000 in Primary and Special Schools or £50,000 in Secondary Schools, the Governing Board must notify the LA prior to committing funds. In addition, take into account any advice from the Corporate Director of Children, Young People & Community Development as to the merits of the proposed expenditure.

Where the premises are owned by the LA or have voluntary controlled status, then the Governing Board should seek the consent of the LA to the proposed works, but such consent by the LA can only be withheld on health and safety grounds. This includes the extension of buildings, any internal or external alterations to existing buildings, the construction of new buildings and any external works impacting on play areas or playing fields.

These provisions ensure compliance with the current School Premises (England) Regulations 2012, the Workplace (Health, Safety and Welfare) Regulations 1992, the Regulatory Reform (Fire Safety) Order 2005, the Equality Act 2010, and the Building Regulations 2010. In addition, these provisions will not affect expenditure from any capital allocation made available by the LA outside the delegated budget share.

2.15. Notice of Concern

The LA may issue a *Notice of Concern* to the Governing Board of any school it maintains where, in the opinion of the Corporate Director Finance and Resources and the Strategic Director of Children, Young People & Community Development, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of the LA or the school.

Such a notice will set out the reasons and evidence for it being made and may place on the Governing Board restrictions, limitations or prohibitions in relation to the management of funds delegated to it. These may include:

- Insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;
- Insisting that an appropriately trained/qualified person chairs the finance/ resources committee of the Governing Board;
- Placing more stringent restrictions or conditions on the day-to-day financial management of a school than the scheme requires for all schools – such as the provision of monthly budget monitoring reports to the LA which clearly shows current income and expenditure and a projected full year forecast;
- Insisting on monthly financial monitoring meetings at the school attended by LA officers;
- Requiring a Governing Board to buy into the LA's Schools Finance packages and services;

- Imposing restrictions or limitations on the manner in which a school manages extended school activity funded from within its delegated budget share – for example by requiring a school to submit income projections and/or financial monitoring reports on such activities.

The notice will clearly state what these requirements are, and the way in which and the time by which such requirements must be complied with in order for the notice to be withdrawn. It will also state the actions that the LA may take where the Governing Board does not comply with the notice.

The rationale for issuing a notice and determining the requirements included within it, are to safeguard the financial position of the LA or the school. Where the LA issues a *Notice of Concern*, the notice will be withdrawn once the Governing Board has complied with the requirements it imposes. The circumstances in which a notice may be issued would include:

- Schools in deficit, where the school has failed to take appropriate and timely action to address the deficit and to follow the requirements of a licenced deficit, and to keep the LA informed on the progress in achieving the deficit recovery plan submitted;
- Schools having consistently high carry forward balances, with no relevant plans for using these;
- Schools failing to complete the SFVS as required;
- Schools with limited or nil assurance audit opinions who have failed to take appropriate and timely action regarding the issues identified in relation to financial management within the audit report issued.

Any dispute between the LA and the school issued with a *Notice of Concern*, regarding any aspect of the notice, will be referred to the LA's Corporate Director Finance and Resources for resolution.

2.16. Schools Financial Value Standard (SFVS)

All LA maintained schools (including nursery schools and PRUs that have a delegated budget) must demonstrate compliance with the SFVS and complete the assessment form on an annual basis. It is for the school to determine at what time in the year they wish to complete the form.

Governors must demonstrate compliance through the submission of the SFVS assessment form signed by the Chair of Governors. The form must include a summary of remedial actions with a clear timetable, ensuring that each action has a specified deadline and an agreed owner. *Governors must monitor the progress of these actions to ensure that all actions are cleared within specified deadlines.*

All maintained schools with a delegated budget must submit the form to the LA before 31st March each year.

2.17. Fraud

All schools must have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets.

The Governing Board and Head Teacher must inform all staff, of school policies and procedures related to fraud and theft, the controls in place to prevent them, and the consequences of breaching these controls. This information must also be included in induction for new school staff and governors.

Where a Head Teacher or Governing Board becomes aware of any type of fraud, suspected fraud or attempted fraud, this must be reported to the LA's Corporate Director Finance and Resources via the Audit & Investigations Service.

SECTION 3: INSTALMENTS OF THE BUDGET SHARE, BANKING ARRANGEMENTS

The LA has adopted the CIPFA Code of Practice for Treasury Management.

For the purposes of this section, the budget share includes any place-led funding for special schools and PRUs.

3.1. Frequency of Instalments

For all maintained schools, the annual sum allocated to each school's bank account will be the total of its individual school's budget. From April 2013, all schools are required to administer their own payroll and from 2017, schools will be required to pay their own Apprenticeship levy under HMRC issued guidelines – schools administering their own payroll shall be advanced their delegated budget on a monthly basis.

3.2. Proportion of Budget Share payable at each Instalment

Schools will receive their monthly budget share payment consisting of Schools Block and High Needs block as follows:

- Primary, Secondary, Special and PRU schools:
 - 1/12th by the 15th of each month – April to March;
- Nurseries
 - 1/12th by the 1st of each month – April to March.

The Early Years block is paid by the Early Years Team every mid-term.

Where schools are experiencing cashflow difficulties and require a different monthly profile, this shall be requested on the Cash Advance Request form to the Schools Finance Team. If such a change results in Brent incurring a loss of interest, then an interest charge will apply as described in 3.3.

Top up payments for pupils with high needs will be made with budget share for pupils on roll as at the end of December and termly in arrears for in year changes that occur from 1st January unless alternative arrangements have been agreed with the provider.

3.3. Interest Clawback

Where the LA's normal proportion of budget share instalments are being used, there will be no deduction made from the school budget share instalments for the estimated loss of interest. However, where a school has requested a variation to the standard monthly payment profile, the LA reserves the right to apply an interest charge to the last payment in March, in relation to the loss of interest incurred by the LA in making funds available in advance.

The interest clawback will be calculated using the Bank of England base rate for each day during the relevant time. School will be notified in advance of the amount of any clawback, with full supporting calculations as confirmation.

3.3.1. Interest on Late Budget Share Payments

The LA will add interest to late payments of budget share instalments, where such late payment is the result of an LA error. The interest calculation will be the same as the Interest

Clawback calculations, i.e. the Bank of England base rate at the relevant period, calculated on the number of days for which the instalment was delayed.

3.4. Budget Shares for Closing Schools

The budget shares of schools for which approval for discontinuation has been secured, will be made available until closure on a monthly basis net of estimated pay costs, if the LA deems this to be appropriate.

3.5. Bank and Building Society Accounts

All maintained schools have external bank accounts into which their budget share instalments (as determined by other provisions) are paid. Schools are allowed to retain all interest payable on their bank accounts and shall be subject to any bank charges arising.

If a school did not previously have an external bank account and then opens one, the LA will, if the school desires, transfer immediately to the account an amount agreed by both the school and the LA as the estimated surplus balance held by the LA in respect of the school's budget share, on the basis that there will then be a subsequent correction when accounts for the relevant year are closed.

3.5.1. Restrictions on Accounts

Where a school wishes to change its banking arrangements, it must notify the Corporate Director of Children, Young People & Community Development of the new arrangements before they come into effect. The LA must approve all new banking arrangements, but no reasonable proposals will be refused. In particular, if a school wishes to change to another bank, the approval of the LA must be sought. This is to protect the school's resources from investment in an inappropriate institution and again refusal will only occur in exceptional circumstances. Any reasonable banking arrangements will be approved automatically. The LA's Treasury Management policy requires that only the following banks and their group members can be used for schools banking arrangements: HSBC, Barclays, Lloyds, RBS and Nationwide Building Society.

Schools may have accounts for budget share purposes, which are in the name of the school rather than the LA. However, if a school has such an account, it is required that the account mandate shows that the LA is the owner of the funds in the account and is entitled to receive statements. The LA should also be able to take control of the account if the LA suspends the school's right to a delegated budget. Budget share funds paid by the authority and held in school accounts remain LA property until spent (s.49 (5) of the Act).

School governors who are not members of staff must not be signatories to any school bank account containing LA provided funds but LA employees and school employees (including employee governors) can be signatories, subject to the principle of division of duties being met.

The Head teacher and the school Governing Board must approve staff user rights where a school opts to use electronic banking facilities. Schools governors who are not members of staff must not be permitted to have online access to the school bank accounts containing LA provided funds.

3.6. Borrowing by Schools

Governing Boards may borrow money *only with the written permission of the Secretary of State*, and the LA must be notified in advance by any school of its intention to make such application since the LA's own credit requirement would be likely to be reduced to compensate.

The restrictions on borrowing include overdraft facilities, credit cards and finance leases. The use of procurement cards is encouraged, as they can be a useful means of facilitating electronic purchasing and will enable schools to benefit from significant discounts.

If the schools opt to use credit cards or charge cards, no interest should be incurred by the school, with balances fully cleared on a monthly basis.

The introduction of IFRS16 for local authorities from 1 April 2024 ends the distinction between operating and finance leases at maintained schools for accounting purposes. Under the Education Act 2002, all leases will be classed as borrowing and will require the Secretary of State for Education's consent.

The Secretary of State has, however, agreed to provide blanket consent to a range of the most common leasing activities, as set out in the [IFRS16 Maintained Schools Finance Lease Class Consent 2024](#). Leases not included in this Order will still require the written consent of the Secretary of State, and it remains the general position that schools will only be granted permission for other types of borrowing in exceptional circumstances. From time to time, however, the Secretary of State may introduce limited schemes to meet broader policy objectives.

Leases not included in the [IFRS16 Maintained Schools Finance Lease Class Consent 2024](#) will require prior approval from the Secretary of State and any such requests should be made in the first instance to the Schools Finance Team who will request approval from the relevant delegated officer.

However, the above does not apply to Trustees and Foundations, whose borrowing, as private bodies, makes no impact on Government accounts. These debts may not be serviced directly from the delegated budgets, but schools are free to agree a charge for a service which the Trustees or Foundation are able to provide because of their own borrowing. Governing Boards do not act as agents of the LA when repaying loans.

This provision does not apply to loan schemes run by the LA, which includes licensed deficits and capital loans.

3.7. Other Provision

Keeping Balances

Schools will be allowed to retain delegated budget income and pay directly into their respective bank accounts.

Accounting for Non-Official funds

Where a Head Teacher or a member of staff, by virtue of his/her official position, is responsible for money or goods which are the property of a school's non-official fund:

- Monies and goods belonging to the non-official funds must be separate from other monies or goods;
- Monies and goods are properly recorded separately as belonging to the non-official fund;
- An auditor with suitable qualifications should be appointed to independently verify these funds, with audited annual accounts being submitted to governors.

SECTION 4: THE TREATMENT OF SURPLUS AND DEFICIT BALANCES ARISING IN RELATION TO BUDGET SHARES

4.1. Right to Carry Forward Surplus Balances

Schools will carry forward from one financial year to the next any shortfall in expenditure relative to the school's budget share for the year plus/minus any balance brought forward from the previous year. Surplus balances are however subject to restrictions shown in 4.2 below. Any deficits must be the subject of licensed deficits as explained in 4.4 below.

Where a school transfers into the London Borough of Brent from another LA, its brought forward balance on the first day of its operation under its new LA shall be equal to its carry forward balance on the last day of its operation under its previous LA.

4.2. Controls on Surplus Balances

Surplus balances held by schools as permitted under this scheme are subject to the following restrictions:

- a) The LA shall calculate by 31st May each year the surplus balance, if any, held by each school as at the preceding 31st March. For this purpose, the balance will be the recurrent balance as defined in the Consistent Financial Reporting Framework (CFR);
- b) The LA shall deduct from the calculated balance any amounts for which the school has a prior year commitment to pay from the surplus balance, and any unspent grants for the previous financial year where the grant conditions allow carry forward to a future financial year;
- c) The LA shall then deduct from the resulting sum any amounts which the Governing Board of the school has declared to be assigned for specific purposes permitted by the LA, and which the LA is satisfied are properly assigned. To count as properly assigned, amounts must not be retained beyond the period stipulated for the purpose in question, without the consent of the LA. In considering whether any sums are properly assigned the LA may also take into account any previously declared assignment of such sums but may not take any change in planned assignments to be the sole reason for considering that a sum is not properly assigned;
- d) If the result of steps a-c is a sum greater than 5% of the current year's Budget Share for secondary schools, 8% for nursery, primary and special schools, or £10,000 (where that is greater than either percentage threshold), then the LA will consider the excess balances by review and may recommend the clawback of any excessive surplus or direct the use of these funds within the school for specific purposes in future financial years.

Funds deriving from sources other than the LA will be taken into account in this calculation if paid into the budget share account of the school, whether under provisions in this scheme or otherwise. The total of any amounts deducted from schools' budget shares by the LA under this provision will be applied to the Schools Budget of the LA.

The LA has regard to the principle that schools should be moving towards greater autonomy and should not be constrained from making early efficiencies to support their medium-term budgeting in a tighter financial climate, and should not be burdened by bureaucracy. Therefore, the mechanism will only be focused on those schools, which have built up significant excessive uncommitted balances and/or where some level of redistribution would support improved provision across a local area. Any such redeployment of funds would only be considered with the agreement and approval of the Schools Forum.

To assist the LA in carrying out its financial monitoring role, schools are asked to complete the Surplus Balances Breakdown form when requested by the LA annually, on the use the school intends to make of any surplus balances, in cases where the total balance exceeds 5% for secondary schools or 8% for primary and special schools. Relevant evidence must be submitted to support this response and may comprise of minutes to Governing Board meetings, three-year school development plans (SDPs), or any other relevant information. Any surpluses should be earmarked for specific future needs to ensure that pupils benefit from a planned approach to spending that does not deprive them of required educational resources in any given year.

4.3. Interest on Surplus Balances

No interest will be paid to schools on balances held by the LA on their behalf. Interest generated by schools' own bank accounts will be retained by the school.

4.4. Obligation to Carry Forward Deficit Balances

Revenue deficit balances held by schools as permitted under this scheme, must be carried forward.

4.5. Planning for Deficit Balances

Schools that are not currently in deficit must not plan for a deficit under any circumstances. See 4.9 below.

4.6. Charging of Interest on Deficit Balances

The LA will not charge interest on deficit balances.

4.7. Writing Off Deficits

The LA cannot and will not write off the deficit balance of any school.

4.8. Balances of Closing and Replacement Schools

When a school closes any cumulative balance (whether surplus or deficit) reverts to the LA. This cannot be transferred as a balance to any other school, even where the school is a successor to the closing school, except that a surplus transfers to an academy where a school converts to academy status under s.4(1)(a) of the Academies Act 2010. However, where the closure is purely a technicality to enable the merger of an Infant and Junior school, the LA's funding formula will enable a sum equal to the combined closing balances of the Infant and Junior schools to be allocated as the opening balance of the new school.

4.9. Licensed Deficits

Schools should only apply for a Licensed Deficit in exceptional circumstances where they cannot set a balanced budget without seriously impacting on the educational provision at the school.

The purpose of the Licensed Deficit process is to enable schools to:

- Identify and acknowledge the problem;
- Agree with the LA a plan of action and to monitor progress against this plan;
- Take strategic action to improve the long term financial situation at the school;
- Balance their budget over a period – maximum three years.

The Licensed Deficit process is used by LA to provide schools with an appropriate level of challenge and support to help them set a balanced budget or, if this is not achievable, to prepare a recovery plan that sets out the action the school will take to achieved a sustainable balanced financial position over an agreed period. The LA will not therefore unreasonably reject an application for a Licensed Deficit and will consider the following in reaching a decision:

- The nature of the circumstances which gave rise to the deficit and specifically whether they could have been foreseen;
- The school's track record in financial management;
- The robustness of the deficit recovery plan and the appropriateness of the timescales proposed;
- Any other mitigating circumstances.

To apply for a Licensed Deficit:

- A school must complete a Licensed Deficit Application & Agreement Form, which must be signed by the Head Teacher and the Chair of Governors;
- This must be accompanied by a detailed deficit recovery plan, which includes staffing details.

A licensed deficit must receive approval from the Corporate Director Finance and Resources and the Strategic Director of Children, Young People & Community Development, or their representatives, and therefore the following conditions must be met:

- A licensed deficit will only be agreed where circumstances affecting the school have changed in ways that could not be reasonably foreseen and the school needs a period in excess of one financial year to enact a reduction in its annual level of expenditure or an increase in its annual level of income sufficient to eliminate the deficit;
- The maximum length of time over which a school can plan to come out of deficit, will be three years;
- Progress against this plan will be reviewed each month by the Schools Finance Team through budget monitoring reports and/or monthly update meetings with the school;
- A recovery plan must be formally revisited each year with the submission of budgets – but the plans submitted must be reduced by the length of time the school has already been in deficit – e.g. the recovery plan submitted in Year 2 of a licensed deficit should be for no longer than 2 years;
- Under no circumstances will the period of recovery be extended and schools will therefore need to adjust their plans accordingly if the financial position of the school worsens during this period;
- The school will be subject to all conditions set out in the Licensed Deficit application form.

A school that sets a deficit budget mid-year will be required to apply for a licensed deficit and will be subject to all conditions set out in the Licensed Deficit application form.

Please see refer to the *Deficit Recovery Plan – Guidance for Schools* for further information.

4.10. Loan Schemes

Schools Loans Scheme – Improvement Projects

Schools may seek approval from the LA for planned building improvement work (i.e. meeting suitability and/or sufficiency needs rather than condition) to be financed under this section of the School Loans Scheme (“Improvement Projects”). All Improvement Projects will require the approval of the Corporate Director of Children, Young People & Community Development and the Corporate Director Finance and Resources.

Cash Advances

Schools that apply for a cash advance due to cashflow difficulties will be offered a loan with a formal repayment plan where the repayment crosses financial years or where the amount requested exceeds £100k. Please refer to the Schools Finance Team for further information.

4.10.1. Credit Union Approach

Schools may wish to group together to utilise externally held balances for a credit union approach to loans. Where schools choose to operate in such a way then they must provide the LA with audit certificates.

SECTION 5: INCOME

Schools will normally retain any income earned by the school, except in certain specified circumstances.

5.1. Income from Lettings

Schools will retain all income from the letting of the school premises, which would normally accrue to the LA unless a clause in a specific joint use or Private Finance Initiative (PFI) specifically precludes this.

Schools may cross-subsidise lettings for community and voluntary use with income from other lettings. The Governing Board is satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the Education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement and there is no net cost to the budget share. However, schools should have regard to directions issued by the LA as to the use of school premises.

Income from lettings of school premises should not be payable into non-official funds (voluntary or private funds) held by the school. However, where land is held by a charitable trust, it will be for the school's trustees to determine the use of any income generated by the land.

5.2. Income from Fees and Charges

Schools will retain income from fees and charges except where a LA provided the service from centrally retained funds. However, schools should have regard to any policy statements on charging produced by the LA.

Income from boarding charges are collected on behalf of the LA and should not exceed that needed to provide board and lodging for the pupils concerned.

5.3. Income from Fund-Raising Activities

Schools will retain income from fund-raising activities.

Where such activities have created a charge against the school budget, this charge must be reimbursed first, before the balance of income is credited to any non-official fund.

5.4. Income from the Sale of Assets

Schools will retain the proceeds of sale of assets except in cases where the asset was purchased with non-delegated funds (in which case it will be for the LA to decide whether the school should retain the proceeds), or the asset concerned is land or buildings forming part of the school premises and is owned by the LA. Any retention of funds from the sale of land assets is subject to the consent of the Secretary of State, and any conditions the Secretary of State may attach to that consent relating to use of proceeds.

The retention of proceeds of sale for premises not owned by the local authority will not be a matter for the scheme.

5.5. Administrative Procedures for the Collection of Income

All income received by schools must be banked promptly and in its entirety.

The Governing Board should approve the procedures, which ensure adequate monitoring and reconciliation of income due and received. Income due to the school must identify VAT, where appropriate. All VAT income received must be itemised correctly for HM Revenue and Customs purposes.

The personal cheques can't be cashed out of money received and under no circumstances; amounts due to the LA must be paid into non-official funds temporarily or permanently.

Schools operating their own school meals provision should ensure that income received and expenditure incurred are appropriately accounted for separately in the school's accounting system, and not applied to the accounts net.

Schools are reminded to take account of VAT advice and liaise with the LA's Senior Finance Analyst (Tax) concerning charging VAT on lettings, any services that lead to fees and charges, and the VAT implications of funding raising activities and the sale of assets.

5.6. Purposes for which Income may be used

Income from the sale of assets purchased with delegated funds may only be spent for the purposes of the school.

SECTION 6: THE CHARGING OF SCHOOL BUDGET SHARES

6.1. General Provision

The budget share of a school may be charged by the LA without the consent of the Governing Board *only* in circumstances expressly permitted by the scheme in 6.2 below. The LA will consult with the relevant schools as to the intention to charge, and will notify schools when it has been done.

Schools are reminded that the LA will not act unreasonably in exercise of this scheme, as the LA may be then subject of a direction under s.496 of the Education Act 1996.

Should a school wish to challenge such a charge they must set out their objections in writing to the Strategic Director of Children, Young People & Community Development, submitted via the Schools Finance Team, who will make the final decision.

For the avoidance of doubt, the LA may de-delegate funding for permitted services without the express permission of the Governing Board, provided the appropriate phase representatives of the Schools Forum have approved this.

6.1.1.Charging of Salaries at Actual Cost

The LA must charge salaries of school based staff to school budget shares at actual cost.

6.2. Circumstances in which Charges may be made

Charges may be made to the budget share of a school by the LA, without the consent of the school, in the following circumstances:

- 6.2.1. Where premature retirement costs have been incurred without the prior written agreement of the LA to bear such costs (the amount chargeable being only the excess over any amount agreed by the LA).
- 6.2.2. Other expenditure incurred to secure resignations where there is good reason to charge this to the school.
- 6.2.3. Awards by courts and industrial tribunals against the LA, or out of court settlements, arising from action or inaction by the Governing Board contrary to the LA's advice.
- 6.2.4. Expenditure by the LA in carrying out health and safety work or capital expenditure for which the LA is liable where funds have been delegated to the Governing Board for such work, but the Governing Board has failed to carry out the required work.
- 6.2.5. Expenditure by the LA incurred in making good defects in building work funded by capital spending from budget shares, where the LA owns the premises or the school has voluntary controlled status.
- 6.2.6. Expenditure incurred by the LA in insuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the LA.
- 6.2.7. Recovery of monies due from a school for services provided to the school, where a dispute over the monies due has been referred to a disputes procedure set out in a service level agreement and the result is that monies are owed by the school to the LA.
- 6.2.8. Recovery of penalties imposed on the LA by the Board of Inland Revenue, the Contributions Agency, HM Revenue and Customs, Teachers' Pensions, the Environment Agency or other regulatory authorities because of school negligence.

- 6.2.9. Correction of LA errors in calculating charges to a budget share (e.g. pension deductions).
- 6.2.10. Additional transport costs incurred by the LA arising from decisions by the Governing Board on the length of the school day, and failure to notify the LA of non-pupil days resulting in unnecessary transport costs.
- 6.2.11. Legal costs, which are incurred by the LA because the Governing Board did not accept the advice of the LA (see also section 11).
- 6.2.12. Costs of necessary health and safety training for staff employed by the LA, where funding for training had been delegated but the necessary training not carried out.
- 6.2.13. Compensation paid to a lender where a school enters into a contract for borrowing beyond its legal powers, and the contract is of no effect.
- 6.2.14. Cost of work done in respect of teacher pension remittance and records for schools using non-LA payroll contractors, the charge to be the minimum needed to meet the cost of the LA's compliance with its statutory obligations.
- 6.2.15. Costs incurred by the LA in securing provision specified in a statement of SEN where the Governing Board of a school fails to secure such provision despite the delegation of funds in respect of low cost high incidence SEN and/or specific funding for a pupil with High Needs.
- 6.2.16. Costs incurred by the LA due to submission by the school of incorrect data.
- 6.2.17. Payments in respect of National Non Domestic Rates and Insurance where the LA has incurred the expenditure on behalf of the school and has not received reimbursement.
- 6.2.18. Costs incurred by the LA in obtaining and verifying statutory information that schools are legally obliged to provide but have failed to submit by the due deadline.
- 6.2.19. Recovery of amounts spent from specific grants on ineligible purposes.
- 6.2.20. Costs incurred by the LA as a result of the Governing Board being in breach of the terms of a contract.
- 6.2.21. Costs incurred by the LA or another school as a result of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster.
- 6.2.22. Costs incurred by the LA as a result of failure to comply with pension regulations.
- 6.2.23. Costs incurred by the LA in administering admissions appeals, where the LA is the admissions authority and the funding for admission appeals has been delegated to all schools as part of their formula allocation.
- 6.2.24. 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 7: TAXATION

7.1. Value Added Tax

In order to be able to utilise the LA's ability to reclaim VAT on expenditure relating to non-business activity, schools will need to submit a monthly return to the Schools Finance Team. All amounts reclaimed will be passed back to the school.

Schools must comply with the tax legislation and should follow the procedures set out in any relevant procedure issued by the Finance Department with regard to the following matters:

- Recording and reclaiming of VAT;
- Deduction of income tax in relation to staff employed in schools;
- Construction Industry Taxation Scheme (CIS).

Schools are responsible for their own unofficial funds and these do not fall under the scope of the LA's VAT registration.

7.2. Construction Industry Tax Scheme (CIS)

Schools must abide by the procedures issued by the LA in connection with CIS.

SECTION 8: THE PROVISION OF SERVICES AND FACILITIES BY THE LA

8.1. Provision of Services from Centrally Retained Budgets

The LA will determine on what basis services from centrally retained funds will be provided to schools. The definition of services includes existing Premature Retirement Compensation (PRC) and redundancy payments, which may not ordinarily be thought of as services.

However, the LA will not discriminate in its provision of services based on categories of schools except where this would be permitted under the School and Early Years Finance Regulations or the dedicated schools grant conditions of grant.

8.2. Provision of Services Bought back from the LA using Delegated Budgets

The term of any arrangement with a school to buy services or facilities from the LA will be limited to a maximum of three years from the date of the agreement, and periods not exceeding five years for any subsequent agreement relating to the same services. However, schemes may contain an extension to five and seven years respectively for contracts for supply of catering services.

Services and facilities provided for which expenditure is not retainable centrally by the LA under Regulations made under section 45A of the Act, shall be offered at prices which are intended to generate income which is no less than the cost of providing those services. The total cost of the service will be met by the total income, even if schools are charged differentially.

Centrally arranged services such as premises and liability insurance and Capita SIMs licences, are excluded from these requirements.

8.2.1. Packaging

The LA may provide any services for which funding have been delegated. Where the LA is offering the service on a buy-back basis, this will be provided in a way, which does not unreasonably restrict schools' freedom of choice among the services available. Where practicable this will include provision on a service-by-service basis as well as packages of services.

8.3. Service Level Agreements

Service level agreements must be in place by 1st April to be effective for that financial year, and schools must have at least one month to consider the terms of agreements. All agreements must be entered via purchase on BESTBrent (www.bestbrent.co.uk).

If services or facilities are provided under a service level agreement, whether free or on a buy-back basis, the terms of any such agreement, starting on or after the inception of the scheme will be reviewed at least every three years if the agreement lasts longer than that.

Services, if offered at all by the LA, will be available on a basis, which is not related to an extended agreement, as well as on the basis of such agreements. However, where services are provided on an ad hoc basis they may be charged for at a different rate than if provided on the basis of an extended agreement.

Centrally arranged premises and liability insurance are excluded from these requirements as these limitations may be impractical for insurance purposes.

SECTION 9: PENSIONS

9.1. Teachers' Pensions

In order to ensure that the performance of the duty on the LA to supply Teachers Pensions with information under the Teachers' Pensions Regulations 1997, the following conditions are imposed on the LA and Governing Boards of all maintained schools covered by this Scheme in relation to their budget shares.

The conditions only apply to Governing Boards of maintained schools that have not entered into an arrangement with the LA to provide payroll services.

A Governing Board of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or agreement with a person other than the LA to provide payroll services, shall ensure that any such arrangement or agreement is varied to require that person to supply salary, service and pensions data to the LA which the LA requires to submit its monthly return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The LA will advise schools each year of the timing, format and specification of the information required. A Governing Board shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions (AVCs) are passed to the appropriate AVC provider in the time limit specified in the AVC scheme. The Governing Board shall meet any consequential costs from the school's budget share.

A Governing Board of any maintained school, which directly administers its payroll, shall supply salary, service and pensions data to the LA, which the LA requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The LA will advise schools each year of the timing, format and specification of the information required from each school. A Governing Board shall also ensure that Additional Voluntary Contributions (AVCs) are passed to the appropriate AVC provider within the time limit specified in the AVC scheme. The Governing Board shall meet any consequential costs from the school's budget share.

For the avoidance of doubt the overall legal responsibility for these activities rest with the school, regardless of whether the payroll provider delivers the work.

Payments of monies due	Monthly contributions – on time and the correct amount, broken down by bands for employee, employer and additional contributions
Monthly contribution reconciliation (MCR)	<p>Supply MCR report by the 4th day of the month (or the last working day preceding the 4th if the 4th is a non-working day in time for submission to Teachers' Pensions and in an agreed secure format.</p> <p>Stop Errors (critical errors which prevent submission of return) identified to be cleared</p>

	within 1 week of notification by LA. All other errors to be cleared by 1 month of notification by LA.
End of Year Certificate	This to be supplied to LA by the 30 April in the format notified by the LA
Response to other queries raised There are times where the LA may need to confirm with you missing information on a Teacher's record that is needed to ensure correct calculation of benefit.	10 workings days from notification by the Brent Pensions Team. If unable to respond in 10 working days then inform the Brent Pensions of the reason for the delay

9.2. Local Government Pension Scheme (LGPS)

This section in the Scheme for Financing Schools to clarify the roles and responsibilities of the Scheme Manager (LB Brent) and Scheme Employers (maintained schools). In addition, it will ensure the services provided by the Scheme Manager are equitable and transparent and it will assist employers in the provision of necessary data.

The Regulations in relation to administration of the Pension Fund are contained in the Local Government Pension Scheme Regulations 2013. This sets out the legal and regulatory responsibilities of the Scheme Manager and Scheme Employers in delivering a high-quality administration service to its scheme members. The Pensions Regulator, a public body sponsored by the Secretary of State for Work and Pensions to regulate work-based Pensions, enforces these regulations.

Local Pensions Partnership Administration (LPPA), a pension service provider for the LGPS and other public sector pension funds, provides day to day administration of the Brent Pension Fund. The Scheme Manager retains a small in-house team that is responsible for contract management of LPPA and other complex queries.

For Maintained Schools, the table below sets out the main employer responsibilities, with regards to the provision of data. The service level agreement with your payroll provider will determine who actually carries out these activities. Therefore, the table below can be a useful guide when having discussions with your payroll provider to clarify who does what.

For the avoidance of doubt the overall legal responsibility for these activities rest with the school, regardless of whether the payroll provider delivers the work.

Payments of monies due	Monthly contributions – on time and the correct amount, broken down by employee, employer and additional contributions Monthly contributions remittance must be sent directly to the Pension Fund (not LPPA) on or before the payment date.
Monthly return error rates Examples of monthly return errors <ul style="list-style-type: none"> • A missing joiner Form 	Respond to errors within 10 working days of notification.

<ul style="list-style-type: none"> • A missing leaver Form • A missing change of hours • A missing notification of absence • Return from absence • Missing additional contributions • Significantly low/high pensionable remuneration compared to the previous year with no explanation as to the reason 	<p>If you are unable to respond in ten working days then inform the LPP of the likely time frame that you can respond in and advise Brent Pensions of the delay</p>
<p>Submission of monthly return</p>	<p>Submit monthly return on time (10th of the month) in the agreed format through the employer portal (PensionPoint).</p> <p>Further support and training on this process is available at: https://www.lppapensions.co.uk/upm/monthly-data-return/</p>
<p>Response to other queries raised There are times where the LPP may need to confirm with you that a member's record is correct before issuing them with a benefit calculation. It is these types of queries that we are referring to.</p>	<p>2 weeks from notification by the LPP. If unable to respond in 2 weeks then inform the LPP of the likely timeframe that you can respond in and advise Brent Pensions of the delay</p>
<p>On-line access Employer LPP portal "PensionPoint"</p>	<p>Use of online forms for all relevant tasks</p>
<p>Submission of joiners/leavers</p>	<ul style="list-style-type: none"> • Notification of joiners within 1 month of joining the scheme • Notification of leavers within 1 month of leaving the scheme • Notification of retirement within 1 month prior to the last day of service
<p>Notification of other changes during employment</p>	<p>Relevant changes e.g. change of hours, absence notification online within 1 month of the event</p>
<p>Notification of proposed outsourcing of contracts</p>	<p>The LA requires at least three months' advance notice of any potential outsourcing of contracts where a new admission agreement is required.</p> <p>Where the outsourcing involves the transfer of staff under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) the school will be required to protect the pension rights of the transferring employees. The Best Value Authorities Staff Transfers (Pensions) Direction 2007 requires that employees who were eligible to join the</p>

	<p>LGPS must have access to the LGPS, a genuinely equivalent or a better pension scheme, irrespective of whether they were active members or not. The resources required to ensure this outcome should not be underestimated as legal and financial obligations will be placed on the provider.</p> <p>As a scheme employer, the school will be responsible for the transferees' pension liabilities until such time as suitable pension arrangements are put in place (usually an admission agreement in the LGPS).</p> <p>The exercise will require the professional services of the fund actuary and legal services. Their expenses will be recharged to you. It is important that a school discusses the pensions implications of any proposed procurement with the Council as early as possible in the process.</p>
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SECTION 10: PFI SCHEMES

This section will only apply if and when a Facilities Management (FM) PFI scheme comes into operation.

The LA shall have the power to issue regulations from time to time relating to PFI projects. Amongst other issues, these may deal with the reaching of agreements with the Governing Boards of schools as to the basis of charges to schools' budget shares relating to such schemes; and the treatment of monies withheld from contractors due to poor performance. Such variations may be scheme variations and require approval.

SECTION 11: INSURANCE

11.1. Insurance Cover

Where funds for insurance are delegated to any school, the LA may require the school to demonstrate that cover relevant to an LA's insurable interests, under a policy arranged by the Governing Board, is at least as good as the relevant minimum cover arranged by the LA if the LA makes such arrangements, paid for from central either funds or from contributions from schools' delegated budgets - see 6.2.6. The LA will have regard to the actual risks, which might reasonably be expected to arise at the school in question in operating this requirement, and not apply, and arbitrary minimum level of cover for all school.

Head Teachers must give prompt notification to the Corporate Director Finance and Resources via the Insurance Team, of all new risks, properties, or vehicles, which are required to be insured by the LA, and any alternations affecting existing insurances. Head Teachers must also notify promptly of any loss, liability, damage or other event likely to lead to an insurance claim.

SECTION 12: MISCELLANEOUS

12.1. Right of Access to Information

In addition to specific requirements elsewhere within this scheme, Governing Boards must also supply all financial and other information that might reasonably be required to enable the LA to satisfy itself as to the school's management of its delegated budget share, or the use made of any central expenditure by the LA (e.g. earmarked funds) on the school.

12.2. Liability of Governors

Schools are reminded that the Governing Board is a corporate body, and because of the terms of s.50(7) of the Act, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share provided they act in good faith. An example of behaviour that is not in good faith is the carrying out of fraudulent acts.

12.3. Governors' Expenses

The LA may delegate to the Governing Board of a school yet to receive a delegated budget, funds to meet governors' expenses. In order for an individual governor to make a claim, the Governing Board must formally adopt a Governor Allowances (Scheme of Paying) Policy. The LA will set the amount of such allowances.

Under section 50(5) of the Act, only allowances in respect of purposes specified in regulations made under s.19 of the Education Act 2002 may be paid to governors from a school's delegated budget share. Payment of any other allowances is forbidden. Schools must not make payments of expenses duplicating those paid by the Secretary of State to additional governors appointed by him to schools under special measures.

12.4. Responsibility for Legal Costs

Costs of legal actions (including costs awarded against the LA) which are incurred by the Governing Board. Although the responsibility of the LA as part of the cost of maintaining the school, unless they relate to the statutory responsibility of voluntary aided school governors for buildings, may be charged to the school's budget share unless the Governing Board acts in accordance with the advice of the LA. If there is a potential conflict of interest between the LA and the Governing Board, the school should seek independent legal advice.

Please refer to section 6. The effect of this is that a school cannot expect to be reimbursed with the cost of legal action against the LA itself (although there is nothing to stop an LA making such reimbursement if it believes this to be desirable or necessary in the circumstances).

These costs referred to do not include the costs of seeking legal advice.

12.5. Health & Safety

In expending the school's budget share, Governing Boards shall have due regard to duties placed on the LA in relation to health and safety, and the LA's policy on health and safety matters in the management of the budget share.

12.6. Right of Attendance for Corporate Director Finance and Resources

Governing Boards must permit the Corporate Director Finance and Resources of the LA (or any officer of the LA nominated by the Corporate Director Finance and Resources) to attend meetings of the Governing Board at which any agenda items are relevant to the exercise of his or her responsibilities. (The Corporate Director Finance and Resources' attendance will normally be limited to items, which relate to issues of probity or overall financial management; such attendance will not be regarded as routine). Wherever practical, the LA shall give prior notice of such attendance.

12.7. Special Educational Needs

Schools are required to use their best endeavours in spending their budget share to secure the special educational needs of their pupils who require such support. Schools must also ensure that they meet all the requirements of the SEN Code of Practice.

As this is a statutory requirement, the LA reserves the right to suspend delegation if a breach of this requirement occurs and the situation is deemed serious enough to warrant such action.

12.8. Interest on Late Payments

Schools are required to ensure compliance at all times with legislation in relation to interest on late payments.

The *Late Payment of Commercial Debts (Interest) Act 1998* introduced a statutory right for businesses to claim interest on the late payment of commercial debts. Late payment is defined as being payment received after the contracts credit period has expired, or the credit period in accordance with trade custom and practice. Where no credit period is stated in a contract, the Act sets a default of 30 days from delivery of either the invoice for payment or of the goods/service, whichever is later. The rate of interest is the official dealing rate of the Bank of England (the base rate) +8%. The base rate used is that on the day on which the contract states that payment is to be made. If the purchaser does not pay the interest, the supplier can pursue the claim through the courts. It is therefore imperative that all invoices are paid within the time laid down in the credit terms to avoid incurring any additional costs.

12.9. 'Whistleblowing'

Where a school employee or governor wishes to complain about the financial management or financial propriety at the school this should be carried out in accordance with the school's Whistleblowing Policy and Procedures. The school is strongly advised to adopt the LA's Whistleblowing Policy & Procedures. All concerns will be treated in confidence and will be investigated by a delegated representative of the Corporate Director Finance and Resources.

12.10. Child Protection

Governing Boards must allow staff to attend child protection case conferences and other relevant events where the LA requires it in order to fulfil its statutory duty. Funding relating to supply cover and training costs for child protection is already part of the provision contained in the weighted pupil element of the formula, and the costs in relation to these will therefore be borne by the school.

12.11. Redundancy/Early Retirement Costs

The 2002 Education Act sets out how premature retirement and redundancy costs should normally be funded.

The default position is that premature retirement costs must be charged to the school's delegated budget, while redundancy costs must be charged to the LA's budget except in locally determined circumstances.

The LA will not fund under the following circumstances, in line with DfE guidance:

- If the school is making staffing reductions which the LA does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit;
- If the staffing reductions arise from a deficit caused by factors within the school's control;
- If the school has a surplus balance with no agreed plan for its use;
- If the school has refused to engage with the LA's redeployment policy;
- If the school is acting outside the LA's policy and does not act on LA advice given;
- If the school has decided to offer more generous terms than the authority's policy, the LA will not fund the excess.

Please refer to the Schools Redundancy Funding Policy for further information, and for details on how to apply for this.

SECTION 13: RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

13.1. Funding

All funding for repairs and maintenance is delegated to schools as part of the school budget share.

13.2. Defining Capital

Only the LA retains capital expenditure. For these purposes, expenditure may be treated as capital only if it fits the definition of capital used by the LA for financial accounting purposes in line with the CIPFA Code of Practice on LA accounting.

The de-minimus level the LA uses for the definition between capital and revenue in the financial accounts is £5,000. Therefore, items of less than £5,000 will not be considered capital expenditure.

13.3. Voluntary Aided (VA) Schools

VA governors will continue to be eligible for grant from the DfE in respect of their statutory responsibilities and in addition they will have responsibility for other repair and maintenance items on the same basis as Community and Foundation schools. VA governor responsibilities are set out in full detail in the DfE document *Voluntary Aided and Special Agreement Schools – Determination of Financial Liability*.

For VA schools, the liability of the LA for repairs and maintenance (albeit met by delegation of funds through the budget share) is the same as for other maintained schools. However, eligibility for capital grant from the Secretary of State for capital works at VA schools depends on the de minimis limit applied by DfE to categorise such work, not the de minimis limit used by the LA.

SECTION 14: COMMUNITY FACILITIES

14.1. Introduction

Schools, which choose to exercise the power conferred by s.27 (1) of the Education Act 2002 to provide community facilities, will be subject to a range of controls. First, regulations made under s.28 (2), if made, can specify activities, which may not be undertaken at all under the main enabling power. Secondly, the school is obliged to consult its authority and have regard to advice from the LA. Thirdly, the Secretary of State issues guidance to Governing Boards about a range of issues connected with exercise of power, and a school must have regard to that.

However, under s28(1), the main limitations and restrictions on the power will be those contained in the maintaining LA's scheme for financing schools made under s.48 of the Act as amended by paragraph 2 of Schedule 3 to the Education Act 2002. This amendment extended the coverage of schemes to include the exercise of powers of Governing Boards to provide community facilities.

Schools are therefore subject to prohibitions, restrictions and limitations in the scheme for financing schools.

This part of the scheme does not extend to joint-use agreements: transfer to control agreements, or agreements between the authority and schools to secure the provision of adult and community learning.

14.2.

As with Budget Share funds, mismanagement of community facilities funds can be grounds for suspension of the right to a delegated budget.

14.3. Consultation with the LA – Financial Aspects

Changes made by the Children and Families Act 2014 mean that the Governing Board is no longer required to consult the LA when establishing community facilities under s.27 of the Education Act 2002 and nor do they have to have regard to advice given to them by the LA.

14.4.

Schools are likely to benefit from informal contacts and advice from relevant officers with required professional expertise well before the formal consultation commences. It would also be helpful to all parties if schools gave the LA notice of their intent in advance of the formal consultation itself.

Formal consultation with the LA will commence when the full consultation material has been submitted in writing. The response period will begin from receipt of the full material.

Details of funding agreements with third parties must be sent to the LA for its comments as part of the consultation process and will be subject to the same time frame for response.

14.5.

Brent will provide formal advice in writing within a maximum period of 6 weeks.

Schools should subsequently inform the LA of the action taken, or proposed to be taken, in response to the advice given by the LA.

14.6. Funding Agreements – LA Powers

The provision of community facilities in many schools may be dependent on the conclusion of a funding agreement with a third party which will either be supplying funding or supplying funding and taking part on the provision. A very wide range of bodies and organisations may potentially be involved.

14.7.

Any funding agreements with third parties (as opposed to funding agreements with the LA itself) should be submitted to the LA for comment and advice. Such draft agreements should form part of the consultation with the LA. Schools must take regard to this advice.

Although the LA has no power of veto, if an agreement is concluded without the agreement of the LA or against its wishes and the LA considers it to be seriously prejudicial to the interests of the school or the LA, this may constitute grounds for suspension of the right to a delegated budget.

As a general principle, the LA would suggest that most schemes should put the onus for meeting expenditure on the third party and that the school just has a share of any profit for allowing their premises to be used. That keeps it simple and minimises possible calls on LA and school resources if things go wrong.

14.8. Other Prohibitions, Restrictions and Limitations

The Governing Board should endeavour to protect the financial interests of the LA. The LA may require that in a specific instance of use of the community facilities power, the Governing Board concerned shall make arrangements to protect the financial interest of the LA. Arrangements for protection may include the setting up of a limited company formed for the purpose or obtaining indemnity insurance for risks associated with the project in question, as specified by the LA.

14.9.

S.28 provides that the exercise of the community facilities power be subject to prohibitions, restrictions and limitations in the *Scheme for Financing Schools*. The LA respects and welcomes the right of schools to provide community facilities. However, schools are reminded that they must not discriminate on the grounds of race, nationality or ethnic origin or disability on the terms that they offer out halls and rooms to members of the public or in respect of any contract, they enter into with third parties for the provision of community facilities. Governors of schools must not provide community facilities, whether for payment or not, to any individuals or groups which are racist, sexist or otherwise oppressive or whose aims would be counter to the policies on equality and diversity of their school or of the LA. Governors should take particular care not to provide facilities to individuals or groups whose aims are counter to the wellbeing of children or young people.

14.10. Other Prohibitions, Restrictions and Limitations

Schools must provide the LA every six months with a summary statement, in a form determined by the LA, showing the income and expenditure to the school arising from the facilities (actual for previous six months, estimate for the following six months).

14.11.

If the LA has cause for concern, it may require these statements every three months.

14.12. Audit

The school must grant access to their records and provide information connected to the community facilities for the purposes of both internal and external audit and any investigation conducted by the LA of relevant income and expenditure.

14.13.

In concluding funding agreements with other persons pursuant to the exercise of the community facilities power, schools must ensure that such agreements contain adequate provision for access by the LA or its auditors to the records and other property of those persons held on the school premises, or held elsewhere insofar as they relate to the activity in question, in order for the authority to satisfy itself as to the propriety of expenditure on the facilities in question.

14.14. Treatment of Income and Surpluses

Schools may keep all net income derived from the facilities, except where otherwise agreed with a funding provider.

14.15.

Schools can also carry forward retained net income from one financial year to the next and either add it to any Budget Share surplus or retain it as a separate surplus for the community facility.

If the school is a community or community special school and the LA ceases to maintain it, any surplus from community facilities will revert to the LA.

14.16. Health & Safety

Health and safety requirements of the main scheme are extended to the facilities.

14.17.

The Governing Board is responsible for the costs of securing Disclosure and Barring Service (DBS previously carried out by CRB) clearance for all adults involved in community activities taking place during the school day. Governing Boards would be free to pass on such costs to a funding partner as part of an agreement with that partner.

14.18. Insurance

The Governing Board must ensure adequate insurance arrangements are made for insurance against risks arising from the exercise of the community facilities power, taking professional advice as necessary.

14.19.

The LA can carry out its own assessment of the insurance arrangements made by the school and if it judges those arrangements to be inadequate, make arrangements itself and charge the resultant cost to the school.

14.20. Taxation

Schools can only make use of the LA's VAT reclaim facility on expenditure on community facilities when this is from LA funds and not expenditure from other funds. Advice should be obtained from the LA's VAT officer.

14.21.

If any member of staff employed by the school or LA in connection with community facilities at the school and is paid from funds held in a school's own bank account (whether a separate account is used for community facilities or not), the school is likely to be held liable for payment of income tax and National Insurance, in line with HMRC rules.

14.22.

Schools must abide by the procedures issued by the LA in connection with CIS.

14.23. Banking

The school must either keep separate bank accounts for Budget Share and community facilities or have adequate internal control to ensure adequate separation of funds.

14.24.

The requirements in relation to banks, requirements for signing of cheques etc. will be the same as for the Budget Share account.

14.25.

Schools are reminded that they cannot borrow money without the written consent of the Secretary of State. This requirement does not however extend to monies lent by the maintaining LA.

NURSERY (4)

College Green Nursery School & Services
Curzon Nursery School & Family Wellbeing Centre
Fawood Nursery School & Family Wellbeing Centre
Granville Plus Nursery School

PRIMARY (45)

Anson Primary School
Avigdor Hirsch Torah Temimah Primary School
Barham Primary School
Brentfield Primary School

Carlton Vale Infant School
Chalkhill Primary School
Christ Church CofE Primary School
Convent of Jesus and Mary RC Infant School
Donnington Primary School
Elsley Primary School
Fryent Primary School
Harlesden Primary School
Islamia Primary School
John Keble CofE Primary School
Kingsbury Green Primary School
Leopold Primary School
Lyon Park Primary School
Malorees Infant School
Malorees Junior School
Mitchell Brook Primary School
Mora Primary School
Mount Stewart Infant School
Mount Stewart Junior School
Newfield Primary School
Northview Primary School
Oliver Goldsmith Primary School
Our Lady of Lourdes RC Primary School
Park Lane Primary School
Preston Park Primary School
Princess Frederica CofE Primary School
Roe Green Infant School
Roe Green Junior School
Salisbury Primary School
Sinai Jewish Primary School
St Joseph's RC Junior School
St Joseph's RC Infant School
St Joseph's RC Primary School

St Mary Magdalen's Catholic Junior School
St Mary's CofE Primary School

St Robert Southwell RC Primary School
The Kilburn Park School Foundation
The Stonebridge School
Uxendon Manor Primary School
Wembley Primary School
Wykeham Primary School

SECONDARY (2)

JFS
Newman Catholic College

SPECIAL (1)

Phoenix Arch School

PRUS (2)

Ashley College
Brent River College

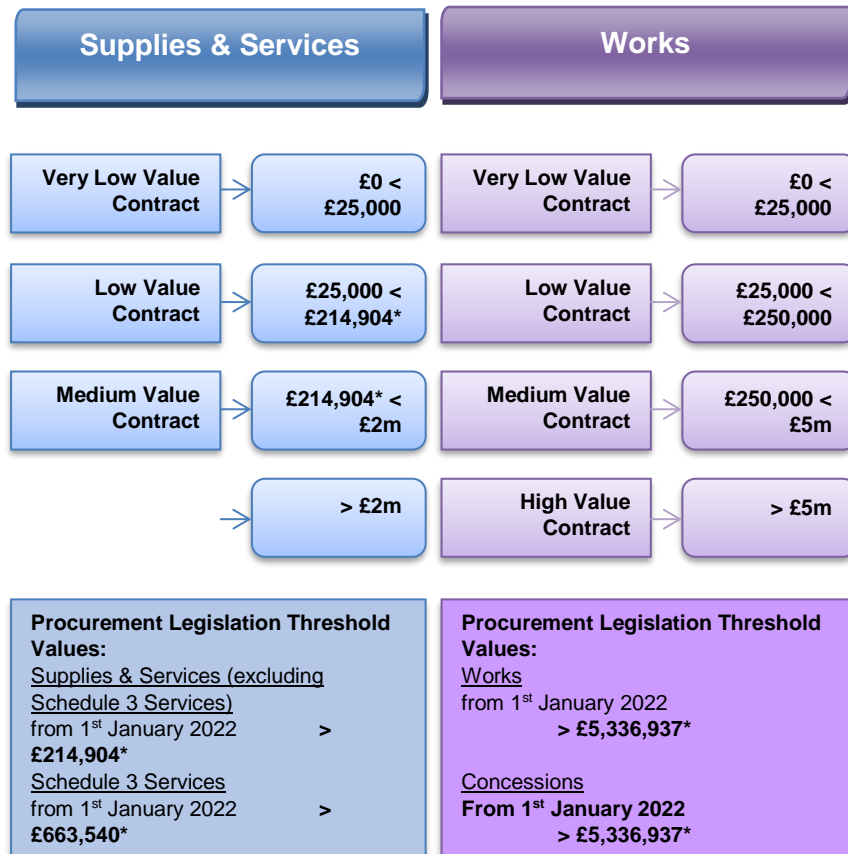
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APPENDIX B
SUMMARY OF CHANGES:
2025-26 SCHEME FOR FINANCING SCHOOLS

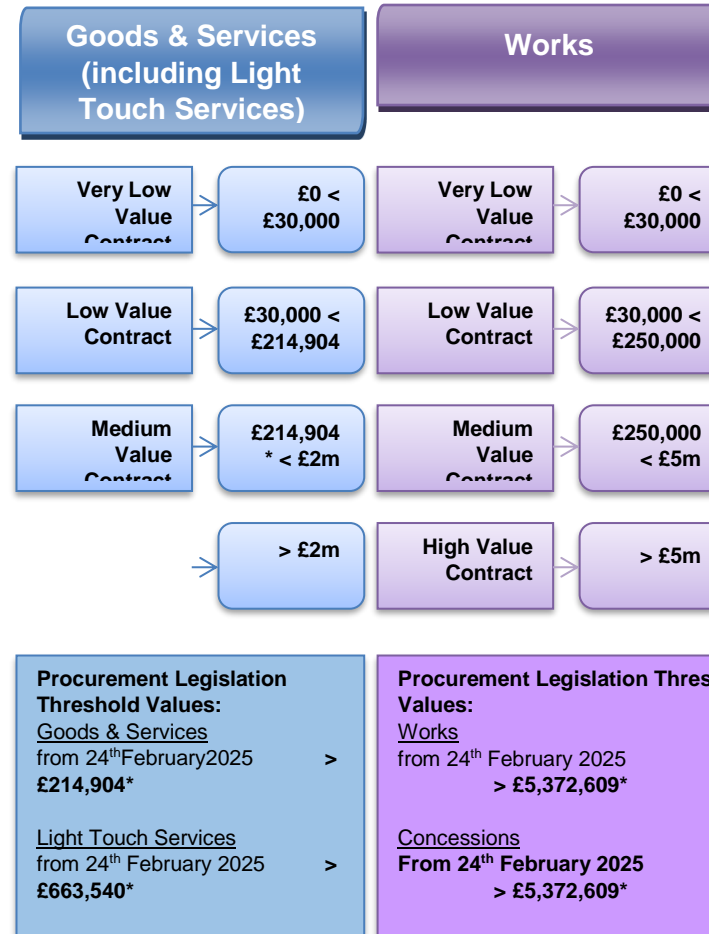
	Previous Wording	Added Wording	Reason for change
Page 91	<p>6.2. Circumstances in which Charges may be made Charges may be made to the budget share of a school by the LA, without the consent of the school, in the following circumstances:</p>	<p>6.2.23. Costs incurred by the LA in administering admissions appeals, where the LA is the admissions authority and the funding for admission appeals has been delegated to all schools as part of their formula allocation.</p> <p>6.2.24. 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).</p>	As per the DfE's Scheme for Financing Schools
	<p>2.10 Purchasing, Tendering and Contracting Requirements</p> <p>a) do anything incompatible with any of the provisions of this Scheme for Financing Schools, or any statutory provision, any Procurement Directive</p> <p>b) seek LA officer countersignature for any contract for goods or services</p> <p>d) seek fewer than three tenders or quotations in respect of any contract with a value exceeding £25,000, subject to specific listed exceptions.</p> <p>The Governing Board/ Head Teacher must ensure that they consider quality, economy and efficiency when purchasing supplies, goods, equipment, services and works.</p> <p>All procurement by schools maintained by the LA must therefore comply with Public Contracts Regulations 2015 and the Concession Contracts Regulations 2016 (referred to elsewhere herein as “procurement Legislation”),</p>	<p>2.10 Purchasing, Tendering and Contracting Requirements</p> <p>a) do anything incompatible with any of the provisions of this Scheme for Financing Schools, or any statutory provision, or the National Procurement Policy Statement and any Procurement Policy Notes;</p> <p>b) seek LA officer countersignature for any contract for goods or services or works</p> <p>d) seek fewer than three tenders or quotations in respect of any contract with a value exceeding £30,000 (inclusive of VAT), subject to specific listed exceptions.</p> <p>The Governing Board/ Head Teacher must ensure that they consider quality, economy and efficiency when purchasing goods, services and works.</p> <p>All procurement by schools maintained by the LA must therefore comply with the Procurement Act 2023 which is supplemented by the Procurement Regulations 2024(referred to elsewhere herein as “Procurement Legislation”),</p>	As per updated Procurement legislation

Page 92	<p>Contract Value</p> <p>It is a mandatory requirement to estimate a contract value at the start of a procurement. The value of the contract must be calculated over the entire length of the contract, including any period of extension(s) anticipated</p>	<p>It is a mandatory requirement to estimate a contract value at the start of a procurement. The value of the contract must be calculated as the maximum amount which you expect to pay over the entire length of the contract, including any period of extension(s) anticipated.</p>	
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APPENDIX B
SUMMARY OF CHANGES:
2025-26 SCHEME FOR FINANCING SCHOOLS



****A Schedule 3 Service is defined as those social, educational and other specific services listed in Schedule 3 of the Public Contracts Regulations 2015**



****A Light Touch Service is defined as those health, social and other related services listed in Schedule 1 of The Procurement Regulations 2024**

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 94</p>	<ul style="list-style-type: none"> • Very Low Value Contract – No formal procurement procedures apply to Very Low Value Contracts, except the requirement to secure best value. The best way for schools to demonstrate value for money is either by seeking three competitive written quotes, using an Approved List (where one exists), or using the Online Market Place. Whilst the use of these procedures is not mandatory, it is however a mandatory requirement to keep an auditable record to demonstrate how value for money has been achieved. • Low Value Contract – Schools are required to seek at least three written quotations from potential providers and record the quotes sought and/or obtained for audit and probity purposes. Alternatively, the contract may be procured through the Online Market Place. Alternatively, the contract may be procured through the Online Market Place. • Medium Value Contract – The Governing Board must undertake a competitive tendering exercise. Before commencing the tender exercise, formal approval to tender shall be sought from the Governing Board (or Head Teacher where the Governing Board has delegated this responsibility). In seeking approval to tender, a report shall be submitted to the Governing Board or Head Teacher as the case may be, which addresses the pre-tender considerations set out in the LA's Contract Standing Order 89, to include details of the criteria for evaluation and award. The tendering exercise must be advertised on the Central Digital Platform, a web-based facility operated by the Minister for the Cabinet Office and that the school must use to advertise contract related notices, including contract opportunities on or after 24 February 	<ul style="list-style-type: none"> • Very Low Value Contract – No formal procurement procedures apply to Very Low Value Contracts apart from a requirement to secure best value. For Very Low Value Contracts, the best way to demonstrate best value is by seeking three quotations or another procurement route. Whilst the use of these procedures is not mandatory, it is however a mandatory requirement to keep an auditable record to demonstrate how value for money has been achieved • Low Value Contract – Schools are required to seek at least three written quotations from potential providers unless the contract opportunity has been advertised. Where three quotations have been sought schools must record the quotes sought and/or obtained for audit and probity purposes. • Medium Value Contract – The Governing Board must undertake a competitive tendering exercise. Before commencing the tender exercise, formal approval to tender shall be sought from the Governing Board (or Head Teacher where the Governing Board has delegated this responsibility). In seeking approval to tender, a report shall be submitted to the Governing Board or Head Teacher as the case may be, which addresses the pre-tender considerations set out in the LA's Contract Standing Order 89, to include details of the criteria for evaluation and award. The tendering exercise must be advertised on the Central Digital Platform, a web-based facility operated by the Minister for the Cabinet Office and that the school must use to advertise contract related notices, including contract opportunities on or after 24 February 2025. 	
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<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 95</p>	<p>2025. Where the contract is above the relevant threshold and the Procurement Legislation apply in full to the procurement, a tender notice (advert) must be placed on the Central Digital Platform. Where a Governing Board elects to utilise the LA's e-Tendering system to advertise and run the procurement, they must then comply with Contract Standing Order 100 (e Tendering and e-Auctions). Following receipt and evaluation of tenders, approval for the award of contract shall be sought from the Governing Board (or Head Teacher where the Governing Board has delegated this responsibility) by way of a report setting out the outcome of the tender process and evaluation.</p> <p>When valuing a rolling contract with no defined termination date, the contract should be valued over a period of 48 months.</p>	<p>Where the contract is above the relevant threshold and the Procurement Legislation apply in full to the procurement, a tender notice (advert) must be placed on the Central Digital Platform. Where a Governing Board elects to utilise the LA's e-Tendering system to advertise and run the procurement, they must then comply with Contract Standing Order 101 (e Tendering and e-Auctions). Following receipt and evaluation of tenders, approval for the award of contract shall be sought from the Governing Board (or Head Teacher where the Governing Board has delegated this responsibility) by way of a report setting out the outcome of the tender process and evaluation</p> <p>When valuing a rolling contract with no defined termination date, the contract should be valued by estimating the maximum possible value, including VAT, taking into account any potential extensions, renewals and additional goods / services.</p>	
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SECTION 9: PENSIONS

Monthly contribution reconciliation (MCR)

Supply MCR report in time for submission to Teachers' Pensions and in an agreed secure format.

Stop Errors (critical error which prevent submission of return) identified to be cleared within 1 week of notification by LA. All other errors to be cleared by 1 month of notification by LA.

Monthly contribution reconciliation (MCR)

Supply MCR report by the 4th day of the month (or the last working day preceding the 4th if the 4th is a non-working day in time for submission to Teachers' Pensions and in an agreed secure format.

Stop Errors (critical errors which prevent submission of return) identified to be cleared within 1 week of notification by LA. All other errors to be cleared by 1 month of notification by LA.

End of year error rates

Examples of end of year errors

- A missing joiner Form
- A missing leaver Form
- A missing change of hours
- A missing notification of absence
- Return from absence
- Missing additional contributions
- Significantly low/high pensionable remuneration compared to the previous year with no explanation as to the reason

Monthly return error rates

Examples of monthly return errors

- A missing joiner Form
- A missing leaver Form
- A missing change of hours
- A missing notification of absence
- Return from absence
- Missing additional contributions
- Significantly low/high pensionable remuneration compared to the previous year with no explanation as to the reason

Page 97	<p>Notification of proposed outsourcing of contracts</p> <p>The LA requires advance notice of any potential outsourcing of contracts where a new admission agreement is required. Where the outsourcing involves the transfer of staff under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) the school will be required to protect the pension rights of the transferring employees who were eligible to join the LGPS or a broadly comparable scheme, irrespective of whether they were active members or not. The resources required to ensure this outcome should not be underestimated as legal and financial obligations will be placed on the provider.</p> <p>The exercise will require the professional services of the fund actuary and legal services. Their expenses will be recharged to you. It is important that a school discusses the pensions implications of any proposed procurement with the Council as early as possible in the process.</p>	<p>Notification of proposed outsourcing of contracts</p> <p>The LA requires at least three months' advance notice of any potential outsourcing of contracts where a new admission agreement is required.</p> <p>Where the outsourcing involves the transfer of staff under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) the school will be required to protect the pension rights of the transferring employees. The Best Value Authorities Staff Transfers (Pensions) Direction 2007 requires that employees who were eligible to join the LGPS must have access to the LGPS, a genuinely equivalent or a better pension scheme or a broadly comparable scheme, irrespective of whether they were active members or not. The resources required to ensure this outcome should not be underestimated as legal and financial obligations will be placed on the provider.</p> <p>As a scheme employer, the school will be responsible for the transferees' pension liabilities until such time as suitable pension arrangements are put in place (usually an admission agreement in the LGPS).</p>	
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SCHEME FOR FINANCING SCHOOLS:

SCHOOLS FINANCIAL REGULATIONS

2025-26

CONTENTS

(Updated June 2025)

This contents page is hyperlinked; therefore click on the relevant heading to go to that section.

A. Introduction

- A.1 What These Regulations Cover
- A.2 Application of These Regulations
- A.3 Responsibilities
- A.4 Application of Changes
- A.5 Other Guidance

B. Budget Management

- B.1 The Importance of Effective Budget Management
- B.2 Budgetary Role
- B.3 Setting the Budget
- B.4 Monetary Limits
- B.5 Budget Virements
- B.6 Budget Monitoring
- B.7 Budget Control
- B.8 Budget Overspends
- B.9 Budget Underspends
- B.10 Withdrawal of Delegation

C. Leasing, Loans & Financial Arrangements

- C.1 General Requirements
- C.2 Leasing
- C.3 Loans
- C.4 Credit Cards and Other Financial Arrangements

D. Accounting Responsibilities

- D.1 Accounting Systems and Procedures
- D.2 Accounting Policies
- D.3 Accounting Records
- D.4 Final Accounts – Year End Requirements

E. Income and Expenditure Controls

Income

- E.1 Income – General
- E.2 Income – Bad Debts/Write Offs

Expenditure

- E.3 Expenditure – General
- E.4 Expenditure – Orders
- E.5 Expenditure – Paying Invoices
- E.6 Expenditure – Payroll
- E.7 Expenditure – Petty Cash
- E.8 Expenditure – Capital

Income & Expenditure

- E.9 Taxation

CONTENTS

(Updated June 2025)

This contents page is hyperlinked; therefore click on the relevant heading to go to that section.

F. Risk Management and Control of Resources

- F.1 Risk Management and Insurance
- F.2 Internal Controls
- F.3 Schools Financial Value Standard (SFVS)
- F.4 Audit Requirements
- F.5 Financial Irregularities
- F.6 Money and Banking
- F.7 Property, Stock and Equipment
- F.8 Sale of Assets

G. Procurement and Contracts

H. Investments and Trust Funds

I. Custody of Third Party Property

J. Estates

K. Retention of Documents

L. Non-Official Funds

M. Information Systems

ANNEX A: List of Maintained Schools

(To which this scheme applies as at June 2025)

A. INTRODUCTION

A.1 What These Regulations Cover

- A.1.1 These regulations form part of the Scheme of Delegation and apply to all schools that have a delegated budget under the School Standards and Framework Act 1998. These regulations supplement the Brent Scheme for Financing Schools, s.43 – 53 of the School Standards and Framework Act 1998 and s. 14 to the Act as approved by the Secretary of State. It also ensures that schools comply with the requirements of s.151 of the Local Government Act 1972, Contract Procedure Rules, and the Accounts and Audit Regulations.
- A.1.2 The objective of these regulations is to specify a number of procedures and key control measures which ensure the public accountability and high standards of financial integrity to be exercised in the use of public funds and in reducing financial risk.
- A.1.3 The regulations therefore cover the following fundamental areas of financial management and control:
- Setting, monitoring and controlling the revenue budget;
 - Accounting responsibilities;
 - Income and Expenditure controls;
 - Risk management and control of resources;
 - Procurement;
 - Retention of documents.
- A.1.4 The regulations also identify the responsibilities of the Corporate Director Finance and Resources, Governing Boards, Head Teachers and all relevant staff in schools. The Corporate Director Finance and Resources' responsibilities in relation to schools are mainly exercised through the Schools Finance Team. The Schools Finance Team is therefore the first and primary point of contact on all financial matters.
- A.1.5 For the purposes of this document, the Corporate Director Finance and Resources is the officer appointed by the LA in accordance with s.151 of the Local Government Act 1972.

A.2 Application of These Regulations

- A.2.1 These regulations must be followed by all Governing Boards and school officers of schools maintained by Brent, whether they are directly employed, contracted, employed through an agency or volunteer in their conduct of financial and related matters.
- A.2.2 Failure to comply with these regulations may constitute misconduct and lead to formal disciplinary action.

- A.2.3 A list of schools maintained by Brent at June 2025, and therefore covered by these regulations, is included in Annex A.

A.3 Responsibilities

- A.3.1 The following describes the overall framework and the main roles and responsibilities in respect of these regulations. This is not an exhaustive list and there are also likely to be some overlap in roles. Ultimately all Governing Boards and school officers are responsible for complying with all regulations.
- A.3.2 In discharging their duties and responsibilities all school officers must comply with Brent's Scheme for Financing Schools and any associated regulations including these, and where appropriate financial procedures and standing orders. Where there is inconsistency between these, the relevant Acts shall prevail.
- A.3.3 Under the Scheme of Financing Schools, schools do not have any power to borrow money, including no power to enter into any type of lease purchase arrangements.
- A.3.4 The Corporate Director Finance and Resources:
- is the responsible officer for the proper administration of the financial affairs of the LA under s.151 of the Local Government Act 1972;
 - is required to approve all accounting procedures, systems and records of the LA, including schools, under his s.151 duties and the Accounts and Audit Regulations;
 - is therefore responsible for reviewing these regulations and reporting any breaches to the LA's Cabinet or Full Council;
 - puts in place financial standards and practices across the LA, including schools, to deliver a framework for financial control, provide accurate, timely and consistent monitoring information, and sound advice on financial decisions to be made by officers and members;
 - has the right to attend (or a delegated officer) any meeting of a Governing Board to provide advice or report on major financial matters which in his opinion affects the probity and regularity of the LA's financial activities.

The Corporate Director Finance and Resources' statutory responsibility for the administration of the LA's affairs cannot be overridden by anything in a Scheme of Delegation or in any set of financial procedures.

Further details of roles and responsibilities are set out in Part 3 of the Constitution [Constitution \(brent.gov.uk\)](https://www.brent.gov.uk)

A.3.5 Other Officers

A.3.5.1 The Schools Finance Team:

- is the main point of contact for all financial matters;
- collates financial information;
- monitors implementation of the financial control framework;
- supports the Governing Board, Head Teachers and school finance officers in their financial responsibilities; and
- provides assurance to the Corporate Director Finance and Resources, Corporate Director of Children, Young People & Community Development and Members that adequate controls exist to produce sound financial administration.

A.3.5.2 The Audit & Investigations Service:

- provides the LA's internal audit function and anti-fraud services;
- assists the Corporate Director Finance and Resources and Corporate Director of Children, Young People & Community Development to discharge their statutory duties;
- provides Head Teachers with advice and guidance on the system of internal control;
- is responsible for investigations into financial irregularities across all LA services, including schools.

A.3.6 Governing Boards:

- are responsible for the overall financial management of delegated school budgets. Although some powers can be delegated to Head Teachers with formal approval, the Governing Board will retain overall responsibility for any actions taken;
- must maintain a written record where their powers have been delegated to members of staff;
- shall provide the LA with any reasonable information for the effective discharge of the LA duties and responsibilities;
- should ensure that all existing and new employees of the school are informed of their responsibilities under financial regulations and are familiar with these documents;
- should ensure that all financial regulations or contracts and award procedures are followed by everyone in the school;
- should ensure that relevant records are maintained and retained;
- must consult with the Corporate Director Finance and Resources on any matter which is liable to materially affect the finances of the LA, before any provisional or other commitment is incurred or a bid for external funding is made;
- are responsible for securing value for money and compliance with the principles of best value in relation to their activities.

A.3.7 Head Teachers:

- must ensure that their school promotes, enacts and monitors adherence to the necessary financial control framework and keeps spending within budget,

indicating where necessary, conflicts between current service policy and plans and resource allocation;

- are required to keep accurate financial records, comply with the financial control framework and take timely action to keep spend within budget.

The Governing Board may delegate some of its powers to Head Teachers, but the Governing Board shall retain responsibility for the actions. Many of the requirements of the Governing Board within these regulations may therefore apply to Head Teachers instead, where the relevant powers have been delegated to them.

A.3.8 Schools' Finance Officers:

- collate the financial information about their school;
- provide financial advice to the Governing Board and the Head Teacher of their school;
- provide financial information to the Schools Finance Team;
- support Head Teachers in their financial responsibilities;
- help to implement the financial control framework;
- ensure sound financial administrative systems are in place.

In practice this may be a School Business Manager, Bursar or Finance Officer.

A.4 Application of Changes

A.4.1 Changes to these regulations may be necessary from time to time to ensure relevance and consistency with the Financial Procedure Rules in the context of a school environment. Any changes required will be in line with national and local regulations and will only be implemented after:

- the agreement of the Corporate Director Finance and Resources and the Corporate Director of Children, Young People & Community Development;
- consultation with the Schools Forum.

A.5 Other Guidance

A.5.1 These regulations are supplemented by, and should be read in conjunction with:

- Technical Standards setting out more detailed requirements for financial arrangements, which may change from time to time;
- Guidance notes on financial management practice which may be issued periodically by the Corporate Director Finance and Resources or delegated officers – usually by the Schools Finance Team;
- Schools Finance Manual;
- Budget Preparation Guidelines issued annually;
- Schools Closing Guidance issued annually;
- The Scheme for Financing Schools updated annually.

B. **BUDGET MANAGEMENT**

*A **Budget** is the numerical representation of an action plan for a specified time period. In the context of a school, this is a numerical statement of the school's development plan (SDP) – a numerical statement of the school's policy, aims, objectives and strategies in financial terms.*

B.1 The Importance of Effective Budget Management

- B.1.1 Budget management ensures that resources are used for their intended purposes and that these resources are properly accounted for. Each school is expected to manage their own expenditure within the budget allocated to them to ensure that the school does not overspend against this. Regular reporting of income and expenditure against approved budgets ensures that governors are aware of, and highlights situations where, any actions may be required to ensure spending remains within the budget allocation.

B.2 Budgetary Role

- B.2.1 The Governing Board shall be responsible for approving a 3 year budget each year and ensuring that the budget plan is a numerical reflection of the school's SDP and fully reflects the estimated effect of pupil changes and any development decisions.
- B.2.2 The Governing Board shall be responsible for reporting without delay to the Schools Finance Team where it appears that the total budget for the school may be exceeded, and taking appropriate action to bring the budget back into balance.
- B.2.3 The Head Teacher shall be responsible for maintaining a proper system of budgetary control and preparing all estimates for submission to the Governing Board, Corporate Director Finance and Resources and Corporate Director of Children, Young People & Community Development. These functions shall be discharged in accordance with any guidelines or Codes of Practice issued from time to time by the Corporate Director Finance and Resources and the Corporate Director of Children, Young People & Community Development.
- B.2.4 Neither the Governing Board, an individual Governor, nor the Head Teacher shall commit the school to any expenditure for which there is not sufficient budget provision or which will cause an overall budget deficit.

B.3 Setting the Budget

The budget is the school's SDP in numerical form and therefore should be a reflection of the school's policies, aims and actions to be implemented in the duration of the budget period.

- B.3.1 Each school shall be given a budget share calculated in accordance with the formula for funding schools, before the beginning of the financial year.

- B.3.2 The 3 year budget shall be proposed by the Head Teacher and agreed and set by the Governing Board. It is recommended that the budget preparation work and ratification is completed by a committee of the Governing Board, such as a Finance/ Resources Committee, but the approval of the budget cannot be delegated to a committee. The budget must be approved at a meeting of the full Governing Board. Budgets must be produced in accordance with the Budget Preparation Guidelines issued annually. The format for submission of the 3 year budget plan and the requirements for supporting documents and evidence of approval are also provided annually at the same time and schools must also comply with these. The Governing Board is not permitted to set a budget which plans for a cumulative deficit at the end of any of the financial years, except where the LA has authorised such a budget.
- B.3.3 The Head Teacher shall submit the approved budget to the Schools Finance Team by 1st June each year, along with the required supporting documents and evidence of approval. Any extension to the deadline can only be granted in exceptional circumstances because of particular difficulties.
- B.3.4 The school's Finance Officer shall enter the approved submitted budget plan on to the school's computerised financial system within a month of its approval, and ensure that the budget is locked on the system. This will allow an audit trail for any changes made during the year, which should be appropriately approved and documented. It is accepted that this budget will be the best known estimate at the time of setting and will therefore be subject to change – any changes on the system will create an audit trail which should be backed up by minutes to Governing Board meetings approving the changes.

B.4 Monetary Limits

The monetary limit of a school is the amount of money available to spend.

- B.4.1 The inclusion of money in the school's budget approved by the Governing Board shall authorise the Head Teacher to spend up to that sum plus any available school balance brought forward from previous years. The Head Teacher is not authorised to exceed the approved budget.
- B.4.2 Each Head Teacher shall deliver the curriculum and other school services within the resources agreed.

B.5 Budget Virements

A virement is the transfer of funds from one budget line to another. It is an administrative exercise that provides a degree of flexibility in spending a school's budget, and allows for changing circumstances and/or unexpected developments.

- B.5.1 The Governing Board may agree to transfer resources between budgets but are reminded that resources cannot be transferred from capital to revenue due to accounting conventions. Any transfer of resources between budgets should have a

clear rationale, and should be taken into account for forecasting and future year's budget-setting.

- B.5.2 The Governing Board is advised to establish appropriate criteria for virements and financial limits in their Schemes of Delegation, above which the approval of the Governing Board is required. Any such decisions should be recorded in the Governing Board minutes.
- B.5.3 Where additional funds have been allocated to a school for a specific purpose, they shall only be used for that purpose.

B.6 Budget Monitoring

Budget Monitoring is the examining of the school's monthly spend and income against the budget that has been set.

It is important that schools undertake regular budget monitoring, as this:

- is essential for effective financial management;*
- allows Governing Boards and Head Teachers to maintain financial control by reviewing the current position and taking any remedial action necessary;*
- is a requirement under the Schools Financial Value Standards (SFVS);*
- enables reasons for significant variances to be established/investigated and reported;*
- may highlight forecasted overspends and ensure that senior management are able to decide upon a course of action and reassess priorities in the SDP where necessary.*

- B.6.1 Once a budget is agreed, the Governing Board and subject to the school's Scheme of Delegation, the Head Teacher and other staff, must ensure that it is strictly monitored.
- B.6.2 The Governing Board shall agree school performance measures linked to the school development plan (SDP) and review progress and outcomes for the resources allocated. It is good practice for the SDP to be fully costed, and the Governing Board should review such costs against the impact.
- B.6.3 The Governing Board and the Head Teacher must be able to demonstrate that the budgets devolved to the school have been spent on the purposes for which they were delegated.
- B.6.4 The Head Teacher shall provide quarterly budget monitoring returns to the Schools Finance Team in the format requested. These returns must have been reviewed and signed by the Head Teacher and shall clearly show the income and expenditure to date against the approved budget, and a forecasted year end position. For schools that are in deficit, budget monitoring reports shall be submitted to the Schools Finance Team monthly.

- B.6.5 Although budget monitoring returns are required quarterly to the Schools Finance Team, schools are strongly advised that these should be completed and reviewed and signed by the Head Teacher at least monthly. These should also be submitted to the Governing Board or a sub-committee of the Governing Board, at least half-termly. The format and frequency of submission to the Governing Board shall be determined by the Governing Board, but must clearly show the necessary full year forecasts to facilitate decisions.
- B.6.6 The Head Teacher shall submit a monthly FIN1 return (bank reconciliation) to Schools Finance Team in the format requested. These returns provide assurance that appropriate banking controls are in place, and must be reviewed and signed by the Head Teacher in a timely manner. All supporting/backing documents must be submitted to the Schools Finance Team at the same time as the return.

B.7 Budget Control

Budget control is a continual process enabling the school to review and adjust its budget plans during the financial year. It also provides a mechanism to hold budget holders accountable for defined elements of the budget. By identifying and explaining variances against budgetary targets, the school can identify changes in resource requirements at the earliest opportunity.

The key controls for managing and controlling the revenue budget are:

- All elements of budgeted expenditure and income are allocated to a named budget holder;*
- Budget holders accept accountability for their budget allocations and the level of service to be delivered;*
- Budget holders adhere to the approved procedures for the ordering and certifying for payment the purchase of goods and services used in the provision of their service and for the collection of income;*
- Income and expenditure is completely, accurately and promptly recorded and accounted for;*
- Service delivery performance levels are monitored in conjunction with financial performance and that necessary action is taken to align service outputs and budget resources.*

- B.7.1 Each Governing Board shall be responsible for maintaining a proper system of budgetary control.
- B.7.2 Strict financial discipline must be maintained and once decisions have been made on the budget for a year, the Head Teacher must seek to ensure that the budget plan is met.
- B.7.3 The Governing Board shall make arrangement to ensure that significant variances from approved budgets are investigated and reported by Head Teachers regularly.
- B.7.4 Each Governing Board shall determine the extent of powers that are to be delegated to the Head Teacher in respect of financial delegation.

- B.7.5 The Governing Board and Head Teacher must complete the DfE's Schools Financial Value Standard (SFVS) and submit to the Schools Finance Team by 31st March each year.

B.8 Budget Overspends

*An over spend occurs when the school has spent more than is available to spend.
An over spend may occur on individual budget heads.*

- B.8.1 Overspends in school budgets are not acceptable. An over spend must be dealt with by decisive action of some kind, even if this means changing policy, service levels, and staffing levels.
- B.8.2 The Governing Board and the Head Teacher shall take responsibility for their school budgets and shall examine their own capacity to fund new proposals or overspends.
- B.8.3 Each Head Teacher must notify the Schools Finance Team immediately if it appears that their overall budget is likely to overspend because approved expenditure is forecasted to be exceeded or income will not be achieved.
- B.8.4 The Head Teacher will need to detail the action being proposed to rectify the over spend. This shall include specific and costed proposals, and any service implications must be fully stated. If details are not provided, then the action will not be regarded as satisfactory by the Corporate Director Finance and Resources or the Corporate Director of Children, Young People & Community Development.
- B.8.5 Each Governing Board shall ensure that their school does not have a deficit balance except in exceptional circumstances with prior permission through a licensed deficit approval. This process is detailed in the Licensed Deficit Policy. The Governing Board shall ensure that any deficit balance at the year-end is carried forward to the new financial year and taken into account in spending plans.

B.9 Budget Underspends

An under spend occurs when a school doesn't use all the resources available for the school.

- B.9.1 Schools shall carry forward any unspent balance of their budget share at the year end.
- B.9.2 The Governing Board shall monitor underspends carefully to ensure that the funds available to spend are being used effectively towards the educational outcomes of pupils.

B.10 Withdrawal of Delegation

The Governing Board of a school has delegated powers in relation to schools finances. This means that although these funds are owned by the LA, the responsibility for looking after these funds appropriately falls to the Governing Board. Withdrawal of Delegation means that the LA withdraws the powers from a Governing Board to look after these funds, and takes control of the school's finances.

- B.10.1 Where a school has a delegated budget, the Corporate Director of Children, Young People & Community Development and the Corporate Director Finance and Resources retains the right to suspend delegation, giving one month's notice, where it is considered that the Governing Board:
- has substantially or persistently failed to comply with any requirements of the borough's Scheme for Financing Schools;
 - is not managing the expenditure satisfactorily.
- B.10.2 Financial delegation shall be withdrawn immediately in the event of gross mismanagement of school resources on the part of the Governing Board and/or Head Teacher.
- B.10.3 Where financial delegation has been withdrawn, this shall be reviewed annually.

C. LEASING, LOANS & FINANCIAL ARRANGEMENTS

C.1 General Requirements

- C.1.1 In order to ensure compliance with the prudential framework, the Governing Board may not enter into any other loan or financing arrangements for the acquisition of property, vehicles, plant or equipment without the prior written consent of the Corporate Director Finance and Resources.
- C.1.2 May not enter into lease agreements not included in the [IFRS16 Maintained Schools Finance Lease Class Consent 2024](#) without the written consent of the Secretary of State.
- C.1.3 The Governing Board may not borrow money without the written permission of the Secretary of State. The LA must be notified in advance by any school of its intention to make such an application.
- C.1.4 This however does not fully apply to trusts and foundations provided that these debts are not serviced from the school's delegated budgets. In this instance, the Governing Board is not acting as an agent of the LA in repaying these debts.

C.2 Leasing

A lease is a contract where a party being the owner of an asset (lessor), provides the asset for use to a school through a rental agreement for a defined period of time.

The introduction of IFRS16 for local authorities from 1 April 2024 ends the distinction between operating and finance leases and in effect, all leases will be classified as finance leases for accounting purposes.

- C.2.1 The Governing Board may enter into leases consented by the Secretary of State for the most common leasing activities, as set out in the [IFRS16 Maintained Schools Finance Lease Class Consent 2024](#).
- C.2.2 The Governing Board shall not legally enter into any lease arrangements not included in this order without the written consent of the Secretary of State and any such requests should be made in the first instance to the Schools Finance Team who will request approval from the relevant delegated officer.
- C.2.3 The Governing Board must take the relevant due diligence before submitting to the Schools Finance Team for approval. Any application to enter into a leasing agreement shall be approved by the Governing Board. The Governing Board shall firstly satisfy itself that the Schools Contract Procedure Rules have been fully complied with and that the proposed leasing agreement represents value for money.

C.3 Loans

A loan is a form of borrowing, usually cash. This is usually repaid over a period of time, subject to interest.

- C.3.1 The Governing Board cannot legally enter into any type of external loan agreement.
- C.3.2 This provision however does not apply to loan schemes that have been approved by the Secretary of State.
- C.3.3 This provision also does not apply to loan schemes run by the LA, such as licensed deficits and capital loans.

C.4 Credit Cards and Other Financial Arrangements

A credit card is a card authorising purchases on credit, chargeable at a predetermined interest rate.

An overdraft is an amount that can be spent when there are no funds available in a bank account, and therefore constitutes a form of borrowing.

A procurement card is similar to a debit card, allowing schools to make purchases against funds within a bank account.

- C.4.1 The restriction on borrowing also includes the use of overdraft facilities and credit cards.
- C.4.2 School bank accounts are not permitted to go overdrawn at any time, and overdraft facilities may not be negotiated. Where schools are experiencing cashflow difficulties, schools should refer the Cash Advance Policy.
- C.4.3 The Governing Board is encouraged to use procurement cards as an alternative means of facilitating electronic purchasing, and to allow schools to benefit from significant discounts. Procurement cards should be used and monitored in the same manner as debit cards - refer to section *F.6: Money and Banking* for further details on compliance.

D. **ACCOUNTING RESPONSIBILITIES**

Proper accounting records are one of the ways in which the LA discharges its responsibility of stewardship of public resources. The LA has a statutory responsibility to prepare its annual accounts to present fairly its operations during the year.

D.1 Accounting Systems and Procedures

- D.1.1 The Governing Board is free to use any accounting software they choose, providing they can produce reports in the format required by the LA and other agencies.
- D.1.2 Where the Governing Board plans to change the financial system in use, the Governing Board is required to inform the Schools Finance Team of the change. Schools are strongly advised to only change systems at the beginning of a financial year and to consult with the Schools Finance Team and Audit and Investigations Service prior to implementation.
- D.1.3 Each Governing Board shall establish a scheme of authorisation identifying officers authorised to act on their behalf with respect to payments, income collection and placing of orders, showing limits to their authority.
- D.1.4 The Governing Board shall regularly review their accounting systems to ensure that they report outputs in a timely, accurate, clear and convenient manner which is readily understood by users.
- D.1.5 The Governing Board shall be responsible for ensuring that officers involved in operating accounting systems and undertaking financial procedures receive proper assessment of their financial skills and learning and development needs. This will ensure that the school is not exposed to any administrative or financial risk due to insufficient training or skills, or in the event of the absence of key staff.
- D.1.6 The Governing Board shall ensure all funds are properly accounted for and are only spent on the purposes for which they were established.

D.2 Accounting Policies

- D.2.1 The Corporate Director Finance and Resources is responsible for determining the LA's accounting policies. Each Governing Board and Head Teacher, subject to delegation, is responsible for ensuring that these policies are adhered to and applied consistently in the school's accounts.
- D.2.2 All accounting policies shall ensure that:
- accounts are a fair presentation of the school's financial position and the transactions in respect of that financial year;
 - income and expenditure relate to the services provided in the same financial year, and that provision is made for income and expenditure earned/used irrespective of when the amounts are actually paid or received;

- accounts are prepared on a prudent basis with income only being included to the extent that it is likely to be received, and that proper allowance is made for all known liabilities and losses.

D.2.3 The Schools Finance Team will prepare and issue to all schools annually a Budget Preparation Guidelines and Schools Closing Guidance which will detail all year end reporting requirements as specified by the Corporate Director Finance and Resources and the Corporate Director of Children, Young People & Community Development. Each Governing Board is responsible for ensuring compliance with these.

D.2.4 Other accounting and financial guidance will be issued from time to time as required via circulars on the Best Brent. Each Governing Board and Head Teacher must ensure that they access and act on these documents.

D.3 Accounting Records

D.3.1 The Governing Board are required to maintain and securely hold complete and accurate accounting records of all the financial transactions under their control, and ensure that there is an audit trail leading from income/expenditure through to the accounting statements.

D.3.2 The Governing Board shall ensure that VAT, Income Tax and other statutory additions and deductions are properly calculated and accounted for on all transactions where appropriate, and must supply the LA with such details of statutory additions/deductions as are required to meet the appropriate accounting requirements and enable the submission of statutory returns.

D.3.3 The Governing Board shall ensure that all journal entries (adjustments to the accounts) are properly documented to incorporate adequate explanatory narrative and are cross-referenced to proper working papers. These should be signed by the originator.

D.3.4 The Governing Board shall ensure that all public funds, grants or donations received by the school, and all associated expenditure, is accounted for appropriately within the CFR framework. Earmarked expenditure shall be clearly identified within budget records and only used for approved purposes, and the CFR framework shall be fully complied with.

D.3.5 The Governing Board shall ensure that all accounts are supported by full documentation, which is retained for inspection for a period complying with the rule on retention of documents as detailed in *K: Retention of Documents*. Where documents or records fall due for disposal this shall be undertaken with due regard to confidentiality and Data Protection legislation, according to the nature of the documents or records being disposed of.

D.3.6 The Governing Board shall ensure that adequate procedures are in place to enable accounting records to be reconstructed in the event of system failures.

- D.3.7 The Governing Board shall ensure that key reconciliation procedures are carried out on a regular basis and shall provide evidence as required by the Corporate Director Finance and Resources and/or the Corporate Director of Children, Young People & Community Development. As a minimum:
- All bank accounts must be reconciled monthly and signed for confirmation of review.
 - All accounts, including debtors and creditors, must be reconciled on a monthly basis and at the end of each financial year.
 - Unofficial funds must be accounted for in accordance with the Scheme for Financing Schools.

D.4 Final Accounts – Year End Requirements

- D.4.1 The Corporate Director Finance and Resources is responsible for ensuring that the annual statement of accounts is prepared in line with the requirements of the 2015 Accounts and Audit Regulations, the current Code of Practice on Local Authority Accounting in the UK and the Audit Commission Act 1998, except where specifically stated in the Statement of Accounting Policies.
- D.4.2 The Governing Board shall be responsible for producing detailed final accounts after the end of each financial year (1st April to 31st March) produced in accordance with codes of practice and agreed timetables and shall provide such information as is required by the Corporate Director Finance and Resources and the Corporate Director of Children, Young People & Community Development to meet statutory accounting requirements.
- D.4.3 The Governing Board shall reconcile and close its accounts and submit its Consistent Financial Reporting (CFR) return by the notified deadline each year, duly authorised by the Head Teacher subject to delegation from the Governing Board.
- D.4.4 The Governing Board shall ensure that year end accounts are produced in accordance with the accruals accounting concept, unless otherwise notified as part of the request for information.
- D.4.5 The Governing Board must maintain full supporting documentation and audit trail to justify all figures contained in their accounts and be able to present for internal and external audit as required.

E. INCOME AND EXPENDITURE CONTROLS

Income

Income may be derived both from the provision of supplies and services to customers and from contributions and grants. Income can be a vulnerable asset and effective collection systems ensure that all income due is identified and that all collections are receipted, banked and properly accounted for. It is preferable to obtain income in advance of supplying goods or services as this improves the school's cashflow and avoids the time and cost of administering debts.

E.1 Income – General

- E.1.1 The Governing Board is responsible for setting a charging policy, conditions of hire and scale of charges for school supplies and services. Where applicable, The Governing Board shall consider the introduction of charges where no charge previously existed. The Governing Board and Head Teacher shall review their charges at least annually. Such reviews shall ensure that the costs incurred by the school are recovered.
- E.1.2 The Governing Board is responsible for the:
- collection of all income due to the school in respect of services provided by that school;
 - safe custody of all income;
 - effective recovery action;
 - establishment of performance management systems to monitor the recovery of income;
 - maintenance of all records relating to income collection and debt write-offs.
- E.1.3 The Governing Board shall ensure that income is collected prior to or at the point of delivery of service to external customers such as for lettings. Where invoices are issued for the collection of debts these shall be issued promptly and all action taken for recovery of that debt.
- E.1.4 The Governing Board shall ensure the appropriate charging of VAT.
- E.1.5 The Governing Board shall ensure that all income received on behalf of the school is paid into the appropriate bank account at least weekly. Cash shall be held in a secure place until cashed. All income shall be banked intact – third party and personal cheques must not be cashed from money held on behalf of the school.
- E.1.6 The Governing Board shall ensure that a numbered receipt is issued, or a signed record kept, for all items of income collected on behalf of the school. A copy of all receipts must be kept and all forms of receipts must be treated as controlled stationery, i.e. numbered and kept in a secure place with all issues recorded. All receipts must be properly accounted for and accounts reconciled on a regular basis. Any major discrepancies in income collected against that banked must be immediately investigated and notified to the Audit and Investigations Service.

E.2 Income – Bad Debts/Write Offs

A bad debt is an amount owed to the school which is found to be irrecoverable and needs to be written off.

- E.2.1 The Governing Board is responsible for the write-off of debt, property, stock and surplus assets. All write offs should be initiated by a written report from the Head Teacher, and should be formally considered and approved by the full Governing Board, and recorded in the minutes of the meeting. This cannot be delegated to a sub-committee of the Governing Board.
- E.2.2 The Governing Board must notify and obtain approval from the Corporate Director Finance and Resources before writing off any debt exceeding £1k. Debts exceeding £3k will also be reported to the LA's Cabinet.
- E.2.3 The delegated budget of the school shall bear the amount of any debt written off, and all appropriate budgets/forecasts shall be amended to reflect this.
- E.2.4 All documentation and evidence relating to the write off must be retained by the school and must be available for inspection by internal and external audit where required.

Expenditure

Public money should be spent with demonstrable probity and in accordance with the LA's policies. The LA's procedures should help to make sure that services can receive value for money in their purchasing arrangements.

E.3 Expenditure – General

- E.3.1 The Governing Board and the Head Teachers are responsible for ensuring that all expenditure under their control is incurred lawfully, is within budget provision and that the best value has been obtained in procuring goods and services.
- E.3.2 The Governing Board shall ensure that there are effective internal controls over the payment process. There must be a clear division of duties between placing orders, authorising payments and signing cheques/payment authorisations. The Governing Board must keep a record of the officers responsible for these functions and the limits of their authority.
- E.3.3 The Governing Board shall ensure that the following principles apply to the allocation of duties in order to safeguard financial propriety.
 - The duty of providing information regarding sums due to or from the school and of calculating, checking and recording these sums shall be separated as completely as possible from the duty of collecting or disbursing them.
 - Employees charged with the duty of examining and checking the accounts of cash transactions, shall not themselves be engaged in any of these transactions. Where this is not possible (due to a limited amount of staff) these should be countersigned.

- The procedures in place and the responsibility of officers should be in writing and available for examination.
- E.3.4 The Governing Board shall ensure that there is a system of authorising payment from bank accounts, which is sufficient to prevent fraudulent or inaccurate payments being made.
- E.3.5 The Governing Board shall ensure that an up-to-date list of authorised staff to sign official orders, certify invoices for payment, petty cash claims, timesheets and payroll changes is kept. This list should include specimen signatures and clearly identify the limits of each signatory's authority.
- E.3.6 Every governor and school officer must declare any links or personal interests which they have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the school. This must be declared at the start of joining followed by annually.
- E.3.7 The Governing Board shall ensure that only costs relating to the school's delegated budget are charged to the school. The LA however reserves the right to make additional charges in particular circumstances as detailed in 6.2 of the Scheme for Financing Schools.

E.4 Expenditure – Orders

- E.4.1 The Governing Board shall ensure that official orders are issued for all work, goods or services to be supplied to the school. Where it is not possible to issue an official order prior to procuring, there should be clear documentary evidence or clear notes made for the reason for being unable to do so – this may include emergency situations, absence of key staff to approve, or the use of procurement cards. In such instances orders should be entered retrospectively. Official orders are not required for utilities, i.e. the supply of gas, electricity, telephone or water supplies, or periodical payments such as rent and petty cash purchases. These must however be paid based on actual readings, at least once a year.
- E.4.2 The Governing Board shall take appropriate steps to ensure value for money in the purchasing of all goods and services and must comply with the Procurement Act 2023 and Procurement Regulations 2024 – see section *G: Procurement and Contracts*.
- E.4.3 The Governing Board shall ensure that authorisation of official orders are made by officers authorised to do so. A copy of each official order shall be retained. Any subsequent variation or amendment to an order shall be made only by those staff authorised to sign orders and should be noted on the copy of the order.
- E.4.4 The Governing Board shall ensure that the function of placing an order (i.e. determining the supplier and issuing a physical order for the supply) should, as far as possible be separated from the function of receiving and inspecting the supply.

- E.4.5 The Governing Board should be satisfied that a contractor is technically competent and has sufficient financial standing to carry out the work or produce the work, goods and services to the required quality, before placing any contracts or orders for work to be undertaken.
- E.4.6 The Governing Board must ensure that:
- unique pre-numbered official orders are used for all goods and services (except for supplies of utilities and periodical payments such as rent and petty cash purchases or other circumstances as outlined in E.4.1);
 - orders are only used for goods and services provided to the school and not by individuals for obtaining goods and services for their private use.
- E.4.7 The Governing Board must ensure that ordering books are treated as controlled stationery and are retained securely when not in use.
- E.4.8 School officers authorising orders must be satisfied that:
- the goods and services ordered are appropriate and needed;
 - the purchase is necessary for the educational purposes of the school;
 - adequate budgeting exists;
 - the necessary quotations or tenders for the purchase have been sought and retained.
- E.4.9 The Governing Board and Head Teacher shall ensure that work is not sub-divided to avoid compliance with regulations, i.e. to avoid the obtaining of adequate quotations or tenders.

E.5 Expenditure – Paying Invoices

- E.5.1 The Governing Board shall make arrangements for the payment of properly authorised accounts. No payment shall be made unless supported by an invoice or payment request.
- E.5.2 The Governing Board shall ensure that there is a clear division of responsibility between placing orders and paying invoices and those authorising payment and signing cheques must be satisfied that the expenditure is valid.
- E.5.3 School officers authorising payment shall firstly satisfy themselves that such sums are legally and properly payable, and that budgetary provision exists to cover the payment.
- E.5.4 The Governing Board must put in place arrangements which ensure that:
- invoices are matched to orders raised. This should be done as soon as possible as this is the school's protection against any dispute;
 - the goods/services delivered or work carried out agree with the order and delivery note (where applicable) in respect of quality, quantity and price;
 - invoices are checked properly in order for payment, are arithmetically correct and include the appropriate VAT details;

- payments are only made on originals or authorised copy invoices, and are not made on photocopies and faxed invoices;
- a certification slip or payment stamp is used to demonstrate that all the appropriate checks have been carried out;
- all payments are authorised;
- any goods returned or unsatisfactory services are recorded on the delivery note and the copy order at the time to ensure they are not paid for in error;
- payment for goods and services are not made until they have been received;
- the invoice has not previously been paid;
- the invoice is properly coded;
- appropriate entries will be made in accounting records.

E.5.5 The Governing Board shall ensure that a register of periodic (regular) payments is kept to ensure that payments are made accurately and by the due date. Periodic payments include those made for ongoing rents and ground rents.

E.6 Expenditure – Payroll

Employee costs are the largest item of expenditure in schools. It is therefore important that there are appropriate controls in place to make sure that payments are made only where they are due and that payments accord with the individual's contract of employment.

- E.6.1 The Governing Board shall ensure that:
- payments are only authorised to bona fide employees or former employees;
 - payments are only made where there is a valid entitlement;
 - conditions and contracts of employment are correctly applied;
 - employees' names listed on the payroll are checked at least monthly to verify accuracy and completeness;
 - there is an effective system of checking and authorising payroll forms;
 - all appropriate payroll records and supporting documentation are retained for the appropriate period.
- E.6.2 The Governing Board is responsible for ensuring that suitable arrangements are in place for payroll administration. It is essential that the Governing Board ensures that sufficient controls are in operation to prevent fraudulent or erroneous payments.
- E.6.3 The Governing Board shall ensure that all emoluments to staff are only effected through payroll systems. This includes the payment of all salaries, wages, pensions, compensation, car mileage claims, other emoluments and the deductions from salaries for tax, superannuation and other deductions to and/or from all employees and former employees of the school shall be made through the payroll. For best practice, all claims in respect of public transport and subsistence costs should be made through the payroll, and not paid directly from petty cash or by cheque. On occasion a member of staff may require an advance where their start date is after the payroll submission date – in such instances this would be considered a cash advance as their salary would be processed through the payroll in the following month with an appropriate deduction for the payment. If in doubt, please seek advice from the LA.

- E.6.4 The Governing Board is under a duty to ensure that all appointments, resignations, absences, overtime or other circumstances affecting the salary, wage or emoluments of an employee in their school are acted upon immediately.
- E.6.5 The Governing Board must ensure that all appointments are in accordance with appropriate grades and scales of pay, are consistent with agreed arrangements and that adequate budget provision is available.
- E.6.6 The Governing Board is responsible for ensuring that only authorised payments are made. In particular, effective authorisation procedures are needed in respect of new starters, leavers, absences and variations to pay. They should include a proper division of duties between staff authorising payments and those checking payroll output. In no circumstances may a member of staff authorise or process a transaction in relation to their own remuneration.
- E.6.7 The Governing Board are responsible for ensuring that all data is input correctly to the payroll system and that all deadlines are met.
- E.6.8 The Governing Board shall ensure that settlement of any loans is agreed when completing the leaving notice.
- E.6.9 The Governing Board shall determine an appropriate staffing establishment in consultation with the Head Teacher, having due regard for available financial resources and the likely demand for teaching resources over the coming years.
- E.6.10 Where a school's payroll is provided by another payroll provider other than the school, the Governing Board shall ensure that:
- all appropriate payroll records are maintained and updated in respect of income tax, national insurance, statutory sick pay and pension contributions;
 - all relevant payments are made by the payroll provider in respect of HMRC, Teachers' Pension Agency (TPS) and other bodies for which deductions from gross pay are made;
 - the payroll provider has in place appropriate insurance cover to indemnify the school against any loss arising from error or fraud during processing of the school payroll.

E.7 Expenditure – Petty Cash

- E.7.1 The Governing Board is responsible for funding their petty cash imprest accounts out of their bank accounts.
- E.7.2 The Governing Board shall ensure that petty cash is properly accounted for and reconciled on a monthly basis (also taking into account VAT where applicable). Head Teachers shall review and sign these.

E.7.3 School officers administering petty cash must ensure that expenditure conforms to the legal and justifiable tests as for general expenditure. Proof of expenditure must be obtained and retained in all cases and documentation must be retained in accordance with general expenditure items. Where appropriate an official receipted VAT invoice must be obtained.

E.7.4 The Governing Board must make adequate arrangements:

- for the safe custody of cash held;
- to ensure the float is never used to cash personal cheques or to make personal loans;
- to ensure the prompt recording of transactions;

E.8 Expenditure – Capital

Capital expenditure is money spent to acquire, improve or upgrade physical assets such as buildings and machinery which provides benefits for a period exceeding one year. This may include work on the school site, playing fields, buildings, vehicles or other equipment.

E.8.1 Capital expenditure generally falls outside the Scheme for Financing Schools. However, capital expenditure may be financed from delegated budgets. Where the school charges elements of expenditure relating to capital works, to its budget share, these financial regulations shall apply. These financial regulations shall not apply to expenditure which is the responsibility of the diocesan boards or other funding agencies.

E.8.2 The Governing Board shall ensure that items below £5,000 are not capitalised, in line with the Scheme for Financing Schools.

E.8.3 The Governing Board shall seek the consent of the LA, where the premises are owned by the LA, for the extension of buildings and any external works that will impact on play areas or playing fields.

E.8.4 The Governing Board shall not enter into a contract for the construction of any works or buildings or, for the acquisition of any vehicles, plant, computer or other equipment through a finance lease, hire purchase or any other form of credit arrangement without prior consent, in writing, from the Corporate Director Finance and Resources.

Income & Expenditure

E.9 Taxation

- E.9.1 It is the responsibility of the Corporate Director Finance and Resources to make arrangements for the completion of all returns to the HM Revenue & Customs (HMRC). Head Teachers must provide information to the Corporate Director Finance and Resources in the format and timetable required in order to meet these responsibilities.
- E.9.2 The Governing Board is responsible for VAT on expenditure and income. A number of school services attract VAT, which must be passed on to customers and separately accounted for.
- E.9.3 The majority of payments made to suppliers and contractors will be subject to VAT. In these cases an original VAT invoice must always be obtained. A supplier not registered for VAT is not entitled to charge VAT. VAT invoices must contain certain information, details of, which are set out via the link below. This link also sets out a number of practical guidelines, which must be observed:
<https://www.gov.uk/guidance/vat-guide-notice-700>
- E.9.4 Heavy penalties will be imposed on the LA if it submits incorrect VAT returns. Any penalties resulting from an incorrect declaration will be charged to the school concerned.
- E.9.5 The Governing Board must submit a monthly return to the Schools Finance Team providing details of VAT charged and paid. These returns will be in a format notified by the Corporate Director Finance and Resources and must be submitted within specified timescales.
- E.9.6 Payments to subcontractors for work of a construction nature are subject to HMRC Construction Industry Scheme (CIS) special verification and reporting rules. Schools are exempt where a contract is between the school/Governing Board and the subcontractor (not with the LA). This means the school can pay the subcontractor direct and do not have to report details of payments made for construction operations under the Construction Industry Scheme (CIS). However, where there is work of construction nature on a school and the contract is between the subcontractor and the LA, in this case invoices are paid and reported for CIS purposes by the LA.
- E.9.7 The Governing Board shall ensure that all payments to employees and former employees of salaries and wages, including London Weighting, overtime, fees, commissions, bonuses, performance related pay, contract additions, leased car allowances, honoraria, sickness payments (including SSP and SMP), holiday pay, pensions compensation, other emoluments and other taxable and/or superannuable payments are made through the school's payroll system. These must not be paid out of petty cash, or through the school's payment systems. This is essential to ensure that all statutory deductions and pension contributions are correctly made and paid over.

- E.9.8 The Governing Board shall ensure that all payments to self-employed persons employed by schools, as consultants or temporary workers, are treated with extreme care. The Governing Board is responsible for assessing employment status in respect of any service providers engaged with the school. In practice this may be an individual providing services such as teaching, lecturing, coaching, consulting, training, etc.
- Where the individual concerned represents a bona fide company, the payment should be made directly to the company.
 - Where it is not possible to determine employment status, the school shall seek advice from the LA's Finance Analyst (Tax/ Exchequer & Controls).
 - If there is any doubt, the person must be paid through the payroll.

F. RISK MANAGEMENT AND CONTROL OF RESOURCES

Risk Management is the process of defining risks that threaten a school, understanding how to handle them and averting the danger in an efficient and cost-effective manner. Good risk management ultimately saves time, assets, income and other important resources, and prevents the risk of loss, fraud and liabilities.

F.1 Risk Management and Insurance

- F.1.1 The Corporate Director Finance and Resources is responsible for the preparation and promotion of the LA's risk management policy statement.
- F.1.2 The Corporate Director Finance and Resources, or under arrangements approved by him, shall effect all insurance, subject to any liability imposed on the LA by statute or other legal obligation.
- F.1.3 The Governing Board shall be responsible for ensuring that assets under their control have appropriate insurance cover within the overall guidance issued and must review on an annual basis the level of risk cover required.
- F.1.4 The Governing Board shall:
- ensure that adequate risk management controls are implemented, monitored and reviewed;
 - notify the relevant Insurance Service immediately of any loss, liability or damage that may lead to a claim against the school;
 - notify the relevant Insurance Service of all new risks, properties or vehicles that require insurance and of any alternations affecting existing insurances;
 - consult with the Corporate Director Finance and Resources and the Solicitor to the LA on any terms or any indemnity that the LA is requested to enter into on behalf of the school.
- F.1.5 When considering how much liability insurance to ask for from a provider, the Governing Board must ask these three questions first:
- a) What is the worst that could go wrong?
 - b) How much would that cost to fix?
 - c) Who should be responsible for such costs?

When these are answered, the amount of liability insurance to request will be easy to work out on a case-by-case basis. Governing Bodies should contact the Insurance team for advice and guidance if required.

- F.1.6 The Governing Board shall ensure that all individuals or bodies who make lettings applications confirm that they have adequate insurance arrangements by signing an appropriate Lettings Terms and Conditions form before the application is accepted. A copy of this document shall be retained by the school.
- F.1.7 The Governing Board shall ensure that all school officers that make use of private vehicles in the course of their duties, have arranged appropriate business use cover and such cover is evidenced by the production of certificates of insurance.

F.2 Internal Controls

Internal Controls include policies and procedures that:

- *pertain to the maintenance of accurate and reasonably detailed records;*
- *provide reasonable assurance that transactions are properly recorded and authorised;*
- *safeguard assets.*

F.2.1 The Corporate Director Finance and Resources shall make arrangements for the production and publications of an annual independent statement on internal control and risk management.

F.2.2 The Governing Board and Head Teacher shall ensure that:

- adequate systems of internal control are established, adhered to, tested and reviewed in order to be confident in the areas set out in the annual assurance matrix;
- staff have a clear understanding of the consequences of lack of control and knowledge of Financial Regulations.

F.2.3 The Governing Board shall put in place appropriate measures to achieve effective internal financial controls. These may include:

- Adequate operation of budgetary control and accounting systems;
- Adequate supervision;
- Physical safeguarding of property and staff;
- Segregation of duties;
- Maintenance of local information systems;
- Adherence to authorisation and approval process.

F.3 Schools Financial Value Standard (SFVS)

The SFVS is a self-assessment of the school by the Governing Board on the effectiveness of their financial management. The SFVS will inform the LA program of internal audit and auditors will have access to the standard and will check whether the schools self-assessment is in line with their own judgement. Auditors will report any major discrepancies to the Corporate Director Finance and Resources and the Corporate Director of Children, Young People & Community Development.

F.3.1 The Governing Board shall comply with the DfE Schools Financial Value Standard (SFVS) by the completion and submission of the self-assessment to the LA.

F.3.2 The Governing Board shall ensure that the SFVS is completed, signed by the Chair of Governors and submitted to the Schools Finance Team prior to 31st March each year.

- F.3.3 Where schools fail to complete the self-assessment by 31st March, the LA may take the following action:
- Issue a notice of concern;
 - Publish the names of schools who did not submit the assessment in time or not at all;
 - Withdraw financial delegation.

F.4 Audit Requirements

- F.4.1 The Corporate Director Finance and Resources will ensure that a Corporate and annual audit plan is prepared by the Head of Audit and Investigations which takes account of the characteristic and relative risks of the activities involved. The Corporate Director Finance and Resources is responsible for ensuring that adequate arrangements are made for the effective delivery of this plan. Audit visits shall examine accounting, financial and operational aspects of school activity.
- F.4.2 The Corporate Director Finance and Resources will ensure that the Corporate Director of Children, Young People & Community Development, the Head Teacher and Chair of Governors receive suitable reports setting out the findings of all internal and external audit reports of a school.
- F.4.3 The Corporate Director Finance and Resources, or authorised representative including external auditors, shall have authority to:
- enter any municipal building, land or area where records relating to any activity of the LA, its partners, contractors or anybody partly or wholly funded by the LA, are, or may be, held. This includes maintained schools. If necessary they can conduct searches of those areas, including cabinets, workspaces, desks, for the purposes of locating documents or other material relevant to any matter under investigation. Where necessary they can remove and examine IT equipment.
 - access all records, data, computer systems, correspondence and any other source of information relating to any matter under examination and remove any documents and records as deemed necessary. This will include documentation held by schools in respect of organisations that are partners of the school or are providing services on behalf of the school.
 - request and receive such explanations as are considered necessary concerning any matter under examination.
 - request any person holding or controlling cash, stores or any other school property to produce such items for examination. These may be removed as deemed necessary.

For the avoidance of doubt, the authority detailed above includes both foundation and voluntary aided schools, and any other establishment operated within the LA's accounts.

In relation to rights of access, the Corporate Director Finance and Resources and his representatives are expected to have a personal responsibility to observe the highest standards of confidentiality and personal integrity.

- F.4.4 The Governing Board must:
- ensure that the Head Teacher and other school officers respond within the given timescale to recommendations in both internal and external audit reports;
 - ensure that agreed actions arising from the audit recommendations are carried out within the given timescales;
 - monitor the reasons for any failure by the Head Teacher or other school officers to implement those audit recommendations.
- F.4.5 It is advised that the Governing Board shall maintain a risk register within the school, informed by regular reviews and assessments of risks and to identify and document actions to mitigate those risks.
- F.4.6 The Governing Board must ensure that new systems for maintaining financial records, or significant changes to such systems, are discussed with the Schools Finance Team and the Audit and Investigations Service prior to implementation.

F.5 Financial Irregularities

Any matter that arises which involves, or is thought to involve, irregularities concerning cash, stores or other property of the LA or any suspected financial irregularity in the exercise of the functions of the LA. This includes anything that can detrimentally affect the LA's interests.

- F.5.1 Every school officer has a duty to report any suspected breach of financial regulations, irregularity or suspected irregularity as soon as the matter is identified, to the Head Teacher or the Governing Board, or if circumstances dictate, directly to the Audit and Investigations Service.
- F.5.2 The Governing Board shall ensure that the LA's Whistleblowing Policy is fully distributed and made available to all school officers and governors for reference. This policy applies equally to all school officers and ensures that officers can report their concerns in confidence. The LA has a statutory duty, under the Public Interest Disclosure Act 1998, to protect whistle-blowers from recrimination. Details of the policy can be found on Best Brent or can be obtained from the Schools HR Team or the Audit and Investigation Service.
- F.5.3 The Governing Board has a duty to notify the Corporate Director Finance and Resources immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the LA's property or resources. Pending investigation and reporting, the Governing Board should take all necessary steps to prevent further loss and to secure records and documentation against removals or alteration.
- F.5.4 The Governing Board must keep a service-based register of gifts and gratuities received by officers. Offers, gifts or inducements for favour shall be declined, fully recorded by the school officer or governor and reported and minuted at the next meeting of the Governing Board. This requirement does not extend to minor items which are considered to be of token value such as stationery, calendars, pocket diaries, chocolates, etc. The Governing Board must set a policy regarding the

acceptance of any gifts and gratuities, which clearly stipulates a cash limit above which all items must be recorded.

F.6 Money and Banking

- F.6.1 The Governing Board must ensure that adequate security arrangements exist for the holding of cash including controlling access to safes and other receptacles. Cash holdings should be kept to a minimum at all times.
- F.6.2 The Governing Board shall maintain such bank accounts as it, in consultation with the Corporate Director Finance and Resources and the Corporate Director of Children, Young People & Community Development, considers necessary for the efficient operation of the school's finances under arrangements approved by the Corporate Director Finance and Resources.
- F.6.3 The Governing Board is responsible for approving the authorised signatories to all bank accounts within their school and for ensuring that there is more than one signatory.
- F.6.4 The Governing Board shall ensure that all transfers between accounts, unless undertaken automatically by the school's bank to optimise investment funds, are authorised in writing by the Head Teacher.
- F.6.5 The Governing Board ensure that all any income relating to delegated public funds are not, at any point, paid into or accounted for by voluntary or non-public funds held by the school.
- F.6.6 The Governing Board shall make arrangements with the bank to provide statements of account, together with supporting documentation, at pre-determined intervals. To enable the LA's statutory accounts to be closed on a proper basis it is essential that a statement is obtained showing the position at the close of business on 31st March, or the last banking day prior to the 31st March.
- F.6.7 The Governing Board are responsible for the effective management of cash flow through their bank accounts.
- F.6.8 The Governing Board shall ensure that all school bank accounts are administered effectively and reconciled to the school's accounting system at least on a monthly basis. This includes investment accounts, bonds and any monies held on deposit with approved banks and building societies and sourced by public funds. The reconciliation shall be reviewed by the Head Teacher and evidenced in writing.
- F.6.9 The Governing Board shall maintain a cash book and other records of all transactions passing through those bank accounts and shall ensure that such records are balanced and reconciled at periods of no less than one month and that prompt action is taken on any discrepancy.

- F.6.10 Imprest and petty cash bank accounts must not be overdrawn at any time. The Governing Board must ensure that their bank account(s) remain in credit.
- F.6.11 School officers shall not use their own private bank accounts for the purposes of making payments or banking income relating to the school.

F.7 Property, Stock and Equipment

- F.7.1 The Corporate Director Finance and Resources shall maintain an appropriately valued asset register of all the LA's land and buildings.
- F.7.2 The Governing Board must maintain an inventory of valuable goods and equipment. The inventory must be kept in a secure place and should include:
- All items with a value over £1,000 (the LA strongly suggests that all items over £100 should be included);
 - All items with a value under £1,000 if they may be regarded as portable, desirable items that are susceptible to unauthorised removal;
 - A full description of the items including a note of any security markings and identification numbers etc.
- F.7.3 The Governing Board should ensure that a comprehensive inventory check is carried out at intervals of no more than twelve months. These checks shall be evidenced in writing and the Head Teacher shall certify that checks have been undertaken to their satisfaction. A copy of the certified inventory should be presented to the Governing Board.
- F.7.4 All assets should be held in the name of the LA or school and not in the name of individual officers or their post titles. It is important that valuable items are held in a secure environment commensurate with the value of the items and the cost of security. Large cash holdings should be kept in a suitable locked safe. Keys should be kept in a secure place or retained by the key-holder at all times. All officers should be aware that many documents such as cheque books, savings books, securities and order pads are the equivalent of cash and must be treated accordingly. It is not acceptable to leave safes unlocked during working hours or to leave cash holdings in unlocked desk drawers or filing cabinets. The LA's insurance policy may be invalidated if appropriate security measures are not taken.
- F.7.5 The Governing Board is responsible for maintaining the security at all times of all land, buildings, stores, equipment and other property under their control. Head Teachers must ensure that land and buildings are adequately secured to prevent against unauthorised access or possession. Where the Governing Board feels that special security arrangements are required it should consult the Corporate Director Finance and Resources and/or the Corporate Director of Children, Young People & Community Development.

- F.7.6 The Governing Board shall be responsible for the care and custody of the stores held in their school, which should not be held in excess of economic requirements.
- F.7.7 The Governing Board and Head Teacher shall annually review their use of property for the purpose of identifying surplus or inefficient properties.
- F.7.8 The Governing Board shall make arrangements for a periodical test check of stocks under their control by a person independent of the 'store-keeper' and shall ensure that all stocks are checked at least annually.
- F.7.9 Designated school officers shall maintain a record of all stocks and stores and shall provide the Schools Finance Team with such information as required on stocks and stores for year-end accounting purposes.
- F.7.10 The Governing Board shall ensure that where school officers are required to take assets or equipment home, this shall be properly recorded on the inventory.

F.8 Sale of Assets

Land and buildings cannot be disposed of other than in accordance with LA procedures.

- F.8.1 Where the Governing Board determines that any asset with a resale value is surplus to requirements must record that fact in writing giving the reason. A disposal file must be held by all schools for this and all other relevant information concerning the disposal, and kept for future inspection.
- F.8.2 The Governing Board must ensure that a member of school staff who determines that an asset is surplus to requirements or is involved in the disposal must never attempt to purchase it or take it for themselves. There must be a clear separation of duties.
- F.8.3 The Governing Board must appoint staff responsible for disposal whose name must be clearly identified in the disposal file. They should be instructed in writing on the disposal and will be accountable to the Governing Board and the Head Teacher for ensuring that disposal is for the best price reasonably obtainable.
- F.8.4 The Governing Board shall ensure that all paperwork in connection with the disposal is kept in the disposal file. The file should be kept for a period of six years after the disposal. The file shall include at least:
- the Head Teacher's written record declaring the asset surplus, and instructions to the person appointed as responsible for the disposal;
 - the independent valuation;
 - the advertisement;
 - the offers made; and
 - the receipt.
- F.8.5 The Governing Board shall ensure that all assets are offered to other schools before members of staff or the public. Information about the assets available should be

circulated to all schools and with adequate time allowed for them to make a bid. A sale may proceed to any person offering at or above the valuation. If there is competition, the sale should be to the highest bidder.

- F.8.6 The Governing Board shall ensure that official receipts are issued for income received. Moneys must be received and properly accounted for by someone who has not been involved in the disposal.
- F.8.7 The Governing Board must ensure the disposal is recorded on the school's inventory.

G. **PROCUREMENT AND CONTRACTS**

Under the International Financial Reporting Standards (IFRS) contracts (works, goods, supplies or services) may contain “embedded leases” that need to be disclosed. Contracts that require the use of specific assets (as defined by IFRS) are at risk and may contain such leases. These leases may not be visible or apparent and so contracts must be assessed by the Corporate Director Finance and Resources before being signed.

Leasing, loans and financial arrangements have their own specific approval process outside of the LA’s Contract Standing Orders and as such are contained within Section C.

An electronic version of the LA’s Constitution encompassing the Financial Regulations and Contract Standing Orders can be obtained here:

[Constitution \(brent.gov.uk\)](https://www.brent.gov.uk/constitution)

For the purposes of Contract Standing Order 101, schools shall substitute reference to ‘Democratic Services Manager / Deputy Director of Democratic Services’ to ‘Head Teacher and/or Chair of Governors.’

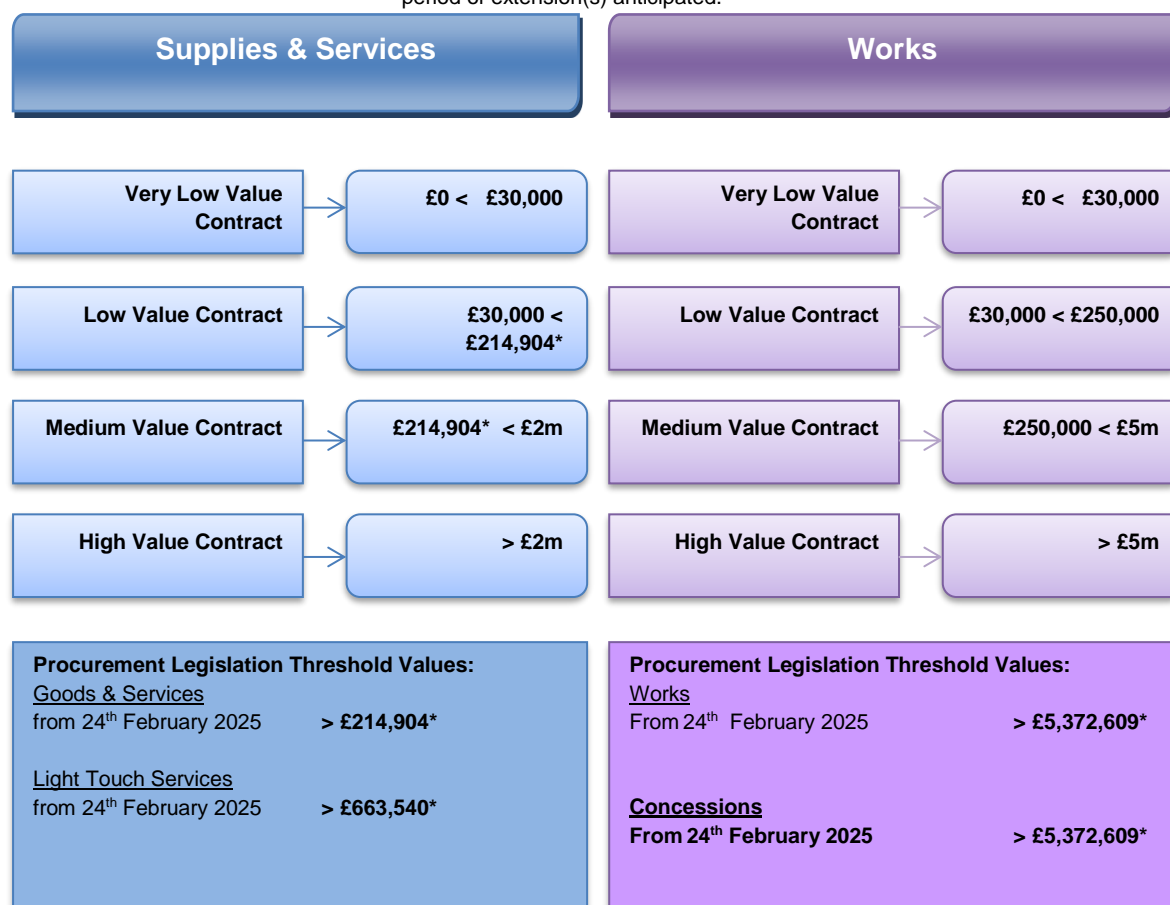
A summary of the LA’s Financial Regulations and Contract Standing Orders is provided below however, the Governing Board must be mindful of referring to and complying the full requirements contained in the LA’s Constitution, which may be amended from time to time.

- G.1 All procurement on behalf of the LA must, where applicable, comply with the Procurement Act 2023 which is supplemented by the Procurement Regulations 2024 (referred to elsewhere herein as “Procurement Legislation”), the LA’s Financial Regulations and Contract Standing Orders.
- G.2 The Governing Board shall maintain and supply the Corporate Director Finance and Resources with such information as is required for corporate compliance with these rules.
- G.3 The Governing Board has a duty to ensure that appropriate steps are taken to procure contracts in accordance with the procurement procedures set out in the LA’s Contract Standing Orders and Financial Regulations, in order to ensure compliance with the law and achieve value for money. This includes assessing the value of the contract, as the maximum amount which you expect to pay over the life of the contract including any possible extensions.

The chart below sets out different categories of contracts depending on the value of the contract (over the life of the contract, including any possible extension) for Goods, Services and Works.

Contract Value

It is a mandatory requirement to estimate a contract value at the start of a procurement. The value of the contract must be calculated as the maximum amount which you expect to pay over the entire length of the contract, including any period of extension(s) anticipated.



* When calculating the estimated value of the contract to determine whether the requirements of the Procurement Legislation apply, the contract value estimation should be **inclusive of VAT** (where applicable) from 24 February 2025. The figures in the table above which are not marked with an asterisk are exclusive of VAT. When valuing contracts the Governing Board will need to be conscious of VAT levels and whether the goods, services or works attract standard rate VAT (currently 20%), attract some other rates or are exempt or outside the scope of VAT. Advice on VAT is available from the LA's VAT officer.

**A Light Touch Service is defined as Those health, social and other related services listed in Schedule 1 of The Procurement Regulations 2024

- **Very Low Value Contract** – Although there are no formal procurement procedures for Very Low Value Contracts, the Governing Board must secure best value. The Governing Board is advised that the easiest way to demonstrate best value is either seeking three quotations or another procurement route. This is not however mandatory, but it is mandatory to keep an auditable record to demonstrate compliance and value for money.

- **Low Value Contract** – The Governing Board must seek at least three written quotations from potential providers unless the contract opportunity has been advertised. Where three quotations have been sought a record of the quotes sought and/or obtained must be recorded for audit and probity purposes.

 - **Medium Value Contract** – The Governing Board must undertake a competitive tendering exercise. Before commencing the tender exercise, formal approval to tender shall be sought from the Governing Board (or Head Teacher where the Governing Board has delegated this responsibility). In seeking approval to tender a report shall be submitted to the Governing Board, or Head Teacher as the case may be, which addresses the pre-tender considerations set out in the LA's Contract Standing Order 89, to include details of the criteria for evaluation and award. The tendering exercise must be advertised the Central Digital Platform, a web-based facility operated by the Minister for the Cabinet Office and that the school must use to advertise contract related notices, including contract opportunities on or after 24 February 2025. Where the contract is above the relevant threshold and the Procurement Legislation apply in full to the procurement, a tender notice (advert) must be placed on the Central Digital Platform. Where a Governing Board elects to utilise the LA's e-Tendering system to advertise and run the procurement, they must then comply with Contract Standing Order 100 (e-Tendering and e-Auctions). Following receipt and evaluation of tenders, approval for the award of contract shall be sought from the Governing Board (or Head Teacher where the Governing Board has delegated this responsibility) by way of a report setting out the outcome of the tender process and evaluation.

 - **High Value Contract** – The Governing Board shall obtain approval from the LA's Cabinet before the procurement process is started. In seeking the LA's Cabinet approval to tender, the Governing Board shall address the pre-tender considerations set out in the LA's Contract Standing Order 89, to include details of the criteria for evaluation and award. The requirements for the tender exercise will be the same as for Medium Value Contracts set out above. Following receipt and evaluation of bids, further Cabinet authority must be sought prior to awarding the contract.
- G.4 The Governing Board shall ensure that when valuing a rolling contract with no defined termination date, the contract is valued by estimating the maximum possible value, including VAT, taking into account any potential extensions, renewals and additional goods/services.
- G.5 The Governing Board shall consider whether a contract should be subdivided into lots and if a decision is decided not to subdivide into lots, shall record the reason for such decision in writing. Contracts must not however be subdivided into lots to avoid competitive tendering. The estimated value of contracts split into lots shall be calculated using the total value of all lots.
- G.6 The Chair of Governors and the Head Teacher shall make appropriate arrangements for the receipt and opening of tenders that ensure that each tenderer is treated fairly

and equally and the LA's interests are protected. Unless the LA e-Tendering system is used, tenders shall be addressed to the Head Teacher and remain in their custody until the time appointed for opening.

- G.7 For **High Value Contracts**, unless the LA e-Tendering system is used, tenders shall be addressed to the Chair of Governors or the Head Teacher and the tender shall remain in their custody until the time for opening. Tenders for contracts with this value must also be opened and tender details recorded by the Chair of Governors or the Head Teacher and one other officer.
- G.8 Subject to compliance with the Procurement Legislation, in cases of extreme urgency, e.g., where there is an immediate danger to life, limb or property, competitive tenders need not be invited only to the extent necessary to procure Services, Goods or Works necessary to deal with the immediate urgent situation provided that advice is sought from the LA's Director of Law.
- G.9 Subject to compliance with Procurement Legislation, schools may consider using a Framework Agreement, Dynamic Purchasing System ('DPS') or Dynamic Market established pursuant to the LA's Contract Standing Orders, or by another contracting authority, rather than carrying out a formal tendering procedure. In such cases, the Governing Board must ensure that the Framework Agreement or DPS or Dynamic Market is suitable for the goods, services or works being procured and that the use of the Framework Agreement or DPS or Dynamic Market is legally permissible. Advice may be sought from the LA's Director of Law, as to whether the use of a Framework Agreement or DPS or Dynamic Market would be legally permissible.
- G.10 Subject to compliance with the Procurement Legislation, where schools consider that there are good operational and/or financial reasons for not procuring and/or awarding a contract in accordance with Contract Standing Orders or Financial Regulations, a report should be submitted to the LA's Cabinet seeking a waiver/exemption from complying with Contract Standing Orders or Financial Regulations in these respects.
- G.11 The LA's Director of Law and the Corporate Director Finance and Resources or his representative must be invited to be advisers to all Tender Panels for evaluation of High Value Contracts as defined under the LA's Contract Standing Orders.
- G.12 The Governing Board shall maintain a record of all tenders invited and received by them and of all contracts entered into on behalf of the LA and shall record the reasons for non-acceptance of a tender or the rejection of a contractor who has not been included in a tender short-list.
- G.13 The Governing Board shall ensure that no contract subject to the full application of the Procurement Legislation is awarded without the mandatory standstill period being complied with.
- G.14 The Governing Board shall ensure that where a contract exceeds £500,000 in value, or is likely to exceed that amount, it shall be contained in a formal document executed as a deed.
- G.15 Every school officer has a legal and personal duty to notify the Chief Executive in

writing immediately if they discover that the school has entered or intends to enter into a contract in which he or she has a direct or indirect pecuniary interest. Further guidance on this matter can be sought from the LA's Director of Law.

H. **INVESTMENTS AND TRUST FUNDS**

- H.1 The Governing Board shall ensure that all investments of money under the school's control are made in the name of the school where legally possible.
- H.2 The Governing Board shall ensure that all securities that are the property of, or in the name of, the school are held in custody under safe arrangements previously made or agreed by the Corporate Director of Children, Young People & Community Development.
- H.3 The Governing Board shall ensure that all trust funds held by the school are, where legally possible, in the name of the school.
- H.4 The Governing Board shall ensure that all officers acting as trustees by virtue of their official position deposits all securities, certificates and similar documents relating to the trust in accordance with prior arrangements approved by the Corporate Director of Children, Young People & Community Development subject to advice from the Corporate Director Finance and Resources unless any trust deed otherwise provides.

I. **CUSTODY OF THIRD PARTY PROPERTY**

- I.1 The Governing Board shall ensure that where it becomes necessary to hold property on behalf of a member of the public or other third party, an itemised inventory is maintained of all such items.
- I.2 The Governing Board shall make secure arrangements for the custody of such property, including cash, and shall arrange for periodic checks by a person other than the employee responsible for its custody.

J. **ESTATES**

- J.1 The LA's Director of Law shall have custody of all title deeds and shall make secure arrangements for their custody.
- J.2 The Governing Board shall ensure that where a school proposes to build another building, the matter is referred to the LA's Director of Law for advice as to the legal effect of the transaction.

K. RETENTION OF DOCUMENTS

- K.1 The following items must be retained indefinitely or during the whole of the school's possession of the relevant asset and for twelve years afterwards:
- Property deeds, contracts and leases relating to land and buildings in the ownership or occupation of the LA or Governing Board.
 - Share certificates, stocks, bonds and other securities together with any appropriate contracts of purchase or sale.
 - Guarantees, indemnities, insurance policies.
- K.2 All other contracts carried out under the seal of the LA must be retained for twelve years after completion of the contract.
- K.3 LAs are required by statute to retain all accounting documents for a minimum of six years plus the current tax year. The statute of limitations for contracts not under seal applies for six years after completion of the contract. In addition, HM Revenue & Customs may inspect documents for periods of six years. Officers can be held personally liable where documents required are not available. In order to give effect to these requirements the following documents must be retained for a minimum of six years plus the current tax year:
- All accounting documents including invoices, contract certificates, paid cheques, bank statements;
 - Debtor accounts, income receipts and associated documents;
 - All contracts not under seal for works, goods or services (six years after completion of the contract);
 - All tender and related documents (six years after completion of the contract);
 - Details of salaries, wages and superannuation payments including particulars of pay calculations, copy payslips, P60 documents.
- K.4 The Governing Board shall consult with the Audit and Investigations Service before copying documents not previously copied or before using a new method, to ensure such methods would be accepted for evidence purposes.
- K.5 The Governing Board shall nominate a member of school staff to make safe arrangements for the storage and review of information. All records must be properly indexed to allow efficient recovery.

L. **NON-OFFICIAL FUNDS**

A non-official fund refers to both voluntary and private funds which do not contain official money or delegated funding from the LA. It is controlled wholly or in part by the Head Teacher by reason of their employment by the school.

These Financial Regulations as a whole does not apply to non-official funds, but the Governing Board is advised to ensure similar standards of accounting are exercised in relation to these funds to ensure an effective control framework.

The following regulations however do apply.

- L.1 The Governing Board shall ensure that non-official funds are never mixed with official (delegated) funds. The Governing Board shall ensure that any income which properly relates to the school's delegated budget is not credited to a non-official fund.
- L.2 The Governing Board shall arrange for voluntary and any other non-public funds to be the subject of an annual independent audit by an auditor appointed by the Governing Board.
- L.3 The Governing Board shall ensure that the audits of non-official funds are completed within three months of the end of each financial year.
- L.4 The Governing Board shall ensure that the auditor is not an employee, and shall be independent of the school, and not associated with the fund in any capacity. Funds in excess of £20k shall be audited by a qualified accountant who will provide a certificate in accordance with published professional standards. Funds below £20k does not need to be audited by a qualified accountant but must be audited by a suitable individual familiar with the principles of accountancy.
- L.5 The Head Teacher shall ensure that a report of the annual audit is submitted to the Governing Board for review.
- L.6 The Governing Board shall provide annual audit certificates to the LA's internal auditors in respect of voluntary and private funds held by the school.
- L.7 The Governing Board shall ensure its oversight of the management of non-official funds by regularly reviewing reports on income received, major items of expenditure, the balance of the funds, and certified reconciliations.
- L.8 The Governing Board shall not use non-official funds to make overtime payments to school officers or for payment of fees to school officers carrying out additional work as part of their normal school duties.
- L.9 The Governing Board shall not reclaim VAT on non-official funds, unless the fund is separately registered for VAT.

M. INFORMATION SYSTEMS

- M.1 The Governing Board shall retain overall responsibility for data protection, and the school shall be registered under the General Data Protection Regulations and Data Protection Act 2018.
- M.2 All school officers shall take adequate steps to keep personal records up-to-date and secure in accordance with the terms of the General Data Protection Regulations and Data Protection Act 2018. This requirement shall also extend to the secure disposal of obsolete records.
- M.3 The Governing Board shall ensure that where CCTV systems are in use at the school for the purposes of preventing and detecting crime, that the General Data Protection Regulations and Data Protection Act registration shall reflect this purpose.
- M.4 The Governing Board shall ensure that all computer systems employed by the school is adequately secured against unauthorised access and use. Such measures may include:
- Appropriate physical location of equipment and locking of rooms when not in use;
 - Establishment of appropriate system users according to their job descriptions and responsibilities;
 - Use of appropriate and regularly updated passwords to prevent unauthorised access;
 - Use of screensavers and time-out routines to prevent unauthorised access and viewing of data on screen.
- M.5 The Governing Board shall ensure that rigorous procedures exist to secure a regular back-up of data and systems held on computers. Back-up media shall be appropriately secured and should be held remotely from the computers to which they relate. This may include securing off-site copies. Back-up and restore routines shall be regularly tested to ensure that data and systems can be restored if necessary.
- M.6 The Governing Board shall establish a disaster recovery plan which considers the recovery of records and data in the event of a serious incident such as fire. Where possible this plan shall be tested to ensure that school business shall continue as far as is possible. These arrangements shall cover not only reconstitution of records but also the prompt sourcing of appropriate replacement equipment, and ensuring that manual records are stored in a secure manner as possible.
- M.7 The Governing Board shall ensure that adequate systems exist for the detection and prevention of infection from computer viruses. Such defences shall be subject to regular update, and the Head Teacher shall ensure that such procedures exist which prevent staff from using computers, which are thought to be infected.

ANNEX A – LIST OF MAINTAINED SCHOOLS (at June 2025)

NURSERY (4)

College Green Nursery School & Services
Curzon Nursery School & Family Wellbeing Centre
Fawood Nursery School & Family Wellbeing Centre
Granville Plus Nursery School

PRIMARY (45)

Anson Primary School
Avigdor Hirsch Torah Temimah Primary School
Barham Primary School
Brentfield Primary School

Carlton Vale Infant School
Chalkhill Primary School
Christ Church CofE Primary School
Convent of Jesus and Mary RC Infant School
Donnington Primary School
Elsley Primary School
Fryent Primary School
Harlesden Primary School
Islamia Primary School
John Keble CofE Primary School
Kingsbury Green Primary School
Leopold Primary School
Lyon Park Primary School
Malorees Infant School
Malorees Junior School
Mitchell Brook Primary School
Mora Primary School
Mount Stewart Infant School
Mount Stewart Junior School
Newfield Primary School
Northview Primary School
Oliver Goldsmith Primary School
Our Lady of Lourdes RC Primary School
Park Lane Primary School

Preston Park Primary School
Princess Frederica CofE Primary School
Roe Green Infant School
Roe Green Junior School
Salisbury Primary School
Sinai Jewish Primary School
St Joseph's RC Junior School
St Joseph's RC Infant School
St Joseph's RC Primary School
St Mary Magdalen's Catholic Junior School
St Mary's CofE Primary School

St Robert Southwell RC Primary School
The Kilburn Park School Foundation
The Stonebridge School
Uxendon Manor Primary School
Wembley Primary School
Wykeham Primary School

SECONDARY (2)

JFS
Newman Catholic College

SPECIAL (1)

Phoenix Arch School

PRUS (2)

Ashley College
Brent River College

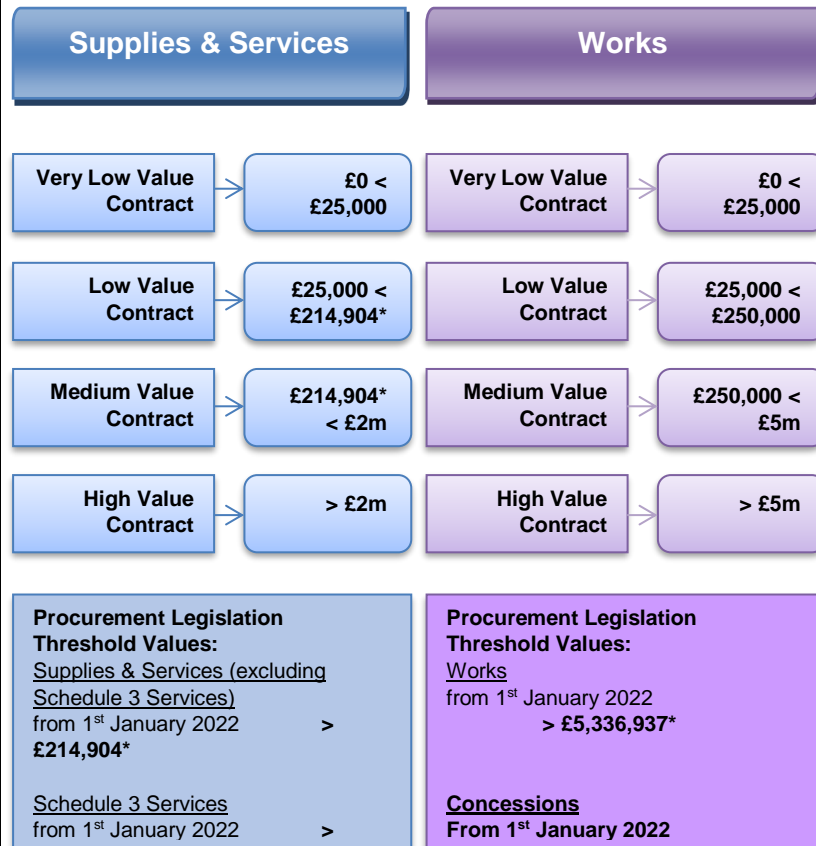
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APPENDIX D
SUMMARY OF CHANGES:
2025-26 SCHOOLS FINANCIAL REGULATIONS

	Previous Wording	New Wording	Reason for change
Page 145	<p>Annex A – List of Maintained Schools</p>		
	<p>G.3 The Governing Board has a duty to ensure that appropriate steps are taken to procure contracts in accordance with the procurement procedures set out in the LA's Contract Standing Orders and Financial Regulations, in order to ensure compliance with the law and achieve value for money. This includes assessing the value of the contract, over the life of the contract including any possible extensions.</p>	<p>This has been updated to removed two schools that converted to Academies in 2024/25.</p> <p>G.3 The Governing Board has a duty to ensure that appropriate steps are taken to procure contracts in accordance with the procurement procedures set out in the LA's Contract Standing Orders and Financial Regulations, in order to ensure compliance with the law and achieve value for money. This includes assessing the value of the contract, as the maximum amount which you expect to pay over the life of the contract including any possible extensions.</p>	<p>Change of status</p> <p>In line with updated Procurement Legislation</p>

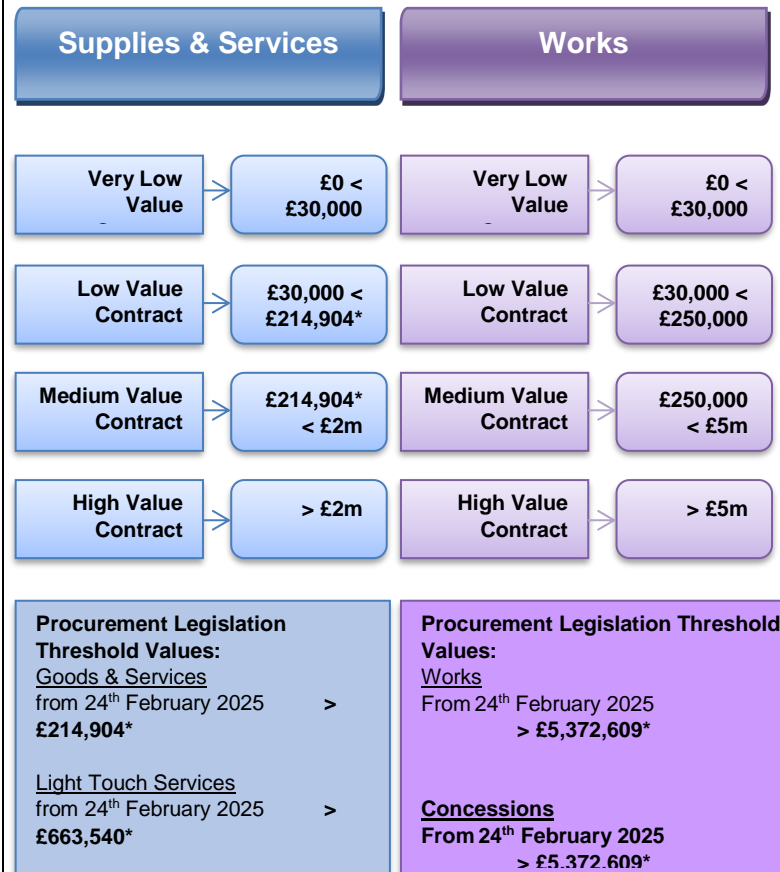
Contract Value

It is a mandatory requirement to estimate a contract value at the start of a procurement. The value of the contract must be calculated over the entire length of the contract, including any period of extension(s) anticipated



Contract Value


It is a mandatory requirement to estimate a contract value at the start of a procurement. The value of the contract must be calculated as the maximum amount which you expect to pay over the entire length of the contract, including any period of extension(s) anticipated.



<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 147</p>	<p>A Schedule 3 Service is defined as those social, educational and other specific services listed in Schedule 3 of the Public Contracts Regulations 2015.</p> <p>Very Low Value Contract – Although there are no formal procurement procedures for Very Low Value Contracts, the Governing Board must secure best value. The Governing Board is advised that the easiest way to demonstrate best value is either to seek three competitive written quotes, to use an Approved List (where one exists), or to use the Online Market Place. This is not however mandatory, but it is mandatory to keep an auditable record to demonstrate compliance and value for money.</p> <p>Low Value Contract – The Governing Board must seek at least three written quotations from potential providers and retain the quotes sought and/or obtained, or contracts must be procured through the Online Market Place.</p> <p>Medium Value Contract – The Governing Board must undertake a competitive tendering exercise. Before commencing the tender exercise, formal approval to tender shall be sought from the Governing Board (or Head Teacher where the Governing Board has delegated this responsibility). In seeking approval to tender a report shall be submitted to the Governing Board, or Head Teacher as the case may be, which addresses the pre-tender considerations set out in the LA's Contract Standing Order 89, to include details of the criteria for evaluation and award. The tendering exercise must be advertised on Contracts Finder, the Cabinet Office facility for advertising tenders. Where the Public Contract Regulations 2015 or the Concession Contracts Regulations 2016 apply in full to the procurement, a contract notice (advert) must be placed in Find a Tender (the new UK E-notification service which has replaced OJEU for the publication of notices in relation to the procurement of contracts over the relevant Thresholds) as well as on Contracts Finder. Where a Governing Board elects to utilise the LA's e-</p>	<p>A Light Touch Service is defined as Those health, social and other related services listed in Schedule 1 of The Procurement Regulations 2024.</p> <p>Very Low Value Contract – Although there are no formal procurement procedures for Very Low Value Contracts, the Governing Board must secure best value. The Governing Board is advised that the easiest way to demonstrate best value is either seeking three quotations or another procurement route. This is not however mandatory, but it is mandatory to keep an auditable record to demonstrate compliance and value for money.</p> <p>Low Value Contract – The Governing Board must seek at least three written quotations from potential providers unless the contract opportunity has been advertised and retain the quotes sought and/or obtained, or contracts must be procured through the Online Market Place. Where three quotations have been sought a record of the quotes sought and/or obtained must be recorded for audit and probity purposes.</p> <p>Medium Value Contract – The Governing Board must undertake a competitive tendering exercise. Before commencing the tender exercise, formal approval to tender shall be sought from the Governing Board (or Head Teacher where the Governing Board has delegated this responsibility). In seeking approval to tender a report shall be submitted to the Governing Board, or Head Teacher as the case may be, which addresses the pre-tender considerations set out in the LA's Contract Standing Order 89, to include details of the criteria for evaluation and award. The tendering exercise must be advertised the Central Digital Platform, a web-based facility operated by the Minister for the Cabinet Office and that the school must use to advertise contract related notices, including contract opportunities on or after 24 February 2025on Contracts Finder, the Cabinet Office facility for advertising tenders. Where the contract is above the relevant threshold and the</p>	
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APPENDIX D
SUMMARY OF CHANGES:
2025-26 SCHOOLS FINANCIAL REGULATIONS

Page 148	<p>Tendering system to advertise and run the procurement, they must then comply with Contract Standing Order 101 (e-Tendering and e-Auctions). Following receipt and evaluation of tenders, approval for the award of contract shall be sought from the Governing Board (or Head Teacher where the Governing Board has delegated this responsibility) by way of a report setting out the outcome of the tender process and evaluation.</p> <p>G.4 The Governing Board shall ensure that when valuing a rolling contract with no defined termination date, the contract is valued over a period of 48 months</p> <p>G.8 Subject to compliance with the Procurement Legislation, in cases of extreme urgency, e.g., where there is an immediate danger to life, limb or property, competitive tenders need not be invited in order to deal with the immediate urgent situation provided that advice is sought from the LA's Director of Legal & HR, Audit & Investigations.</p>	<p>Procurement Legislation apply in full to the procurement, a tender notice (advert) must be placed on the Central Digital Platform where the Public Contract Regulations 2015 or the Concession Contracts Regulations 2016 apply in full to the procurement, a contract notice (advert) must be placed in Find a Tender (the new UK E-notification service which has replaced OJEU for the publication of notices in relation to the procurement of contracts over the relevant Thresholds) as well as on Contracts Finder. Where a Governing Board elects to utilise the LA's e-Tendering system to advertise and run the procurement, they must then comply with Contract Standing Order 1001 (e-Tendering and e-Auctions). Following receipt and evaluation of tenders, approval for the award of contract shall be sought from the Governing Board (or Head Teacher where the Governing Board has delegated this responsibility) by way of a report setting out the outcome of the tender process and evaluation.</p> <p>G.4 The Governing Board shall ensure that when valuing a rolling contract with no defined termination date, the contract is valued by estimating the maximum possible value, including VAT, taking into account any potential extensions, renewals and additional goods/services</p> <p>G.8 Subject to compliance with the Procurement Legislation, in cases of extreme urgency, e.g., where there is an immediate danger to life, limb or property, competitive tenders need not be invited only to the extent necessary to procure Services, Goods or Works necessary to deal with the immediate urgent situation provided that advice is sought from the LA's Director of Law.</p>	
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	Schools Forum 18 June 2025
	Report from Corporate Director of Children, Young People & Community Development
SEND Funding Allocations for Additionally Resourced Provisions (ARPs) and Early Years	

Wards Affected:	All
List of Appendices:	Two Appendix 1: Consultation on the Revised SLA and Funding Model for Enhanced Provisions in EY Settings Appendix 2: Consultation on the Revised SLA and Funding Model for ARPs
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Shirley Parks, Director Education Partnerships & Strategy 020 8937 4529 Email: shirley.parks@brent.gov.uk Roxanna Glennon, Head of Inclusion 020 8937 2785 Email: roxanna.glennon@brent.gov.uk

1. Executive Summary

- 1.1. Schools Forum received a report on 19 June 2024 on a proposed banding SEND Resource Allocation System (RAS) to move away from the current hours led system to a needs-led, provision-based approach for mainstream schools and Additional Resource Provisions (ARPs), early years settings and post-16 settings. It was agreed that consultation would be undertaken with schools and settings in the autumn term on the proposed new approach.
- 1.2. A report on consultation with mainstream schools and post-16 colleges on a proposed RAS for mainstream schools and post-16 was received by Schools Forum in November 2024. This report provides feedback on consultation on a new approach to funding for Early Years and ARPs.

2. Recommendations

- 2.1 It is recommended that Schools Forum support the introduction of a new approach to SEND funding in Early Years settings as set out in section 4.
- 2.2 It is recommended that Schools Forum support the introduction of a standard and consistent approach to funding ARPs across the borough, as set out in section 5.

3.0 Detail

3.1 Contribution to Borough Plan Priorities and Strategic Context

- 3.1.1 The development of consistent funding approaches for Early Years and ARPs is part of the Brent Borough Plan priority 'Best Start in Life', aimed at ensuring that children and young people "receive the support they need when they need it". The recommendations specifically meet the outcome to 'raise attainment and aspirations [through] working with schools and partners [to] make sure access to education is fair and equal" (Appendix 1).

3.2 Background – Early Years

- 3.2.1 The review of ARP and EY funding represents an extension of projects initiated within the DBV programme to drive efficiency in the use of the HNB. Close to £1.1M is allocated from the HNB to the Early Years (EY) block, known as the Early Years Inclusion Fund (EYIF). Additional income for early years inclusion support comes from the Early Years block (£590K) and the Disability Access Fund (£170K).
- 3.2.2 The Early Years Inclusion Fund (EYIF), totalling just under £1.7M, is distributed as outlined in Table 1 below. This funding supports enhanced places in the Maintained Nursery Schools (MNS) Granville Plus, Curzon, and Fawood and Willow Nursery. The funds are allocated through two main channels: 'Children with Disabilities' (CWD) places and Additionally Resourced Provision (ARP) places. Additionally, EYIF provides financial support to Private, Voluntary, and Independent (PVI) settings, as well as childminders, to support children with Special Educational Needs and Disabilities (SEND) via SENIF. A breakdown of this funding can be seen in Table 1 below.

Table 1: Current allocation of HNB funding to Early Years (EY)

	Maintained	PVIs	Total
CWD	£724,988	£294,172	£1,019,160
ARP	£609,328		£609,328
	£1,334,316		£1,628,488
EY Inclusion Officer Post			£70,000
			£1,698,488

- 3.2.3 Currently, allocation of the EYIF is overseen by the Under 5s Nursery multi-agency panel (held monthly). CWD or ARP places are agreed using supporting evidence from a paediatrician report or an EHCP. SENIF funding to the PVI settings is awarded using a two-tier banding system, where either £2,850 or £4,560 top-up is awarded. The EY Inclusion Officer provides support and training to EY settings, including school nurseries.
- 3.2.4 An analysis of High Needs Block (HNB) funding allocation indicates that the Maintained Nursery Schools and Willow Nursery receive funding at a ratio of approximately 5:2 compared to PVI settings, such that for they receive £5 for every £2 allocated to PVIs.

3.3 Background - ARPs

- 3.3.1 ARPs are specialist provisions established in partnership with Brent Council to provide targeted support for pupils with Special Educational Needs and Disabilities (SEND) in both maintained nurseries and schools. Brent currently has 15 ARPs in total. 3 ARPs are located in maintained nurseries (see 3.2.2 above and Table 1), whilst 12 ARPs are located in 10 schools (9 primary, 3 secondary). Brent has 8 ARPs for children with autism spectrum condition (ASC), 2 ARPs for children with hearing impairment (HI) and 2 ARPs for children with speech, language and communication needs (SLCN). Three further ARPs/ARP expansions will be opening between September 2025 and January 2026 at Preston Park, St Margaret Clitherow and Newman Catholic College. Two further ARPs have been agreed in principle but are still at the planning stages. Discussions are ongoing with further primary and secondary schools regarding opening additional ARPs. The current and agreed planned distribution of ARPs in Brent is detailed in Table 2, below.

Table 2: ARPs in Brent (current and planned)

	School / Setting	Phase	No. places	Designation	Annual Pupil Top-up (£)
1.	Oakington Manor	Primary	21	ASC	8,931
2.	Oakington Manor	Primary	3	SLCN	2,485
3.	Fryent	Primary	42	ASC	12,413
4.	Elsley	Primary	10	ASC	12,413
5.	Newfield	Primary	12	ASC	12,413
6.	Kingsbury Green	Primary	30	HI	10,357
7.	Preston Park	Primary	7 (21)	ASC	12,413
8.	Kilburn Park	Primary	16	ASC	12,413
9.	Carlton Vale	Primary	10	ASC	12,413
10.	Preston Manor	Secondary	12	SLCN	6,492
11.	Preston Manor	Secondary	12	ASC	13,108
12.	Kingsbury High	Secondary	7	HI	10,357
13.	St Margaret Clitherow	Primary	17	ASC	TBC
14.	Newman CC	Secondary	25	SEMH	TBC
15.	QPCS	Secondary	25	TBC	TBC
16.	St Gregory's	Secondary	28	TBC	TBC
		Total:	270(284)		

	<i>Early Years</i>				
17.	Granville	Nursery	7	ASC/SLCN	11,272
18.	Fawood	Nursery	10	ASC/SLCN	10,516
19.	Willow Nursery	Nursery	12	ASC/SLCN	11,272
		Total:	29		

3.3.2. As can be seen from Table 2, at present there is no consistency in how the funding is allocated to nurseries and schools who operate an ARP. This makes it difficult for nurseries and schools to adequately plan how to resource ARPs as the funding received fluctuates year to year (as funding is dependent upon occupancy rates). In order to resolve this., a financial review was conducted, including benchmarking against other local authorities and engaging with nurseries and schools to understand the cost associated with running an ARP.

4.0 Proposed Early Years funding model

4.1 A financial review of the Granville Plus, Fawood and Curzon Maintained Nursery Schools and Willow Nursery highlights a funding shortfall across all three settings, despite allocated SENIF (CWD) and ARP funding, see Table 3. The figures in Table 3 indicate that the current funding structure does not fully cover the operational and staffing costs required to sustain the current enhanced SEND provision.

Table 3: The funding of Brent's MNSs and Willow Nursery

Nursery School	Income (£)	Expenditure (£)*	Difference (£)
Granville Plus Nursery School (7 ARP + 6 CWD FTE places)			
SENIF Funding	140,320.00		
ARP Funding	148,905.00		
TOTAL	289,225.00	324,699.88	-35,474.88
Willow Nursery (12 ARP + 15 CWD FTE)			
SENIF Funding	350,801.00		
ARP Funding	255,265.00		
TOTAL	606,066.00	691,580.76	-85,514.76
Fawood and Curzon Nursery Schools (10 ARP + 10 CWD FTE places)			
SENIF Funding	233,868.00		
ARP Funding	205,000.00		
TOTAL	438,868.00	457,375.48	-18,507.48
Total for all settings	1,334,159.00	1,473,656.12	-139,497.12

4.2 Many local authorities do not offer enhanced nursery provision. The SENIF bandings cover most levels of need and for those children with complex needs, there are some early years resourced provisions which provide specialist

support. Table 4, below, provides a summary of benchmarking carried out on SENIF.

Table 4: Benchmarking of SENIF

LA	Brent	Newham	Bristol	Lambeth	Waltham Forest	Camden
SENIF bandings	-	£1,500	£1,026	£1,050	£1,710	Pay £6.57 ph. (£7,500pa) Provide 30hrs for all 3/4yrs
	£2,850	-	£2,052	£1,200	£2,850	
	-	£3,225	£3,420	£1,600	£3,990	
	£4,560	-	£5,130	-	£5,700	
	-	£7,000	£6,840	-	-	
Enhanced provision	£23,386 (CWD) £21,272 (ARP)	£7k-18,000	N/a	£3k-18,000	N/a	£23,900

4.3 Early years is a crucial stage to ensure that children have the best start in life. It is, therefore, vital that services and provision are evidence-led and strategically aligned, staff are well-trained and parents understand their role in supporting their child to develop and progress. The work undertaken as part of this review has highlighted some key issues:

- Currently Early Years SENIF funding has only two bands. This means that emerging needs are either not supported or are financially over-supported; for children with more complex needs, PVI settings are not appropriately funded to meet need. This in turn is driving demand and pressure on the enhanced nursery settings and limiting parental choice.
- Early Years providers can face a significant administrative burden in applying for education, health and care plans (EHCPs) before a child starts school, often at a stage of a child's development where it remains uncertain what their long-term needs will be. Early Years providers need resources to be provided in a timely manner.
- Waiting times for EHCPs and paediatrician reports can impact on the allocation of places in a timely fashion contributing to empty places within settings and delayed support for children.
- SENCOs (recently surveyed) report that they find the Graduated Approach Framework useful, but they could not access funding quickly enough, particularly for those children who clearly have complex needs.
- There is a lack of clarity from the nursery settings about the difference between enhanced nursery placements and the nursery resourced provisions. The funding of different placements at different levels needs to be clearer, alongside clear reporting on delivery, from the providers.

4.4 The LA conducted a consultation with schools, EY settings, and parents to gather feedback on proposed changes to ARP and EY SEND funding. For further details on the consultations, please refer to Appendices 1 and 2. Following consultation it is recommended that:

- In Early Years, terminology 'CWD' and 'ARP' places is no longer used, with the term 'enhanced places' used to cover all places allocated additional resource
- A new SENIF banding system and Early Years Banding Matrix Resource Allocation System (RAS) is implemented. The new approach would standardise enhanced place funding. Introduction of the new SENIF bandings will mean that emerging needs are supported and not financially over-supported; for children with more complex needs, PVI settings are appropriately funded.
- New staff resource is put in place to quality assure settings receiving funding alongside a new SLA. Allocating staff resource to quality assure and oversee the use of SENIF and enhanced place funding, in addition to implementing SLAs (Service Level Agreements), would ensure the optimum use of funding, thereby improving service delivery.
- The current requirement for a child to have an EHCP and paediatrician report to be considered for SENIF and enhanced place funding is removed. The Under Fives Nursery Panel approving enhanced places in the absence of an EHCP and/or paediatric report could improve efficiency in filling available places.

4.5 Tables 5 and 6 set out the financial modelling for increasing the enhanced place top-up value to £12,500.

Table 5: Option 2 enhanced provision funding allocation

Type of Funding	Funding per place
Base funding	£10,000
Top-up funding	£12,500
Total ARP place funding	£22,500

Table 6: The financial impact of the proposed changes on Brent's MNS

Nurseries	CURZON	FAWOOD	GRANVILLE	WILLOW	Total
ARP Places (FTE)	0	10	7	12	29
CWD Places (FTE)	5	5	6	15	31
Total Enhanced Provision Places (FTE)	5	15	13	27	60
Funding Rates					
Previous ARP place funding	0	£20,516	£21,272	£21,272	
New Enhanced Place Funding from April 25	£22,500	£22,500	£22,500	£22,500	
Funding Calculation (New Rate)					
Enhanced Provision Places total from April 25	£112,500	£337,500	£292,500	£607,500	£1,350,000
Previous funding Total (CWD +/- ARP) April 25	£116,934	£322,094	£289,224	£606,069	£1,334,323
Increase from September 25	-£4,434	£15,406	£3,274	£1,431	£15,677

4.6 Increasing the enhanced place top-up value to £12,500 would bring average funding across all enhanced places to £22,500 (the agreed number of places

attract £10K base funding). The EYIF currently provides funding for 60 places in MNSs and Willow Nursery at an average of £22,238.60/place. These places would see an uplift of up to £261.40 per place on average in the level of funding allocated to enhanced nursery placements.

- 4.7 As seen in Table 7 below, the SENIF banding system would move from a two-tier banding system to a four-tier system linked to the EY RAS Matrix.

Table 7: The current and proposed SENIF banding changes

	Current funding	Proposed funding	
	Top-up payable	Top-up payable	Funding level description
SENIF bandings	-	£500.00	Targeted / Emerging needs
	-	£2,850.00	Targeted+ level of needs
	£2,850	-	
	-	£4,560.00	Specialist level of needs
	£4,560	£7,000.00	Exceptional level of need

Analysis based on nursery children in academic year 23/24, show 120 children in Band 3 and 110 in band 5. The additional banding rate for emerging needs (called Band 1) at £500 would be more appropriate for approximately a third of children on Band 3 (£2,850). This would represent a saving of £94,000 (noting however that the new band 1 (£500) may increase the number of requests for that level of funding). It is proposed that a quarter of children in the current band 5 (£4,560) would move into the exceptional level of need band (£7,000). Transition of children from band 5 (£4,560) to the exceptional level of need band (£7000) band would bring an additional cost of £65,880. Overall, the new banding system could introduce savings of £28,120 that would be used to fund staff resource to support and quality assure the enhanced provisions.

- 4.8 In 2023/24, 90 children receiving Band 5 SENIF support (at £4,560 per child) went on to be approved for Education, Health, and Care Plans (EHCPs). Since the specific EHCP banding for these children is not yet clear, model assumptions are that they are funded at an average EHCP band value of £11,916.67 to estimate the total cost of 90 EHCPs. This results in an approximate total of £1,072,500.30. If these children were approved under the exceptional needs band (£7,000), the total cost would be £630,000 for the 90 children, indicating a potential cost avoidance of £442,500.30. The exceptional needs band is designed to provide a more cost-effective and timely alternative for supporting children with additional needs.
- 4.9 Table 8 shows the total cost of the proposed new model. There is a small uplift in funding for Early Years from the HNB.

Table 8: The total cost of proposed Early Year Funding Model

Total cost	
SENIF	£364,172
Enhanced Provision	£1,350,000
	£ 1,714,172
EY Quality Assurance Post	£56,853
Potential Savings	(£ 28,120)
Proposed Total	£ 1,742,905
Current total	£1,698,488
Increase	£44,417

5.0 Proposed Funding Model for School ARPs

- 5.1 A financial review was undertaken of ARPs in school settings including mapping school costs and benchmarking with other Local Authorities. The current top-up rates for ARPs in Brent schools are provided in Table 9.

Table 9: Current ARP funding rates

Type of ARP	Name of School	Maintained/ Academy	2024-25 ARP Top-up Rate
S&L	Oakington Manor	Academy	£2,485
S&L	Preston Manor School	Academy	£6,492
ASD	Oakington Manor Primary School	Academy	£8,931
HI	Kingsbury Green Primary School	Maintained	£10,357
HI	Kingsbury High School	Academy	£10,357
ASD	Fawood Childrens Centre	Maintained	£10,516
ASD	Granville Plus Nursery School	Maintained	£11,272
ASD	Sunshine Arp (At Willow Family Wellbeing Centre)	Maintained	£11,272
ASD	Fryent Primary School	Maintained	£12,413
ASD	The Kilburn Park School Foundation	Maintained	£12,413
ASD	Carlton Vale Infant School	Maintained	£12,413
ASD	Elsley Primary School	Maintained	£12,413
ASD	Newfield Primary School	Maintained	£12,413
ASD	Preston Manor	Academy	£13,108

- 5.2 Schools were contacted to get a better understanding of the cost to run an ARP provision. They were asked to outline their costs for staffing, resources and other costs associated with operating an ARP. Of the eight schools who engaged, the average cost per child per place was £24,363.18. It is important to note that many schools included maintenance costs in their modelling, which the LA does not cover through HNB funding. The cost of speech and language

therapy was added to the costs by 5 of the 8 schools. However, starting from September 2025, this expense will be covered by the Local Authority (LA) through the wider speech and language contract with CLCH allowing ARP funding to be utilised elsewhere.

- 5.3 Benchmarking against other local authorities showed that there were two main methods of allocating funding: a banded system and a set rate for each provision. Table 10, below, outlines the different median cost per top up rate per place.

Table 10: Benchmarking of ARP provision across other London Boroughs

Local Authority	Type of System	Median Top-Up Rate
Hillingdon	Banded	£12,500
Barking and Dagenham	Banded	£9,866
Ealing	Set rate for each provision	£8,932
Hounslow	Set rate for each provision	£12,339

- 5.4 The LA conducted a consultation with schools, EY settings, and parents to gather feedback on proposed changes to how ARPs are funded and also on a proposed revised SLA. For full details on the consultation, please refer to Appendix 2. Only 3 schools responded to the ARP consultation, but the Head of Inclusion has followed this with detailed conversations with each school with an ARP. It is proposed that a single rate of £12,500 top up per child is introduced for all school ARPs. ARPs would continue to receive £6,000 base funding per child per annum place funding for occupied places, plus AWPU. The newly proposed model would result in an increase in the yearly cost of ARP provisions of £268k. This equates to £168k for the 2025/26 financial year if implemented from September 2025.
- 5.5 All schools with an ARP would see an overall increase in their top up rate, allowing there to be clarity of expectation, fairness and consistency across all ARP provisions addressing current disparities (Table 12). With a uniform rate, the administrative burden of assessing individual needs and adjusting funding accordingly is reduced, streamlining the process for both the Council and the schools. It would allow schools to plan long term as there will be a set budget year on year providing surety of funding. Schools would also have the flexibility to utilise the funding in a way that best supports the whole provision as opposed to differentiating between children as one is on a higher band than another. There is a risk that a single rate may not adequately address the varying needs of children, potentially leading to insufficient support for those with higher needs. This could impact the effectiveness of the provisions.

Table 12: Current and proposed top-up for school ARPs

School	Phase	Designation	Previous annual pupil top-up (£)	Proposed annual pupil top-up (£)	Percentage Difference (%)
Oakington Manor	Primary	ASC	8931	12500	40
Oakington Manor	Primary	SLCN	2485	12500	403
Fryent	Primary	ASC	12413	12500	1
Elsley	Primary	ASC	12413	12500	1
Newfield	Primary	ASC	12413	12500	1
Kingsbury Green	Primary	HI	10357	12500	21
Preston Park	Primary	ASC	12413	12500	1
Kilburn Park	Primary	ASC	12413	12500	1
Carlton Vale	Primary	ASC	12413	12500	1
Preston Manor	Secondary	SLCN	6492	12500	93
Preston Manor	Secondary	ASC	13108	12500	-5
Kingsbury High	Secondary	HI	10357	12500	21
St Margaret Clitherow	Primary	ASC	TBC	12500	-
Newman CC	Secondary	SEMH	TBC	12500	-
QPCS	Secondary	TBC	TBC	12500	-
St Gregory's	Secondary	TBC	TBC	12500	-
Granville	Nursery	ASC/SLCN	11272	12500	19
Fawood	Nursery	ASC/SLCN	10516	12500	11
Willows	Nursery	ASC/SLCN	11272	12500	11

6.0. Financial Considerations

- 6.1 The proposed new approach for the HNB contribution to Early Years would result in an increase of approximately £44k, raising funding from £1.698m currently to £1.743m.
- 6.2 The proposed new approach to standardise ARP rates at £12,500 would result in an increase of £268k against the overall annual budget allocation of £4.6m for ARPs (including the Maintained Nursery School ARPs). This would create an additional budget pressure of £168k for the 2025/26 financial year, if implemented from September. However, this approach would ensure consistent funding for all ARPs in Brent and provide schools that previously

received less funding with adequate resources to continue meeting the needs of children in line with other ARPs. Additionally, there should be a reduction in the number of children requiring special school places if their needs can be effectively met within an ARP.

7.0 Legal Considerations

- 7.1 The proposed funding approach is consistent with the Children and Families Act (2014) and the SEND Code of Practice (2015). An SLA will be put in place with each school and setting that sets out responsibilities, expectations and KPIs.

8.0 Stakeholder and ward member consultation and engagement

- 8.1 The Brent Parent Carer Forum as well as the High Needs and Early Years subgroups of the Schools Forum have been kept informed and provided direction and support for the proposed changes as set out in the body of the report.

9.0 Equity, Diversity & Inclusion (EDI) Considerations

- 9.1 It is considered that there have been no changes in equality implications of the proposals set out in this report compared to the current systems for funding that are in use. In addition, there is no disproportionate effect on any protected characteristic group and no adverse equalities implications.

10.0 Climate Change and Environmental Considerations

- 10.1 These changes will not impact on the Council's environmental objectives and climate emergency strategy.

11.0 Communication Considerations

- 11.1 The proposed changes have been co-designed with input from all key stakeholders, including parents, through forums and formal consultation.

Related document(s) for reference

Previous School Forum papers

Report sign off:

Nigel Chapman

Corporate Director Children, Young People and Community Development

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Appendix 1 - Consultation on the Revised SLA and Funding Model for Enhanced Provisions in EY Settings

A pack was shared with parents through the Brent Parent Carer Forum (BPCF) and to all of Brent's Early Years settings including the MNS and PVI sector nurseries, as well as child minders. This pack included a brief on the proposed changes to the current funding structure, as well as a copy of the revised ARP SLA. In total 21 responses were received including 17 from professionals and four from parents.

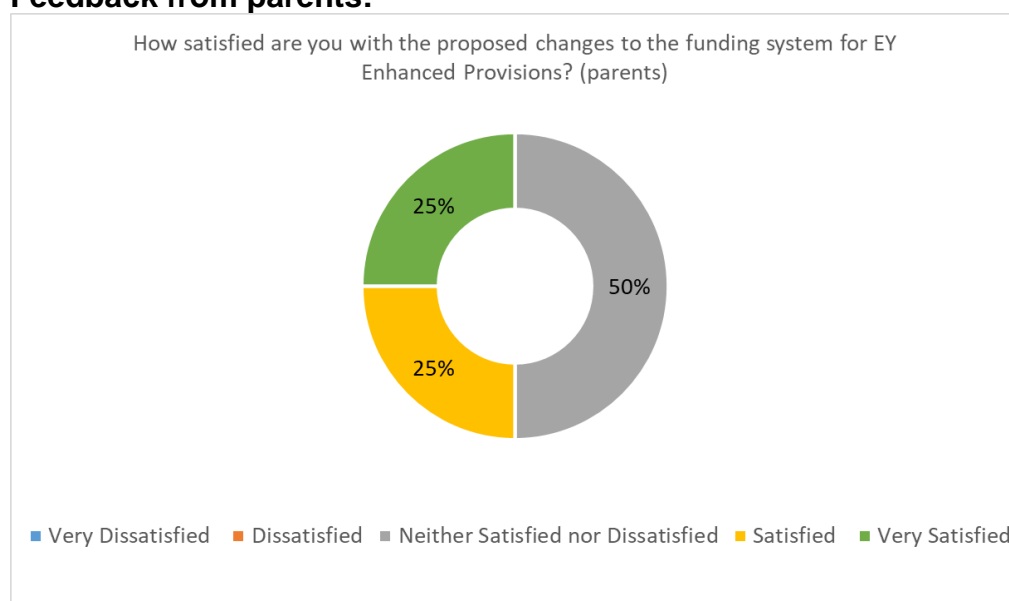
Key insights regarding the Funding structure included:

- Feedback was generally positive with 50% very satisfied and satisfied parents as well as 57% of professionals which were very satisfied and satisfied with the proposed changes to the funding structure.
- Changes to the requirements to be allocated an Enhanced place were welcomed. Feedback agreed with these changes looking to "Speed up time from when need is established to disbursement of funds."
- This consultation highlights a desire for "More training & support for PVI settings".

Key insights regarding the revised SLA included:

- Feedback was positive overall with 64% of professionals feeling very satisfied and satisfied.
- It has been said that the revised SLA have "built in more flexibility around" around the allocation of Enhanced Provision places, which "is likely to have a positive impact on support for children".
- Feedback indicates that the SLA establishes "clear guidelines on how additional funds are to be used".
- Concerns were raised regarding the notice for termination as well as the KPIs.

Feedback from parents:

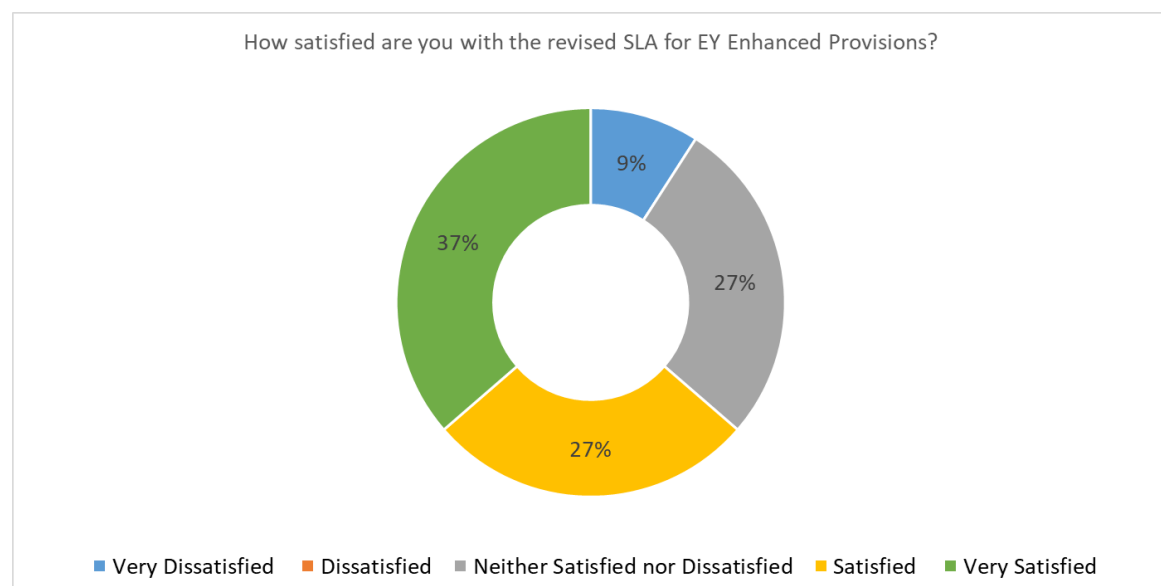
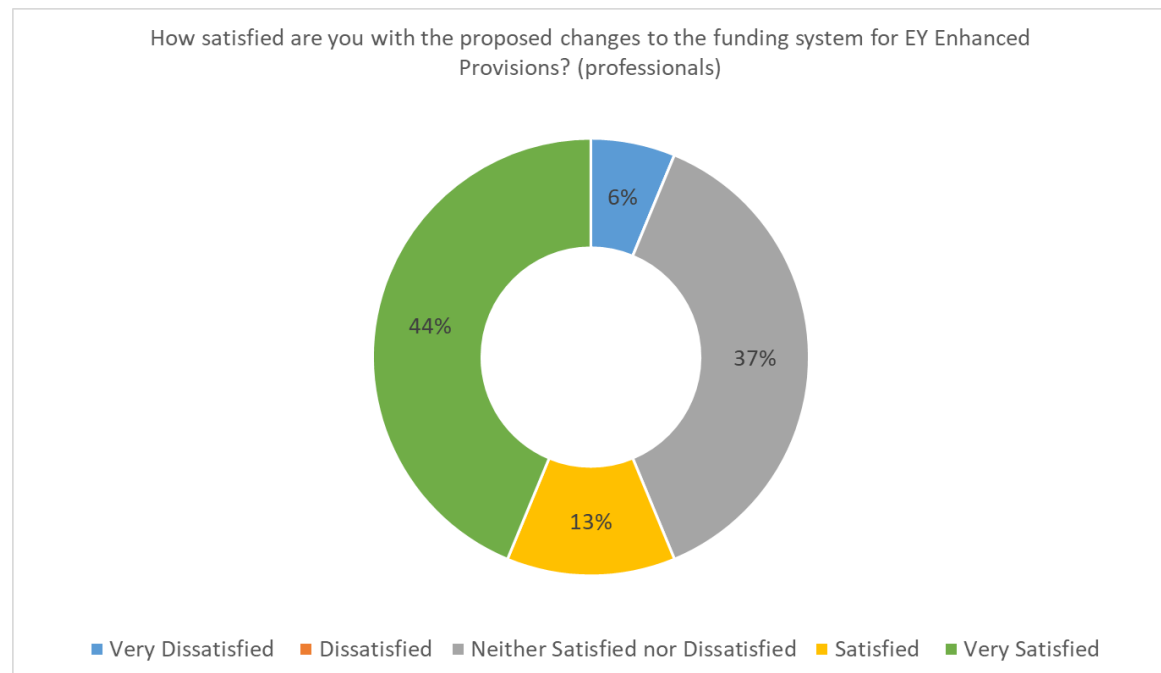


Quotes from parents:

“Will be great this funding for early education for kids. They will have more support in school. More activities what will develop them. Will be nice to introduce in the school an Aba therapist who will work with the kids’ special needs education.”

“This review and remodelling seem helpful and the most positive is providing support earlier without the need for lengthy EHCPs before support can be provided.”

Feedback from Professionals



Quotes from the professionals:

"The updated SLA provides more flexibility regarding enhanced provision, particularly in terms of staffing and children accessing places." - MNS

"I am happy to see that more financial help is given to settings to cope with the SEN area, as we have never turned down any child regardless of their need but sometimes it meant struggling financially, so happy to see this changing as we plan to cater for all children that cross our doors regardless of their needs." – PVI setting

"I however feel there's always less support for PVI's. For example, if I apply for additional support at the start (for admission) then I will receive funding at band 1 and will be stuck on this for a full year. When and if the child has more severe needs (with evidence) then it would be unfair to be stuck on band 1 but provide band 3 care and support for the child for the rest of the year." – PVI setting

"Based on the consultation it would seem that the local authority is now taking action to address the burden that providers have faced for many years. We have faced significant delays in funding at Panel leading to low funding support or delayed to additional funding to the point that we may only have one term of benefits. I am hoping your changes will have a positive impact."- Feedback from PVI via email.

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Appendix 2: Consultation on the Revised SLA and Funding Model for ARPs

A pack was shared with ARP providers which included a brief on the proposed changes to the current funding model, as well as a copy of the revised ARP SLA. In total three responses were received.

Key insights included:

- The flat £12.5k rate doesn't account for the higher costs of specialised ARPs, especially those for students with hearing impairments (HI), which have greater staffing and equipment needs.
- A request for the funding model to be reviewed annually to match teacher pay awards, given the higher costs of ARPs with specialised staff.
- Clarification is needed on whether the ARP qualifies for EYFS funding, as it serves children in EYFS settings.
- There is lack of clarity of the SLA terms including:
 - Uncertainty around the frequency and scope of school monitoring versus annual quality assurance visits.
 - The idea of multiple pupils sharing a single place is seen as unworkable with the current staffing model.

Feedback from the consultation

Feedback includes one setting being dissatisfied with the new funding structure as well as the revised SLA. Another setting was very dissatisfied with the revised SLA.

One setting provided their feedback via email which stated, *"I have read through the new ARP SLA. I like how the admissions is very clear. I agree with this new SLA."*

Quotes:

"Will the new banding model be reviewed annually to match the teacher pay awards? The running cost of our ARP is significantly higher because of the statutory need for qualified teachers of the deaf. Therefore, the proposed universal/ flat is not equitable and once again does not show a level of commitment or understanding of our context"

"Looking at the EYFS consultation it has a section on EYFS settings with ARPs. Does ours qualify as a such? We have children in our ARP and EYFS so would those get 10k base as listed in that doc or 6k as listed in the ARP doc."

"The timeframe for completing this consultation was extremely short - please increase engagement and time given in future!"

"Regarding funding - I am concerned that the increase this year is just 2% beyond current rates and that there has been no increase in previous years. There is no indication that there will be further increases in further years which places the provision at risk of being financially unsustainable."

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