



Schools Forum

Wednesday 17 June 2026 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 by viewing the live webcast which it will be possible to access [HERE](#)

Membership

Representing

<u>School Members</u>	
<u>Nursery</u>	
Nisha Lingam	Head
Angela Turner	Governor

<u>Primary</u>	
Siobhan Ali	Head
Michelle Ginty	Head
Raphael Moss	Head
Vacancy	Head
Vacancy	Governor
Vacancy	Governor
Michael Odumosu	Governor
Ernest Toquie	Governor

<u>Secondary</u>	
Vacancy	Head (maintained)

<u>Special Education Needs</u>	
Nick Cooper	Head
Jayne Jardine	Head

<u>Pupil Referral Unit</u>	
Ranjna Shiyani	Head

Academy Members	
Primary	
Vacancy	Head
Jo Jhally	Governor

Secondary	
Vacancy	Head
Jude Enright	Head
Martin Beard	Governor
Mike Heiser (Chair)	Governor
Mahendra Negi	Governor
Vacancy	Governor

Non School Members	
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Early Years PVI	Paul Russell
	Wioletta Bura

Trade Union	Lucy Cox/Jennifer Cooper
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16-19 Provider Representative	Vacancy
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For further information contact: Abby Shinhmar, Governance Officer
Email: Abby.Shinhmar@brent.gov.uk

For electronic copies of minutes, reports and agendas, and to be alerted when the minutes of this meeting have been published visit: www.brent.gov.uk/committees

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 - 10
To approve the minutes of the previous meeting held on Monday 26 February 2026 as a correct record.	
5 Actions Arising	
To consider any actions arising from previous meetings.	
6 Appointment of Vice-Chair	
To seek nominations and confirm the appointment of a Vice-Chair for the Schools Forum.	
7 Dedicated Schools Grant Outturn	11 - 32
This report sets out the final Dedicated Schools Grant (DSG) outturn against the budget set for 2024/25.	
8 SEND Reform Update	Verbal presentation
To receive an update on development of the SEND Reform proposals.	
9 Scheme for Financing Schools	33 - 146
This report details the Scheme for Financing Schools and the Schools Financial Regulations for the financial year 2026-27.	
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 10 November 2026
- Monday 7 December 2026 (additional meeting if required)
- Monday 25 January 2027
- Monday 22 February 2027

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

Date of the next meeting: Tuesday 10 November 2026

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MINUTES OF THE SCHOOLS FORUM

Held as an online meeting on Thursday 26 February 2026 at 6:00pm

Membership

Representing

PRESENT (all in remote attendance):

Governors

Mike Heiser (Chair)
Martin Beard
Jo Jhally
Mahendra Negi
Michael Odumosu

Headteachers

Siobhan Ali
Jude Enright
Jayne Jardine
Nisha Lingam
Melissa Loosemoore
Raphael Moss
Andy Prindiville (Vice-Chair)
Ranjna Shiyani
Hermann Farrington (representing Nick Cooper)

Non School Members

Wioletta Bura

Councillors

Councillor Grahl, Cabinet Member for Children's Services, Education & Employment

Trade Union

Lucy Cox

Officers

Nigel Chapman, Corporate Director Children Young People and Community Development
Shirley Parks, Director Education, Partnerships and Strategy
Gareth Drawmer, Head of Education and Learning
Folake Olufeko, Head of Finance
Ravinder Jassar, Deputy Director Corporate and Financial Planning
Roxanna Glennon, Head of Inclusion
James Kinsella & Abby Shinhmar, Governance Team

1. Apologies for Absence and Membership

Apologies for absence were received from Nick Cooper with Hermann Farrington attending as a substitute.

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 26 January 2026 as a correct record subject to the following amendment:

Reference on Page 6 to the increase in maintained nursery schools supplementary funding from £91m to £92m, being amended to reflect this represented an **uplift of 0.9%**. The hourly rate has also increased by 3.8%.

5. **Actions arising**

The Chair took the opportunity to thank Andy Prindiville for chairing the previous Schools Forum meeting.

6. **DSG High Needs Block Budgets 2026-27**

Folake Olufeko (Head of Finance, Brent Council) introduced a report that informed Schools Forum of the detailed DSG High Needs Block (HNB) budgets for adoption in 2026/27. The Forum noted the following key points as part of the update provided:

- The DfE's HNB funding had been confirmed at £95.3m for 2026/27. This was £4.3m more than that received in 2025/26 and represented an increase of 4.7%.
- £9.9m 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 £85.4m.
- The previously approved 0.5% (c£1.5m) transfer from the Schools Block to the HNB would not apply in 2026/27.
- The government had suspended the High Needs National Funding Formula (NFF), which previously determined Local Authorities' high needs allocations. As an interim measure, while the high needs funding methodology was being reviewed to ensure alignment with wider Special Educational Needs and Disability (SEND) reforms, allocations had been based on 2025/26 funding levels. Brent's HNB allocation of £95.3m for the next financial year was therefore derived from the Local Authority's 2025/26 funding, rather than a full NFF calculation that would have reflected increases in commissioned school places for children with SEND in 2026/27.
- As a result of the NFF suspension, the HNB allocation for the 2026/27 financial year did not include updated basic entitlement pupil numbers for special schools, nor the usual special free school adjustment. However, the import/export

adjustment, which reflected movements of pupils across Local Authority boundaries and the associated cost implications would continue to apply for 2026/27.

- The £4.3m year-on-year increase in funding against the HNB largely reflected the consolidation of the annualised 2025/26 Core Schools Budget Grant (CSBG) relating to special units and resourced provision. Consequently, this increase would not provide sufficient capacity to meet new demand pressures or inflationary cost increases in 2026/27.
- As part of wider SEND system reforms, a number of initiatives had been announced with further details to be set out in the upcoming Schools White Paper. The aim was to make specialist places in mainstream schools a core part of the local school offer across the country.
- The cumulative DSG deficit forecast was £18.4m by the end of 2025/26, following an in-year quarter 3 forecast overspend of £4.8m in 2025/26. As of January 2025, the number of EHCPs had increased by 8% compared to January 2024, with demand continuing to grow.
- The growth in EHCPs was a national and London wide trend, with the number of children assessed as meeting the threshold for support continuing to increase. As funding had not increased at the same pace as the increase in EHCPs, this continued to create financial pressures for many Local Authorities. This pressure was likely to be compounded by increasing price costs in the independent sector in the new financial year, associated with increasing wage costs following changes in the employer's national insurance contributions. A funding gap of up to £14.9m was forecast in the HNB for the next financial year 2026/27.
- The forecast £14.9m funding gap in 2026/27 had arisen from several cost pressures, including:
 - £2.3m for out-of-borough placements
 - £2.3m for independent sector placements
 - £1.3m for post-16 placements
 - £6.1m linked to increased commissioned SEND places and complexity of need.
- The budget assumed that the top up banding rates would remain the same for the Pupil Referral Units (PRUs) and Special Schools (as detailed in Appendix 3 of the report).
- The rates for Additionally Resourced Provisions (ARPs) had been standardised to £12,500 following Schools Forum approval in June 2025.
- 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, £11.8m of the increased HNB funding had been allocated to meet demand pressures.
- A zero-based approach had been used to set the SEN Services budget. The £0.5m increase reflected the alignment of staffing to establishment levels, a projected 3.8% pay award and higher demand within the Speech and Language Therapy contract.
- Based on current modelling, pressures were projected to increase the cumulative deficit to £29m by March 2027 and £46m by the end of March 2028 when the statutory override was planned to end. These projections did not reflect any additional grant funding, but included mitigations set out the council's DSG Deficit Management Plan, which members were advised was the subject to a separate report on the Schools Forum meeting agenda.

- The available resources had been allocated within the funding constraints, leaving a forecast budgetary gap of £14.9m in 2026/27, in addition to the current deficit projection of £18.4m by the end of March 2026. In line with the above, if 90% grant funding was allocated to Brent to address the cumulative deficit, the current deficit forecast of £18.4m will reduce to £1.84m. The forecast cumulative deficit by March 2027 was therefore £16.7m.
- The main risk against the HNB budget remained the rising number of children and young people with EHCPs. In Brent, as of December 2025, there were 4,163 children and young people with an EHCP compared to 3,798 in December 2024, representing a 9.6% increase.
- For 2026/27, the Local Authority was required to consolidate all relevant legacy funding into a single Core Schools Budget Grant (CSB) combined rate, applied to each school's agreed place numbers for the year. This included the four 2025/26 funding streams now rolled into the CSBG: the historic Teachers' Pay and Pensions Grant (TPPG), the additional 3.4% cost-pressure funding, the 2025/26 Core Schools Budget Grant and an annualised 2025/26 pay-award funding. £6.4m had been set aside to pass on these grants to Pupil Referral Units (PRUs), Alternative Provision (AP) and Special Schools. This represented an increase of £4.5m compared to the additional grants allocated in 2025/26, utilising the total £4.3m growth against the HNB.
- Appendix 2 of the report set out the £14.9 million pressure including the Special Schools budget grant of £5,601.399.
- Appendix 3 of the report contained the banding rates.

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

- Jude Enright sought clarity on the increase in the number of EHCPs, as at January 2025 given the impact on the deficit and pressure being compounded by increasing price costs in the independent sector and projected growth in the number of children requiring EHCPs alongside the budget allocations for individual schools detailed in Appendix 1 of the report. In response, Folake Olufeko clarified that the individual allocations reflected the current projections as well as forecast increase in ECHPs.

In response, it was agreed that details of the latest forecast and place numbers on which the individual school allocations had been based would be provided for members of the Forum with concern also expressed at the impact of the cost pressures being identified in placements and packages outside of the commissioning alliance.

Action: Folake Olufeko to provide figures on which schools allocations had been based.

The Chair thanked officers for the report. As no further questions or comments were raised the Forum **RESOLVED** to note the report and agree the HNB budgets as set out in Appendix 1.

7. Update on the DSG High Needs Block Deficit Management Plan

Folake Olufeko (Head of Finance, Brent Council) supported by Roxanna Glennon (Head of Inclusion) introduced a report detailing the progress to date against the DSG Management Plan aimed at supporting a reduction in expenditure against the High Needs Block of the Dedicated Schools' Grant (DSG) at a sustainable level. The Forum noted the following key points as part of the update provided:

- This report provided a further update on progress to date against the DSG Management Plan aimed at supporting a reduction in expenditure against the High Needs Block of the Dedicated Schools' Grant (DSG) at a sustainable level.
- The cumulative DSG deficit forecast was £18.4m by the end of 2025/26, following an in-year quarter 3 forecast overspend of £4.8m in 2025/26. The main cost driver of this deficit was the rising number of children with Education, Health and Care Plans (EHCPs) without a comparative increase in DSG HNB funding. As of January 2025, the number of EHCPs had increased by 8% compared to January 2024, with demand continuing to grow.
- Table 1 within the report showed the year-on-year increase of EHCPs over the past 6 years in Brent. The recent trend showed 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. Members were advised the decline could be attributed to the successful pilot of the DBV in SEND Programme in Brent which had commenced in 2022. For additional context, the HNB allocation from the DSG had increased by 3% in 2024/25 and 6% in 2025/26 and 4.7% in 2026/27, highlighting the on-going budget pressures.
- Following the end of Brent's DfE funded 'Delivering Better Value' (DBV) programme in April 2025 and in response to the ongoing challenges within the SEND system nationally, Brent had recently (January 2026) refined its HNB Management Plan to better reflect the current position. The central elements of the Management Plan, namely improving local sufficiency of special school places, further developing Brent's support offer for students with SEND and improving oversight of individual EHCPs, remain similar to before. However, some important changes were included as outlined below:
 - Improving sufficiency of local places: Brent's Phase 1 capital programme for SEND had to date delivered 298 additional places for children with SEND in Brent (with a further 84 expected to be delivered by January 2030). Despite this significant increase, further places were required.

To mitigate these pressures, a Phase 2 capital programme had been developed in 2025 (approved by Cabinet in January 2026). The Phase 2 capital programme aimed to deliver an additional 212 places for children with SEND in Brent focused on special school places. Based on the proposed completion dates, the programme had been designed to achieve potential cost avoidance of £4.3m over its duration, including £2.6m in 2026/27. This was based on creating 212 new places, with an average cost avoidance of £21k per place, representing the difference between placing a Brent child in an independent special school versus an in-borough special school. There was also the potential for transport cost avoidance estimated as £1.3m.

- Further developing support for students with SEND: In the 2025/26 financial year, additional capacity had been added to Brent's SEND Outreach teams

including capacity in the SEND Support and Brent Outreach Autism Team (BOAT). Further plans to expand Brent's SEND Outreach offer were currently in development and included a proposal for a service to replicate the most successful aspects of Brent's DBV funded 'Intervention First Team' (IFT) offer (an early intervention SEMH support service for children aged 5-7 and their families). However, progressing plans to a stage where their financial impact could be accurately modelled had been paused whilst details were awaited on release of the Schools White Paper (expected in Spring 2026). This decision had been made, as it was unclear what funding would be available within local areas for SEND Outreach and also where responsibilities for commissioning certain types of service would lie.

- Financial management workstream: This had 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. Additional proposed capacity in both SEND commissioning and the SEND 0-25 teams was being actively explored and a cost/benefit analysis completed. The focus of these roles would be on effectively managing spend in the independent non-maintained school sector (INMSS) and on education other than at school (EOTAS) packages, as well as spend on personal budgets. Brent was currently forecasting spend of £12.6m on INMSS provision for the 2025/26 financial year for 245 places (£51.4k/place/annum), an increase of £1m (and 8.5%) as compared with SEND on INMSS in the 2024/25.
- The government had confirmed that grant funding would be allocated to cover up to 90% of local authorities accumulated SEND deficits up to the end of March 2026, subject to an agreed local SEND Reform Plan. Importantly, any future support would be linked to assurance that the Council was taking steps to deliver a reformed, inclusive SEND system, aligned with the wider national reforms expected to be confirmed in the forthcoming Schools White Paper.
- In line with the above, if 90% grant funding was allocated to Brent to address the cumulative deficit, the current deficit forecast of £18.4m would reduce to £1.84m at the end of March 2026. However, the current forecast overspend in 2026/27 was expected to be £14.9m based on current demand and spend projections. The cumulative deficit by March 2027 could therefore rise to £16.7m. Treatment of the remaining 10% of deficits accrued by 31 March 2026 had not yet been confirmed.
- Not taking into account any further grant funding from central government to support the cumulative deficit, the modelling of the current DSG Deficit Management Plan showed the cumulative deficit could increase to £29m by March 2027 and £46m by the end of March 2028 when the statutory override was planned to end. These projections included mitigations set out the Management Plan (detailed with Appendix 1 of the report).
- The Management Plan would be revised to reflect new priorities in line with the SEND Reform Plan that was being developed in conjunction with the DfE (the Local Authority had been allocated a DfE SEND Finance Advisor). The modelling would also be updated once confirmation of the additional grant allocation to cover 90% had been received, as this was subject to the DfE's approval. Members were advised that further updates on the Management Plan and on-going work with the DfE would also continue to be provided for future Schools Forum meetings.

- In terms of the government White Paper, this was expected to set out a new policy framework for support for children and young people with special educational needs and disabilities. As part of these reforms, the DfE had already announced changes to the national SEND system, such as every member of staff in nurseries, schools and colleges being required to receive SEND and inclusion training, supported by a £200m national training programme and a strengthened SEND Code of Practice. While these updates signalled a stronger national emphasis on inclusion and on ensuring that mainstream settings were better equipped to meet a broad range of needs, it was noted that the government had not yet set out detailed expectations or the funding arrangements that would underpin the wider reforms. In the meantime, Brent was 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 had been established with representation from early years, primary, secondary and special schools. The group was being used to shape changes to the local system, including the SEND support offer, to ensure it met local needs.

The Chair thanked Folake Olufeko and Roxanna Glennon for the report and update on progress against each workstream and welcomed any comments or questions from the Forum with the following being noted:

- Raphael Moss recognised the direction of travel outlined and challenging nature of the position needing to be addressed in terms of ongoing demand and the increasing costs associated with placements and packages within the independent sector, seeking further details on the plans to address this position whilst also ensuring care needs continued to be met. In response, Roxanna Glennon outlined the range of costs involved in the provision of some of the most expensive types of placements and packages with those at the highest end (above £100k) often involving some form of residential and more complex care packages for which providers were more limited. Below that level, there were a wider range of providers who would be selected on the basis of need although challenges were still experienced in the approach adopted by some independent providers around their selection approach with it noted that schools were often supporting pupils with more complex need on a cheaper basis. The need to address the approach adopted by private sector providers was highlighted as one of the key issues for government to address within the SEND White Paper by the Chair, given the impact on the remit of the Forum.

As no further questions or comments were raised the Forum **RESOLVED** to note the updated Deficit Management Plan in the context of recent updates from the government regarding support towards local authorities' accumulated DSG deficits and in consideration of the Schools White paper that is expected to be published in Spring.

8. Any Other Urgent Business

8.1 Release of SEND White Paper

Shirley Parks was invited to provide a brief summary of the key headlines within the Government's recently announced SEND White Paper *Every Child Achieving and Thriving*. In introducing the key themes, the Forum was advised that the aim of the White Paper was to make mainstream schools more inclusive with targeted support and a reduction in EHCPs backed by a £3.7 billion investment with proposals including

establishing a standardised, tiered support framework and streamlining the EHCP (Education, Health and Care Plan) process based on a 10 year programme of change. Key proposals included:

- Tiered System of Support: Introducing a standardised, four-layer approach to needs: Universal, Targeted, Targeted Plus, and Specialist.
- Individual Support Plans (ISPs): Requiring all schools to create ISPs for children with identified SEND to provide a clear, trackable record of interventions.
- Mainstream Inclusion: Investing in new places for 'inclusion bases' in mainstream schools and providing enhanced staff training to reduce reliance on specialist placements.
- Reformed EHCPs: Streamlining the EHCP application and review process to reduce bureaucracy, digitise records, and increase transparency.
- Specialist Staffing: Placing more educational psychologists, speech and language practitioners, and specialised leaders directly within mainstream schools and educational hubs.
- Cost Controls for Independent Schools: Ensuring local authorities pay a reasonable and standardised price for placements at independent special schools, preventing inflated fees.

In noting the financial requirements to deliver the programme, the Forum was advised of the establishment of a Specialist SEND Head Teacher Working Group to support development of the plans with further details now awaited from the DfE on the SEND Reform Pack. Once received, the Council would then need to prepare and submit a SEND Reform Plan to enable the release of funding.

In terms of initial comments raised, Jude Enright felt that it looked like the funding would be targeted where needed but sought details on any modelling undertaken in relation to the age at which EHCPs currently remained in placed (up to 25). Roxanna Glennon explained the DfE's modelling showed an increase in EHCP numbers and it was expected for EHCPs to continue to rise until 2030 and this equated to 8-9% of the school population. It was not clear if modelling had been done around the impact of the proposed changes on demand. It was, however, expected that the number of EHCPs would reduce to reflect current levels of 5% within the school population by 2035.

Shirley Parks stated that the government had undertaken national modelling and looked at transitions between education which included plans for the older cohort, which could be national systems of banding. Folake Olufeko confirmed that a management plan had been completed until the end of 2028, which would be updated following work with the DfE.

Gareth Drawmer said that following the release of the White Paper there would be significant changes in relation to the approach involving Academies & Multi Academy Trusts, addressing levels of attainment and the Pupil Premium.

Nigel Chapman further highlighted the proposed changes as mentioned in the White Paper, which included a proposal to review the high needs funding formula, the role of Schools Forum in making decisions and how resources could be used in early years and for Post 16 services with further details expected by the end of the financial year. The Chair asked if a special Schools Forum meeting was needed before June 2026.

Nigel Chapman said that the High Needs Sub-Group may need to meet before June and that, if required, a further updated could be provided for the June Schools Forum.

8.2 Forum Membership Changes

Members were advised that this would be Andy Prindiville's final meeting as a member of the Forum, pending him moving to take up a new position in April 2026 and therefore leaving the role of Vice Chair. The Chair took the opportunity, on behalf of the Forum, to thank Andy Prindiville for his efforts and work as a member and Vice-Chair and to wish him well in his new position with anyone interested in taking on the role of Vice-Chair also encouraged to put their names forward.

It was also reported that Melissa Loosemore would be stepping down as a member of the Forum, following retirement from her current headteacher position. The Chair also took the opportunity to thank Melissa Loosemore for her valuable input as a member of the Forum and to wish her well in her retirement.

As a final update the Chair advised that he was pleased to welcome Mahendra Negi (Secondary Governor) and Shiobhan Ali (Primary Head) as new members of the Schools Forum.


9. Dates of Future Meetings

Members noted the provisional schedule of dates for meetings of the Forum during the 2025-26 Municipal Year would be circulated once the Council's draft calendar of meetings had been finalised.

The meeting closed at 7:10pm.

Mike Heiser
Chair

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	<p align="center">Schools Forum 17 June 2026</p>
	<p align="center">Report from the Strategic Director of Children, Young People and Community Development</p>
<p align="center">Dedicated Schools Grant Financial Outturn 2025/26</p>	

Wards Affected:	All
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt:	N/A
List of Appendices:	Appendix A: DSG Outturn 2025/26 Appendix B: Maintained School Balances 2025/26 Appendix C: Brent mainstream schools' High Needs Block budgets 2026/27
Background Papers:	Prior Schools Forum papers 2025/26
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 2025/26 and provides detail on the in-year 2025/26 deficit of £6.6m.

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. The DSG outturn for 2025/26 reports an in-year deficit of £6.6m against the total funding allocation of £435.7m. This position is largely attributable to an overspend of £8.2m within the High Needs (HN) Block. This has been partially mitigated by underspends across the remaining blocks, including £0.4m within the School Block, £1.0m within the Early Years (EY) Block and £0.2m within the Central School Services Block.
- 4.2. The cumulative DSG deficit carried forward into 2025/26 was £13.6m, reflecting the position at the end of 2024/25. Following the 2025/26 in year deficit of £6.6m, the overall cumulative DSG deficit has increased to £20.2m.

5. 2025/26 DSG Outturn

- 5.1. The schools' funding formula for 2025/26 was set in December 2024 and the final DSG budget was confirmed in January 2025. The total DSG expenditure budget (excluding funding for academies) was £255.3m plus a £4.8m sixth form grant.
- 5.2. Table 1 shows DSG budget lines after DfE recoupment and further budget details are in Appendix A.

Table 1: DSG Budgets Before DfE Recoupment

Funding Blocks	DSG 2025/26 Funding (includes transfers between blocks)	2025/26 Final Outturn	Over/ (Under)spend
	£m	£m	£m
Schools Block	126.0	125.6	-0.4
High Needs Block	82.8	90.9	8.2
Early Years Block	44.1	43.0	-1.0
Central Block	2.4	2.2	-0.2
Total DSG	255.3	261.8	6.6
DSG brought forward deficit			13.6
DSG cumulative deficit c/f			20.2

- 5.3. The total DSG funding allocation for Brent in 2025/26 was £435.7m, representing the total cost of funding education for early years and school age pupils in the borough prior to recoupment by the Department for Education (DfE) in respect of academies (including free schools) within the borough.
- 5.4. During the year, DfE recouped a total of £177.7m, comprising £168.0m from the Schools Block and £9.7m from the HN Block. In addition, £2.7m was recouped in respect of National Non-Domestic Rates (NNDR), which is passed on to billing authorities on behalf of schools. Following these adjustments, the net DSG funding available to the local authority in 2025/26 was £255.3m, as

shown in the Table 1. Separately, £4.8m of sixth form funding was received and fully passported to maintained schools with sixth form provision.

6. Schools Block

- 6.1. The Schools Block allocation was £298.2m. However, £168.0m was recouped by the DfE and allocated directly to academies, £2.7m was recouped for NNDR, and £1.5m was transferred to the High Needs Block. Therefore, the final budget after recoupment and transfers was £126.0m.
- 6.2. The Schools Block surplus of £0.4m arose from underspends across several de-delegated budgets, including those held for contingencies and maternity and paternity cover. In addition, an element of the underspend relates to funding that is retained to manage in-year pupil growth and was not fully required in 2025/26.

7. High Needs Block

- 7.1. The HN Block budget was £82.8m and the allocation includes a contribution of £1.5m (or 0.5%) of Schools Block income. This excludes £9.7m, which was recouped by the DfE to allocate directly to academies. Table 2 below shows the variances against the HN Block budget for 2025/26.

Table 2: High Needs Block Outturn

DSG High Needs Block	2025/26 Budget (£m)	2025/26 Outturn (£m)	2025/26 Variance (£m)
Place funding in Brent maintained schools and ARPS	2.7	2.7	0.0
Top-up funding in Brent maintained schools and ARPS	14.0	13.5	-0.5
Top-up funding in Brent non-maintained Special schools and academies	33.3	35.1	1.8
Independent day and residential settings	11.5	13.7	2.2
Out-of-borough placements	7.6	11.1	3.5
Post-16	5.0	7.1	2.1
Recoupment income	-3.7	-4.0	-0.3
Education Otherwise / Awaiting Placement	2.0	2.6	0.6
Early Years Inclusion Fund	1.1	1.0	-0.1
Support for inclusion	1.0	0.9	-0.1
SEN Services	7.8	7.1	-0.7
SEN Support	0.5	0.2	-0.3
SEN Transport	0.1	0.0	-0.1
Total Expenditure: High Needs Block	82.8	90.9	8.2

7.3 The HN Block reported an overspend of £8.2m. This is primarily driven by an increase in the top-up funding for children placed in special schools and independent non-maintained special schools. This relates to an increase in the number of children with SEND requiring Education, Health and Care Plans (EHCPs) from 3,892 as at March 2025 to 4,306 as at March 2026, an increase of 10.6%. This led to increases in the top-up funding for in-borough mainstream academies and special schools, placements in independent day special schools and alternative education for children awaiting placements, alongside an increasing number of young people progressing into post-16 provision.

7.4 The significant variances are as detailed below:

7.4.1 £2.1m overspends 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 £1.3m 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 10.8% growth in FTE pupils across Special, ARP and mainstream settings compared to 2024/25. Additionally, an overspend of £3.5m was incurred for the cost of placing Brent children in settings out of borough due to increased rates.

7.4.3 £2.2m 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. The number of Brent children in independent schools increased by 12.6% in 2025/26.

7.4.4 These pressures were offset by:

- £0.3m 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.
- £0.7m underspend against the SEN Services budgets due to unutilised funds held for contingencies. Additionally, a further £0.4m underspend was reported across the SEN support and support for inclusion budgets.

8. Early Years

8.1 The £1.0m under-spend 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 2025 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 £0.6m reported against the under 2- to 2-year-old and the 2-year-old working parent entitlements alone.

- 8.2 EY Block funding is calculated using different census points depending on the entitlement type. Funding for the universal entitlements for all 3- and 4-year-olds, the additional entitlements for eligible working parents of 3- and 4-year-olds, and entitlements for 2-year-olds receiving additional support is based on January 2025 and January 2026 census. In contrast, funding for the working parents' entitlements for 2-year-old and under 2 is derived from termly headcount data from summer and autumn 2025 terms, together with the January 2026 census. As the final allocations are based on actual take-up of entitlements, there is a risk that the DfE may clawback once final census and headcount data is confirmed. An allowance has been made for the potential clawback, with final EY allocations expected to be published in July 2026.

9. Central Block

- 9.1. The budgets held for central service also saw an underspend of £0.2m 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. Following 2025/26 in year deficit of £6.6m, the overall cumulative DSG deficit has now increased to £20.2m (Appendix A).
- 10.2. As part of the transition to a reformed SEND system, the government has committed to supporting local authorities with DSG deficit in phases, with an initial phase in 2026/27 offering a High Needs Stability Grant, which will cover up to 90% of historic HN Block related DSG deficits accrued up to the end of 2025/26. Local authorities and the Integrated Care Board (ICB) must submit local SEND reform plans by 19th June. Acceptance of these plans will result in the payment of up to 90% of local authorities' DSG High Needs Block deficits. Decisions on local area plans are expected by the DfE in early autumn. Payment of this grant is also expected in autumn 2026, subject to a DfE approved local SEND Reform plan. If the first iteration of the plan is not approved, there will be an opportunity to resubmit the plan for approval and funding will be provided in Spring 2027.
- 10.3. As in previous years, 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).

11. School Balances

11.1. Table 3 summarises school balances over the past 4 years. Despite previous reductions in Brent maintained schools' reserve balances of c£2m since 2022/23, the 2025/26 position reflects a positive change with an increase of £1.6m, resulting in a total reserves balance of £13.6m.

Table 3: School Balances 2022/23 to 2025/26

Type of Establishment	No. of Schools	2022/23 School Balances	2023/24 School Balances	2024/25 School Balances	2025/26 School Balances	Increase / (Decrease) in balances
		£m	£m	£m	£m	£m
Nursery	4	0.6	0.6	0.7	0.7	0.0
Primary	45	12.1	10.5	10.2	11.4	1.2
PRU	2	0.9	0.8	0.8	0.5	(0.3)
Secondary	2	(0.3)	(0.4)	(1.2)	(0.7)	0.6
Special	1	1.1	1.3	1.5	1.6	0.2
Totals	54	15.0	12.9	11.9	13.6	1.6

11.2. Of the 54 maintained schools, 31 increased their overall reserves balance (increase of £3.5m) and 23 decreased their balance over the 2025/26 financial year (decrease of £1.9m).

11.3. 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, 26 (58%) compared to 22 (49%) in 2024/25 increased their reserve balance by an average of £103k, and 19 (42%) compared to 23 (51%) in 2024/25 decreased their reserve balances by an average of £78k.
- Four schools cleared their deficits, and four additional schools went into deficit in 2025/26, resulting in eight schools being in deficit at the end of 2025/26. Of the 45 maintained primary schools, 20 have closed with balances of 8% or more and 24 have closed with balances of less than 8%.
- Of the 2 secondary schools maintained, one has seen no significant change in reserves and the other has seen a 45% increase in reserves.
- The only Brent maintained special school saw an increase in reserves of 11% with a £1.6m reserve balance. One of the 2 PRUs decreased their reserves by 14% and the other saw a reduction of 90% compared to balances in 2024/25.
- Of the four nursery schools, two saw an increase in reserves, although one of these remains in deficit, while the other two reported a decline in reserves.

11.4. School balances increased by £1.6m in 2025/26, following a period of decline between 2022/23 and 2024/25. Despite the overall increase in maintained school balances, the underlying position reflects financial pressures driven by

reduced income linked to falling pupil numbers for a few schools, particularly within the Primary phase. While these pressures continue, schools' efforts to manage resources effectively have supported a recovery in balances and contributed to the overall increase.

- 11.5. 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 4 new schools in deficit. Brent provides targeted financial oversight and recovery support to schools that fall into deficit. The core support includes Licensed deficit arrangements, where the Councils may allow a school to operate with a licensed deficit if it has a robust, council approved plan to repay the deficit, usually within three years. Monitoring and support will be provided to the schools in deficit with deficit recovery planning, with finance and the School Effectiveness Team working with headteachers and governors to create, monitor, and review a detailed recovery plan. The Council uses a risk-based framework to track progress and intervene when needed.

12. Action point from section 6 of 26 February 2026 meeting

- 12.1 It was agreed that details of the latest forecast and place numbers on which the individual school allocations had been based would be provided for members of the Forum with concern also expressed at the impact of the cost pressures being identified in placements and packages outside of the commissioning alliance. These place numbers are now listed in appendix C.

13. Updates for 2026/27

- 13.1 The SEND reform programme and Schools White Paper, published in February 2026, represent a major strategic shift in the education system. This reform aims to create a more inclusive system where mainstream schools play a central role in meeting the needs of children and young people with SEND, supported by earlier intervention and clearer national standards. A new model of support is proposed, including a universal offer alongside targeted and specialist provision, with a strong emphasis on early identification and reducing reliance on statutory processes.
- 13.2 Aligned with the SEND reform, the DfE has confirmed the introduction of new funding to support inclusion in mainstream settings. The DfE has published the methodology and indicative funding calculations for the Inclusive Mainstream Fund for 2026/27. However, final confirmed school level allocations have not yet been formally published. In the interim, indicative allocations can be estimated using the DfE based calculator available at [Inclusive mainstream fund: 2026 to 2027 - GOV.UK](#). This funding is intended to support schools in developing inclusive practice, improving early intervention and meeting additional needs within mainstream provision. Schools are expected to take a whole-school approach to inclusion, supported by additional investment, workforce development, and improved access to specialist advice and services.

- 13.3 A key policy development for 2026/27 is the expansion of free school meals (FSM). From September 2026, eligibility will be extended to all pupils in households receiving Universal Credit, significantly increasing the number of eligible pupils nationally. The DfE has confirmed that this expansion will not be funded through changes to the National Funding Formula; instead, additional funding will be provided via a separate FSM expansion grant which will be passed on to schools via the local authority.
- 13.4 There is no confirmed teachers' pay award yet for 2026/27. The DfE has submitted its evidence to the School Teachers' Review Body (STRB), which is currently considering recommendations for the 2026/27 and subsequent years. The DfE has proposed a multi-year pay award of 6.5% over three years (2026/27 to 2028/29), rather than a single-year increase. This proposal would be weighted towards later years, meaning that the increase in 2026/27 is expected to be relatively small compared to later uplifts.

14. Stakeholder and ward member consultation and engagement

- 14.1 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 2025/26 DSG budgets.

15. Financial Considerations

- 15.1. The overall DSG budget is reporting a £20.2m deficit as of end of March 2026, representing a continued deterioration in the cumulative position. Financial pressures within the HN Block remain the primary driver of this deficit and continue to intensify. These challenges are consistent with the national trend and not unique to the borough. There is increasing recognition that the current funding system is not keeping pace with the sustained growth in demand. In particular, the continued rise in EHCPs, alongside increasing complexity of need and reliance on high-cost provision is placing ongoing pressure on local budgets.
- 15.2. Although the government has recently set out proposals for SEND reform and signalled increased investment in inclusion and specialist capacity, these reforms are still at an early stage and will take time to translate into operational and financial impact.
- 15.3 The HN Block funding has not increased in cash terms for 2026/27, combined with a continued rise in EHCPs, the deficit is forecast to grow significantly over 2026/27 and 2027/28 despite mitigating actions to reduce the resulting financial impact. The in-year deficit for 2026/27 is estimated at approximately £20.2m, rising to a projected £29.4m in 2027/28. It is anticipated that around 90% of these in-year deficits will be funded by the government, leaving approximately £2.0m and £2.9m respectively to be met from general fund reserves. This is in addition to the £2.0m already accounted for within the council's Medium Term Financial Strategy to cover the expected 10% contribution towards cumulative deficits up to March 2026.

16. Legal Considerations

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

17.0 Equity, Diversity & Inclusion (EDI) Considerations

17.1 Not applicable.

18.0 Climate Change and Environmental Considerations

18.1 Not applicable.

19.0 Human Resources/Property Considerations (if appropriate)

19.1 Not applicable.

20.0 Communication Considerations

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

Report sign off:

Nigel Chapman

Corporate Director Children, and Young People and Community Development

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Appendix A - DSG Outturn 2025-26

Children and Young People 2025-26 Schools Forum reporting on Schools and LA services funded by the Dedicated Schools Grant and the 16-19 Funding Grant			2025-26 Schools Forum Agreed Budget £m	2025-26 Final Outturn £m	2025-26 Final Outturn £m
Schools Block					
Expenditure Individual Schools Budget					
	Primary Schools		108.3	108.3	0.0
	Secondary Schools		15.6	15.6	(0.0)
	National Non Domestic Rates				
Total	Expenditure Individual Schools Budget		123.9	123.9	(0.0)
Expenditure De-delegated Items - Schools					
	Assessment of FSM eligibility		0.0	0.0	
	Contingencies		0.5	0.4	
	Maternity, Paternity and Facilities		0.3	0.2	
	Licences/Subscriptions [SB]		0.0	0.0	
Total	Expenditure De-delegated Items - Schools		0.8	0.7	(0.2)
Expenditure De-delegated Items - Central Provision					
	Contribution to combined budgets [SB]		0.5	0.5	
	Pupil Growth/Out of School places		0.8	0.5	(0.2)
Total	Expenditure De-delegated Items - Central Provision		1.3	1.1	(0.2)
Income Dedicated Schools Grant - Schools Block					
	Schools Block		(127.5)	(127.5)	
	0.5% transfer Schools Block to High Needs Block [B9SchB]		1.5	1.5	
Total	Income Dedicated Schools Grant - Schools Block		(126.0)	(126.0)	
Total	Net Schools Block			(0.4)	(0.4)

Appendix A - DSG Outturn 2025-26

Children and Young People 2025-26 Schools Forum reporting on Schools and LA services funded by the Dedicated Schools Grant and the 16-19 Funding Grant			2025-26 Schools Forum Agreed Budget £m	2025-26 Final Outturn £m	2025-26 Final Outturn £m
High Needs Block					
Expenditure Place funding					
		IB Place Funding [Finance]	2.7	2.7	0.0
Total	Expenditure	Place funding	2.7	2.7	0.0
Expenditure Top-up and Targeted Funding					
		IB Mainstream Top-ups [Finance]	14.0	13.5	(0.5)
		IB Mainstream Top-ups [Inclusion]	31.4	33.2	1.8
		IB PRUs and Special Schools: Supplementary Grant	1.9	1.9	0.0
		Independent Day Special	10.3	12.8	2.5
		Independent Residential Special	1.2	0.9	(0.3)
		OB ARPs	0.0	0.1	0.1
		OB Mainstream	3.0	5.3	2.3
		OB Recoupment Income	(3.7)	(4.0)	(0.3)
		OB Special	4.5	5.7	1.2
		Post 16	5.0	7.1	2.1
		Targeted Funding [Finance]			
Total	Expenditure	Top-up and Targeted Funding	67.6	76.5	8.9
Expenditure SEN Support Services					
		Early Years Inclusion Fund	1.1	1.0	(0.1)
		Education Otherwise / Awaiting Placement	2.0	2.6	0.6
		SEN Services	7.8	7.1	(0.7)
		SEN SUPPORT	0.5	0.2	(0.3)
		SEN Transport	0.1		(0.1)
		Support for Inclusion	1.0	0.9	(0.1)
Total	Expenditure	SEN Support Services	12.5	11.8	(0.7)
Income Dedicated Schools Grant - High Needs Block					
		High Needs Block	(81.3)	(81.3)	
		0.5% transfer Schools Block to High Needs Block [B9HNdB]	(1.5)	(1.5)	
Total	Income	Dedicated Schools Grant - High Needs Block	(82.8)	(82.8)	
Total	Net	High Needs Block		8.2	8.2

Appendix A - DSG Outturn 2025-26

Children and Young People 2025-26 Schools Forum reporting on Schools and LA services funded by the Dedicated Schools Grant and the 16-19 Funding Grant			2025-26 Schools Forum Agreed Budget £m	2025-26 Final Outturn £m	2025-26 Final Outturn £m
Early Years Block					
Expenditure Early Years Entitlement					
		Under 2 Year old Nursery Education - Working parents	9.0	8.7	(0.3)
		2 Year old Nursery Education - Working parents	7.5	7.2	(0.3)
		2 Year old Nursery Education	3.4	3.5	0.1
		3 and 4 Year old Nursery Education	21.0	20.9	(0.2)
		Early Years Central Expenditure	1.2	0.9	(0.2)
		Early Years Panel Funding	0.8	0.6	(0.1)
		Early Years Pupil Premium	0.2	0.2	(0.0)
Total	Expenditure	Early Years Entitlement	43.1	42.0	(1.1)
Expenditure Supplementary Funding					
		Maintained Nursery Schools	0.9	1.0	0.1
Total	Expenditure	Supplementary Funding	0.9	1.0	0.1
Income Dedicated Schools Grant - Early Years Block					
		Early Years Block	(44.1)	(44.1)	
Total	Income	Dedicated Schools Grant - Early Years Block	(44.1)	(44.1)	
Total	Net	Early Years Block		(1.0)	(1.0)
Central School Services Block					
Expenditure Central Provision					
		Contribution to combined budgets [CSSB]	1.3	1.2	(0.2)
		Termination of employment costs	0.2	0.2	
		Servicing of Schools Forum	0.0	0.0	(0.0)
		Licences/Subscriptions [CSSB]	0.3	0.3	0.0
		School Admissions	0.6	0.6	(0.0)
Total	Expenditure	Central Provision	2.4	2.2	(0.2)
Income Dedicated Schools Grant - Central School Services Block					
		Central School Services Block	(2.4)	(2.4)	
Total	Income	Dedicated Schools Grant - Central School Services Block	(2.4)	(2.4)	
Total	Net	Central School Services Block		(0.2)	(0.2)
Other Expenditure					
Expenditure 6th Form Funding					
		6th Form Schools	4.8	4.8	(0.0)
Total	Expenditure	6th Form Funding	4.8	4.8	(0.0)

Appendix A - DSG Outturn 2025-26

Children and Young People 2025-26 Schools Forum reporting on Schools and LA services funded by the Dedicated Schools Grant and the 16-19 Funding Grant			2025-26 Schools Forum Agreed Budget £m	2025-26 Final Outturn £m	2025-26 Final Outturn £m
Income	16-19 Funding Grant				
	6th Form Funding		(4.8)	(4.8)	
	6th Form Funding Transfer To (+) / From (-) Reserves				
Total	Income	16-19 Funding Grant	(4.8)	(4.8)	
Total	Net	Other Expenditure		(0.0)	(0.0)
Outturn Summary - Gross					
	Gross Schools Block		126.0	125.6	(0.4)
	Gross High Needs Block		82.8	90.9	8.2
	Gross Early Years Block		44.1	43.0	(1.0)
	Gross Central School Services Block		2.4	2.2	(0.2)
	Gross Other Expenditure		4.8	4.8	(0.0)
	Gross Total		260.0	266.6	6.6
Outturn Summary - Net					
	Net Schools Block			(0.4)	(0.4)
	Net High Needs Block			8.2	8.2
	Net Early Years Block			(1.0)	(1.0)
	Net Central School Services Block			(0.2)	(0.2)
	Net Other Expenditure			(0.0)	(0.0)
	Net Overspend / (Underspend)			6.6	6.6
DSG Reserves Balance					
19.20 FY	2018-19 DSG Brought Forward (Surplus)				(2.4)
19.20 FY	2019-20 DSG Final Outturn Deficit				7.4
20.21 FY	2019-20 DSG Brought Forward Deficit				4.9
20.21 FY	2020-21 DSG Final Outturn Deficit				5.6
21.22 FY	2020-21 DSG Brought Forward Deficit				10.5
21.22 FY	2021-22 DSG Final Outturn Deficit				4.7
22.23 FY	2021-22 DSG Brought Forward Deficit				15.2
22.23 FY	2022-23 DSG Final Outturn (Surplus)				(1.4)
23.24 FY	2022-23 DSG Brought Forward Deficit				13.8
23.24 FY	2023-24 DSG Final Outturn (Surplus)				(0.6)
24.25 FY	2023-24 DSG Brought Forward Deficit				13.3
24.25 FY	2024-25 DSG Final Outturn Deficit				0.3
25.26 FY	2024-25 DSG Brought Forward Deficit				13.6
25.26 FY	2025-26 DSG Final Outturn Deficit				6.6

Appendix A - DSG Outturn 2025-26

Children and Young People 2025-26 Schools Forum reporting on Schools and LA services funded by the Dedicated Schools Grant and the 16-19 Funding Grant	2025-26 Schools Forum Agreed Budget £m	2025-26 Final Outturn £m	2025-26 Final Outturn £m
25.26 FY 2025-26 DSG Carry Forward Deficit / (Surplus)			20.2

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Appendix B - Brent Maintained Schools' Reserves 2025-26

Establishment Type	School	2024-25 Total Reserves £	2025-26 Total Reserves (deficit) £	Increase / (Decrease) in reserves £	Reserves as a % of 2025-26 Total Income	No. of pupils on Roll (Oct 25 census)	2025-26 Income £
Nursery	College Green Nursery School and Services	243,609	234,436	(9,173)	18%	81	1,280,855
Nursery	Curzon Crescent Nursery School	335,929	247,452	(88,477)	22%	77	1,110,804
Nursery	Fawood Children's Centre	149,040	222,861	73,821	13%	53	1,776,394
Nursery	Granville Plus Nursery School	(76,316)	(12,792)	63,524	-1%	39	910,008
Primary	Anson Primary School	(1,978)	89,899	91,877	3%	416	3,315,553
Primary	Barham Primary School	911,606	812,858	(98,747)	13%	907	6,463,105
Primary	Brentfield Primary School	317,101	306,247	(10,854)	7%	423	4,383,116
Primary	Carlton Vale Infant School	(146,420)	(53,975)	92,444	-6%	45	942,662
Primary	Chalkhill Primary School	226,316	166,944	(59,372)	4%	448	3,831,784
Primary	Christ Church CofE Primary School	212,609	173,783	(38,825)	11%	145	1,571,876
Primary	Convent of Jesus and Mary RC Infant School	11,224	9,976	(1,248)	1%	206	1,822,992
Primary	Donnington Primary School	212,329	181,818	(30,511)	9%	212	2,085,466
Primary	Elsley Primary School	233,639	401,917	168,279	6%	742	6,434,381
Primary	Fryent Primary School	(153,865)	(195,575)	(41,710)	-3%	659	5,934,567
Primary	Harlesden Primary School	158,647	218,204	59,557	7%	310	3,009,374
Primary	Islamia Primary School	555	(118,129)	(118,684)	-3%	416	3,408,888
Primary	John Keble CofE Primary School	508,864	498,527	(10,337)	14%	405	3,489,124
Primary	Kingsbury Green Primary School	346,723	546,403	199,680	10%	578	5,224,579
Primary	Leopold Primary School	703,128	57,820	(645,308)	1%	510	4,745,131
Primary	Lyon Park Primary School	(80,542)	299,897	380,439	5%	872	6,313,430
Primary	Malorees Infant School	8,128	(29,330)	(37,457)	-2%	195	1,656,843
Primary	Malorees Junior School	12,157	(12,211)	(24,369)	-1%	217	1,843,185
Primary	Mitchell Brook Primary School	611,478	765,852	154,374	13%	604	5,683,885
Primary	Mora Primary School	496,492	503,712	7,220	15%	421	3,447,636
Primary	Mount Stewart Infant School	143,423	201,746	58,322	9%	288	2,289,823
Primary	Mount Stewart Junior School	183,082	330,198	147,116	13%	356	2,553,662
Primary	Newfield Primary School	41,204	30,763	(10,441)	1%	238	2,498,148
Primary	Northview Primary School	252,979	215,974	(37,005)	11%	214	1,972,540
Primary	Oliver Goldsmith Primary School	495,252	635,060	139,808	19%	446	3,359,789
Primary	Our Lady of Lourdes RC Primary School	185,587	233,954	48,367	12%	229	1,991,452
Primary	Park Lane Primary School	786,137	809,958	23,822	22%	452	3,613,518
Primary	Preston Park Primary School	186,255	232,735	46,480	5%	609	4,819,850
Primary	Princess Frederica CofE Primary School	55,077	84,541	29,463	3%	429	3,366,733
Primary	Roe Green Infant School	356,761	411,146	54,385	12%	436	3,464,547
Primary	Roe Green Junior School	71,697	71,881	183	2%	464	3,385,907
Primary	Salisbury Primary School	147,912	(81,515)	(229,427)	-2%	634	5,034,807
Primary	Sinai Jewish Primary School	(171,226)	13,165	184,391	0%	651	5,768,687
Primary	St Joseph RC Junior School	732,462	797,274	64,812	41%	270	1,967,812
Primary	St Joseph's RC Infant School	838,899	783,828	(55,071)	43%	255	1,843,710
Primary	St Joseph's Roman Catholic Primary School	317,947	284,420	(33,526)	7%	486	3,956,819
Primary	St Mary Magdalen Catholic Junior School	203,883	237,218	33,335	12%	229	1,897,960
Primary	St Mary's CofE Primary School	272,426	419,328	146,902	24%	179	1,771,300
Primary	St Robert Southwell RC Primary School	54,385	73,176	18,791	2%	442	3,375,687
Primary	The Kilburn Park School Foundation	47,048	134,050	87,002	12%	55	1,083,340
Primary	The Stonebridge School	(844)	317,751	318,595	10%	323	3,198,340
Primary	Torah Temimah Primary School	428	286	(142)	0%	197	1,590,799
Primary	Uxendon Manor Primary School	95,536	191,990	96,454	4%	674	4,757,433
Primary	Wembley Primary School	309,344	308,874	(470)	5%	817	6,640,139
Primary	Wykeham Primary School	28,121	51,138	23,016	1%	448	3,457,467
PRU	Ashley College*	509,927	440,816	(69,111)	34%	3	1,289,831
PRU	Brent River College	276,253	27,007	(249,246)	1%	35	2,498,404
Secondary	JFS	14,077	14,487	410	0%	2093	22,623,447
Secondary	Newman Catholic College	(1,221,259)	(666,800)	554,458	-8%	614	8,351,611
Special	Phoenix Arch School (KS1 and KS2)	1,483,846	1,641,136	157,291	74%	55	2,227,311
TOTAL		11,937,070	13,562,177	1,625,106	6.9%	21,602	197,336,511

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

Type of Establishment	No. of Schools	2024-25 Total Reserves £	2025-26 Total Reserves (deficit) £	Increase / (Decrease) in reserves £	Reserves as a % of 2025-26 Total Income
TOTALS					
Nursery	4	£652,262	£691,957	39,695	13.6%
Primary	45	£10,221,965	£11,413,574	1,191,609	7.4%
PRU	2	£786,179	£467,823	(318,357)	12.3%
Secondary	2	£1,207,182	£652,313	554,868	-2.1%
Special	1	£1,483,846	£1,641,136	157,291	73.7%
Total		11,937,070	13,562,177	1,625,106	6.9%
AVERAGES					
Nursery	4	163,065	172,989	9,924	
Primary	45	227,155	253,635	26,480	
PRU	2	393,090	233,911	(159,178)	
Secondary	2	(603,591)	(326,157)	277,434	
Special	1	1,483,846	1,641,136	157,291	

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[2026-27 - Estimated High Needs Block \(for In and Out Borough pupils with Education Health Care Plans\)](#)

School Name	FTE Pupils with EHCPs 2025/26	FTE Pupils with EHCPs 2026/27	Total EHCP cost 2026/27	School's Contribution to Total EHCP cost (1 st £6k of each) 2026/27	LA Top-up to Total EHCP cost (excl. 1 st £6k) 2026/27
Totals	1,456	1,441	£24,798,287	£8,646,000	£16,152,287
Alperton Community School	21	22	£358,900	£132,000	£226,900
Anson Primary School	20	21	£347,107	£126,000	£221,107
Ark Academy	55	57	£1,007,400	£342,000	£665,400
Ark Elvin Academy	42	43	£747,700	£258,000	£489,700
Ark Franklin Primary Academy	10	9	£169,500	£54,000	£115,500
Avigdor Hirsch Torah Temimah Primary School	6	3	£43,200	£18,000	£25,200
Barham Primary School	33	37	£642,669	£222,000	£420,669
Braintcroft E-ACT Primary Academy	19	20	£327,664	£120,000	£207,664
Brentfield Primary School	20	23	£412,166	£138,000	£274,166
Carlton Vale Infant School	5	4	£61,900	£24,000	£37,900
Chalkhill Primary School	18	15	£287,222	£90,000	£197,222
Christ Church CofE Primary School	12	12	£202,300	£72,000	£130,300
Claremont High School	36	36	£575,200	£216,000	£359,200
Convent of Jesus and Mary RC Infant School	7	7	£130,200	£42,000	£88,200
Donnington Primary School	10	14	£277,400	£84,000	£193,400
E-ACT Crest Academy	18	19	£330,000	£114,000	£216,000
East Lane Primary School	16	15	£237,985	£90,000	£147,985
Elsley Primary School	16	18	£338,583	£108,000	£230,583
Fryent Primary School	31	33	£578,330	£198,000	£380,330
Furness Primary School	5	5	£97,200	£30,000	£67,200
Gladstone Park Primary School	17	15	£259,784	£90,000	£169,784
Harlesden Primary School	19	20	£365,800	£120,000	£245,800
Harris Lowe Academy Willesden	27	29	£490,800	£174,000	£316,800
Harris Primary Academy South Kenton	31	34	£596,642	£204,000	£392,642
Islamia Primary School	10	10	£168,442	£60,000	£108,442
JFS	54	33	£513,800	£198,000	£315,800
John Keble CofE Primary School	20	24	£435,028	£144,000	£291,028
Kilburn Grange School	22	12	£222,482	£72,000	£150,482
Kingsbury Green Primary School	24	27	£533,030	£162,000	£371,030
Kingsbury High School	37	33	£554,800	£198,000	£356,800
Leopold Primary School	22	22	£376,650	£132,000	£244,650
Lyon Park Primary School	22	25	£460,433	£150,000	£310,433
Malorees Infant School	8	7	£134,600	£42,000	£92,600
Malorees Junior School	12	12	£184,105	£72,000	£112,105
Michaela Community School	17	17	£282,500	£102,000	£180,500
Mitchell Brook Primary School	26	24	£376,570	£144,000	£232,570
Mora Primary School	23	24	£383,827	£144,000	£239,827


2026-27 - Estimated High Needs Block (for In and Out Borough pupils with Education Health Care Plans)

School Name	FTE Pupils with EHCPs 2025/26	FTE Pupils with EHCPs 2026/27	Total EHCP cost 2026/27	School's Contribution to Total EHCP cost (1 st £6k of each) 2026/27	LA Top-up to Total EHCP cost (excl. 1 st £6k) 2026/27
Totals	1,456	1,441	£24,798,287	£8,646,000	£16,152,287
Mount Stewart Infant School	12	12	£221,100	£72,000	£149,100
Mount Stewart Junior School	4	5	£94,282	£30,000	£64,282
Newfield Primary School	10	10	£184,100	£60,000	£124,100
Newman Catholic College	26	25	£427,300	£150,000	£277,300
North Brent School	10	14	£220,700	£84,000	£136,700
North West London Jewish Day School	5	3	£49,600	£18,000	£31,600
Northview Junior and Infant School	13	12	£195,641	£72,000	£123,641
Oakington Manor Primary School	44	42	£754,947	£252,000	£502,947
Oliver Goldsmith Primary School	13	11	£198,562	£66,000	£132,562
Our Lady of Grace Catholic Junior School	6	5	£75,521	£30,000	£45,521
Our Lady of Grace RC Infant and Nursery School	9	8	£144,400	£48,000	£96,400
Our Lady of Lourdes Catholic Primary School	7	7	£140,500	£42,000	£98,500
Park Lane Primary School	18	20	£333,182	£120,000	£213,182
Preston Manor School	62	63	£1,100,400	£378,000	£722,400
Preston Park Primary School	17	17	£284,324	£102,000	£182,324
Princess Frederica CofE Primary School	8	8	£118,821	£48,000	£70,821
Queens Park Community School	40	43	£718,200	£258,000	£460,200
Roe Green Infant School	13	14	£268,200	£84,000	£184,200
Roe Green Junior School	13	12	£205,182	£72,000	£133,182
Saint Claudine's Catholic School for Girls	13	15	£237,100	£90,000	£147,100
Salisbury Primary School	13	13	£247,441	£78,000	£169,441
Sinai Jewish Primary School	22	24	£341,147	£144,000	£197,147
St Andrew and St Francis CofE Primary School	17	19	£358,100	£114,000	£244,100
St Gregory's Catholic Science College	34	32	£521,700	£192,000	£329,700
St Joseph's Catholic Infant School	5	6	£117,800	£36,000	£81,800
St Joseph's Catholic Junior School	5	3	£36,422	£18,000	£18,422
St Joseph's Roman Catholic Primary School	23	24	£400,704	£144,000	£256,704
St Margaret Clitherow RC Primary School	9	8	£146,700	£48,000	£98,700
St Mary Magdalen's Catholic Junior School	8	5	£61,147	£30,000	£31,147
St Mary's CofE Primary School	6	6	£87,385	£36,000	£51,385
St Mary's RC Primary School	5	3	£47,601	£18,000	£29,601
St Robert Southwell Catholic Primary School	22	21	£343,742	£126,000	£217,742
Sudbury Primary School	35	26	£441,788	£156,000	£285,788
The Kilburn Park School Foundation	4	3	£40,521	£18,000	£22,521
The Stonebridge School	11	14	£255,922	£84,000	£171,922
Uxendon Manor Primary School	18	18	£361,882	£108,000	£253,882
Wembley High Technology College	30	33	£529,800	£198,000	£331,800
Wembley Primary School	43	42	£713,596	£252,000	£461,596

[2026-27 - Estimated High Needs Block \(for In and Out Borough pupils with Education Health Care Plans\)](#)

School Name	FTE Pupils with EHCPs 2025/26	FTE Pupils with EHCPs 2026/27	Total EHCP cost 2026/27	School's Contribution to Total EHCP cost (1 st £6k of each) 2026/27	LA Top-up to Total EHCP cost (excl. 1 st £6k) 2026/27
Totals	1,456	1,441	£24,798,287	£8,646,000	£16,152,287
Wykeham Primary School	12	14	£260,903	£84,000	£176,903

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	<p align="center">Schools Forum 17 June 2026</p>
	<p align="center">Report from the Strategic Director Children, Young People and Community Development</p>
<p>Updated Scheme for Financing Schools & Schools Financial Regulations 2026/27</p>	
Wards Affected:	All
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	N/A
No. of Appendices:	Appendix A: Scheme for Financing Schools 2026/27 Appendix B: Scheme for Financing Schools 2026/27 Summary of changes Appendix C: Schools Financial Regulations 2026/27 Appendix D: Schools Financial Regulations 2026/27 Summary of changes
Background Papers:	Prior year's reports
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Folake Olufeko Head of Finance (CYPCD) 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 2026/27.

2. Recommendation

- 2.1. The Schools Forum is requested to approve the amendments to the Scheme for Financing Schools 2026/27.
- 2.2. The Schools Forum is requested to note and comment on the Schools Financial Regulations 2026/27.

3. Detail

- 3.1. All changes applied in the revision are in line with the March 2026 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 EU Public Procurement Regulations and all the relevant regulations.

- 3.2. The Scheme for Financing Schools for 2026/27 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 following sections have been updated:
- 2.1.2 Provision of Financial Information and Reports
 - 2.10. Purchasing, Tendering and Contracting Requirements
 - 3.5.1. Restrictions on Accounts
 - 4.9 Licensed Deficits
 - 9.1 Teachers' Pensions
 - 9.1.2. Local Government Pension Scheme (LGPS)
- 3.4. The Schools Financial Regulations for 2026/27, 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.
- 3.5. The following sections have been updated:
- Annex A – List of Maintained Schools
 - G.1, G.3 and G.9 - Procurement Legislation

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 2026/27 Scheme for Financing Schools.
- 4.2. All maintained school members are invited to formally comment on the 2026/27 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 There are no climate change and environmental implications directly arising from this report.

9.0 Communication considerations

9.1 Not applicable.

Report sign off:

Nigel Chapman

Corporate Director Children, Young People and Community Development

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SCHEME FOR FINANCING SCHOOLS

2026-27

CONTENTS

(Updated June 2026)

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 2026)

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 2026)

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 2026)

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 2026, 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 email.

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 and where applicable the Public Contracts Regulations 2015 (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.

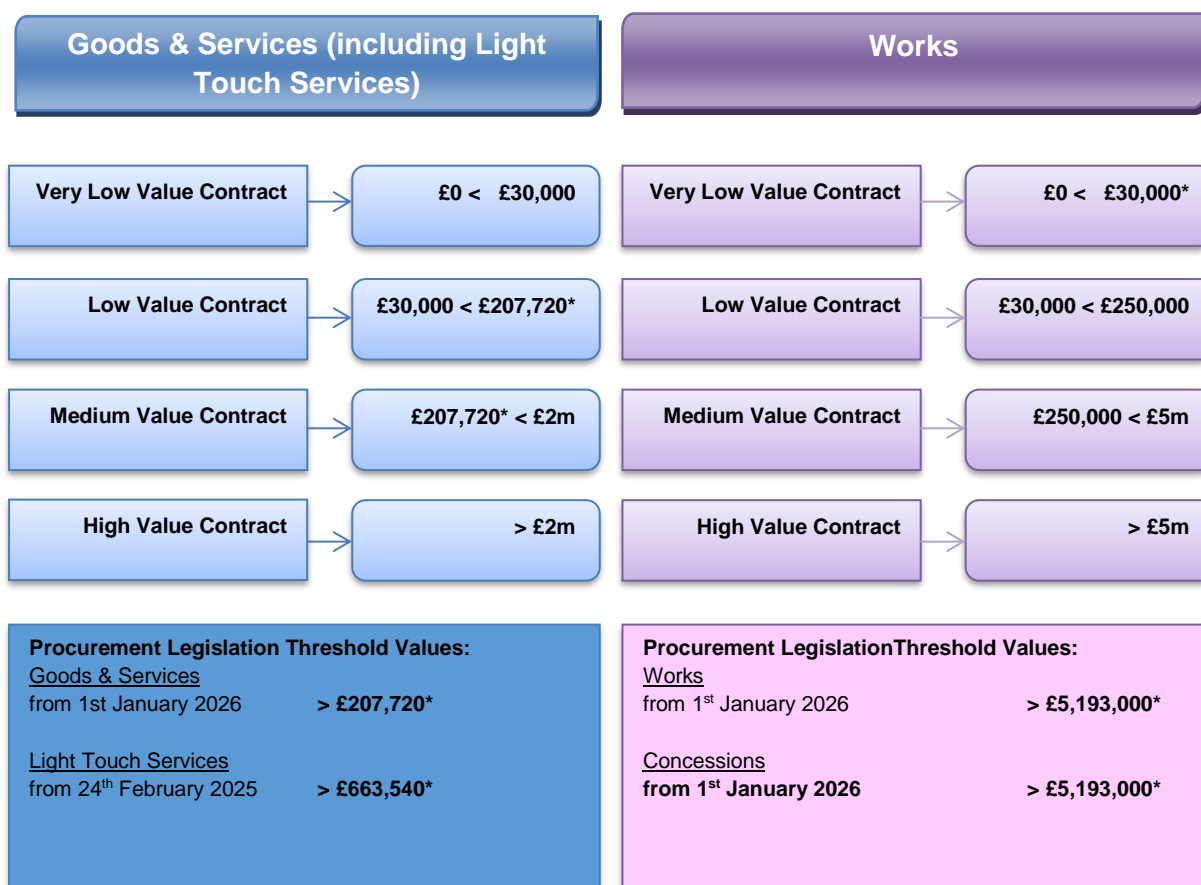
An electronic version of the LA’s Constitution encompassing the Financial Regulations and Contract Standing Orders can be obtained here: [Constitution \(brent.gov.uk\)](https://www.brent.gov.uk/constitution)

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 2026/27

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.

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 or Public Contracts Regulations 2015 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 2026/27.

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.

Schools with surplus cash balances should adopt a prudent and risk-averse approach to investments, reflecting Council-approved treasury management principles while tailoring limits to their own operational needs. Schools should apply the core principles of security, liquidity and yield (in that order of priority), ensuring that funds are invested only in approved counterparties that meet strong creditworthiness standards. Although the Council operates with higher counterparty limits, it is recommended that schools apply a more cautious threshold by limiting deposits to £120,000 per authorised financial institution, in line with the UK Financial Services Compensation Scheme (FSCS), to ensure full protection.

Schools may invest in low-risk instruments such as fixed-term deposits with banks, building societies and credit unions authorised by the Prudential Regulation Authority (PRA), ensuring that investment limits are proportionate to the size of the budgets, reserves and cashflow requirements. In line with Council treasury guidance, the maximum investment duration should generally not exceed six months, prevailing market conditions; any decisions to exceed this duration would be at the school's own risk and would require clear justification to stakeholders.

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

Any school that closes a financial year with a cumulative deficit balance, or cannot set a balanced budget, will be required to apply for and enter into a Licensed Deficit Agreement and submit a Deficit Recovery Plan to the Local Authority. This requirement applies regardless of whether the school's budget for the following financial year is balanced or in surplus. The purpose of the Licensed Deficit Agreement is to provide an appropriate level of challenge, support and financial oversight to ensure the recovery of the deficit balance within an agreed timescale. The school will be required to provide regular financial monitoring information and to update its recovery plan as requested by the Local Authority until the deficit has been eliminated.

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.

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

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 Local Authority (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 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, by the 15th of the month following deduction, by the 15th of the month following deduction
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 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 pensions legislation .

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 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.

<p>Payments of monies due</p>	<p>Monthly contributions – on time and the correct amount, broken down by employee, employer and additional contributions</p> <p>Monthly contributions remittance must be sent directly to the Pension Fund (not LPPA) on or before the payment date. The payment and return should be sent by 7th of the month following deduction, and no later than the 19th of the month following deduction</p>
<p>Monthly contribution return errors Examples of monthly return errors</p> <ul style="list-style-type: none"> • A discrepancy between payment and schedule • An incorrect employer contribution rate use 	<p>Respond to errors within 10 working days of notification.</p> <p>If you are unable to respond in ten working days then inform the LA of the likely time frame that you can respond in.</p>
<p>Submission of monthly data 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>Monthly data return error rates Examples of monthly return errors</p> <ul style="list-style-type: none"> • 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 	<p>Respond to errors within 10 working days of notification.</p> <p>If you are unable to respond in ten working days then inform the LPPA of the likely time frame that you can respond in and advise Brent Pensions of the delay</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>

Submission of joiners/leavers	<ul style="list-style-type: none"> • Notification of joiners within 2 month of joining the scheme • Notification of leavers within 2 month of leaving the scheme • Notification of retirement within 1 month prior to the last day of service
Notification of other changes during employment	Relevant changes e.g. change of hours, absence notification online within 2 month of the event
Notification of proposed outsourcing of contracts	<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, 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 (currently, 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>

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.

ANNEX A – LIST OF MAINTAINED SCHOOLS (at 1 June 2026)

NURSERY (4)

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

PRIMARY (44)

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 Primary 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)

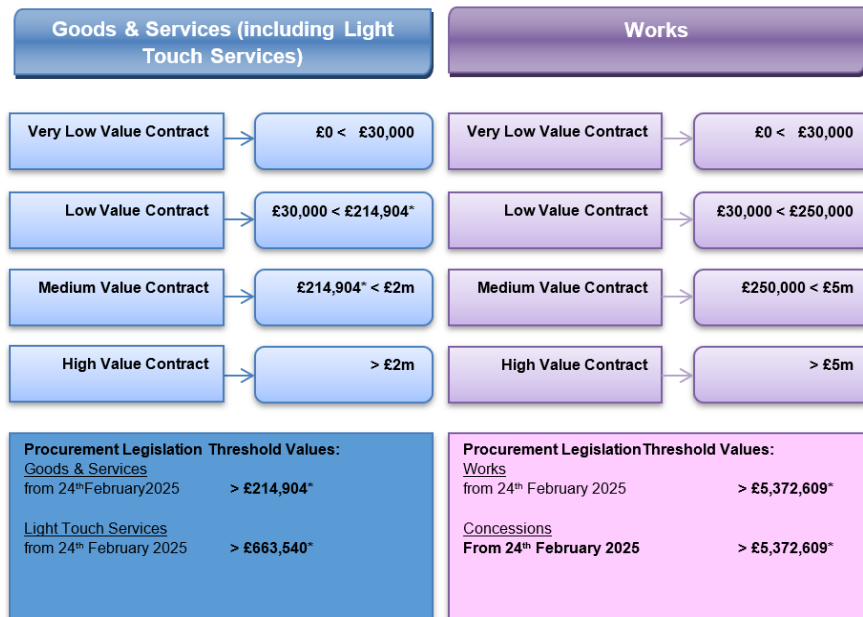
Ashley College
Brent River College

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APPENDIX B
SUMMARY OF CHANGES:
2026-27 SCHEME FOR FINANCING SCHOOLS

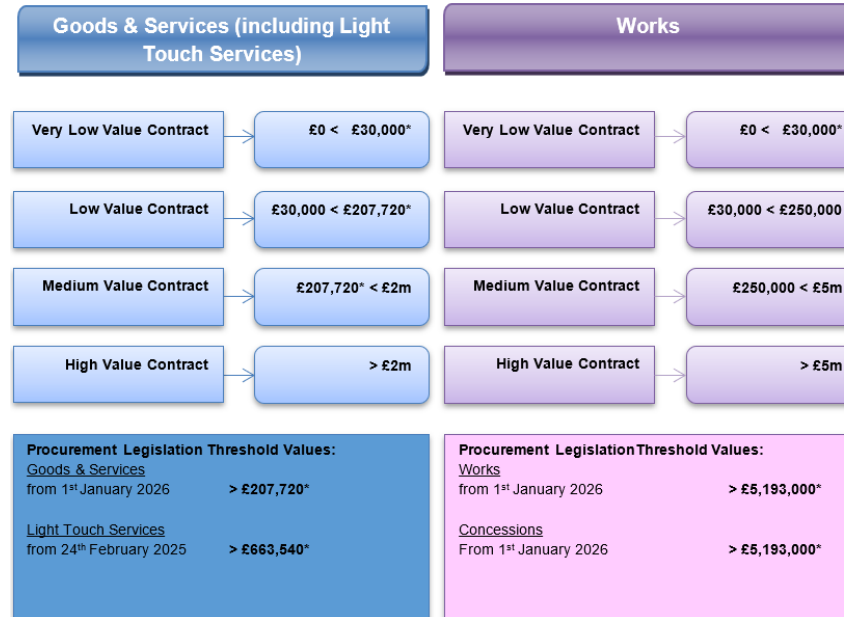
	Previous Wording	Added Wording	Reason for change
Page 89	<p>2.1.2 Provision of Financial Information and Reports The timetable for the submission of all financial returns will be notified to schools via Best Brent.</p> <p>Annex A – List of Maintained Schools</p> <p>2.10. Purchasing, Tendering and Contracting Requirements 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.</p>	<p>2.1.2 Provision of Financial Information and Reports The timetable for the submission of all financial returns will be notified to schools via email.</p> <p>This has been updated to reflect the closure of Malorees Junior School and the expansion and renaming of Malorees Infant School to Malorees Primary School.</p> <p>2.10. Purchasing, Tendering and Contracting Requirements All procurement by schools maintained by the LA must therefore comply with the Procurement Act 2023 which is supplemented by the Procurement Regulations 2024 and where applicable the Public Contracts Regulations 2015 (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.</p>	<p>Update</p> <p>Change of status</p> <p>As per updated Procurement legislation</p>

2.10 Purchasing, Tendering and Contracting Requirements



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.

2.10 Purchasing, Tendering and Contracting Requirements



The fact that the LA has let a contract in accordance with the Procurement Act 2023 or Public Contracts Regulations 2015 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.

As per updated Procurement legislation

As per updated Procurement legislation

Page 91	<p>3.5.1. Restrictions on Accounts</p>	<p>3.5.1. Restrictions on Accounts Schools with surplus cash balances should adopt a prudent and risk-averse approach to investments, reflecting Council-approved treasury management principles while tailoring limits to their own operational needs. Schools should apply the core principles of security, liquidity and yield (in that order of priority), ensuring that funds are invested only in approved counterparties that meet strong creditworthiness standards. Although the Council operates with higher counterparty limits, it is recommended that schools apply a more cautious threshold by limiting deposits to £120,000 per authorised financial institution, in line with the UK Financial Services Compensation Scheme (FSCS), to ensure full protection.</p> <p>Schools may invest in low-risk instruments such as fixed-term deposits with banks, building societies and credit unions authorised by the Prudential Regulation Authority (PRA), ensuring that investment limits are proportionate to the size of the budgets, reserves and cashflow requirements. In line with Council treasury guidance, the maximum investment duration should generally not exceed six months, prevailing market conditions; any decisions to exceed this duration would be at the school's own risk and would require clear justification to stakeholders.</p>	Updated guidance
	<p>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.</p>	<p>4.9 Licensed Deficits Any school that closes a financial year with a cumulative deficit balance, or cannot set a balanced budget, will be required to apply for and enter into a Licensed Deficit Agreement and submit a Deficit Recovery Plan to the Local Authority. This requirement applies regardless of whether the school's budget for the following</p>	Updated wording

Page 92	<p>9.1 Teachers Pensions</p> <p>Payments of monies due</p> <p>Monthly contributions – on time and the correct amount, broken down by bands for employee, employer and additional contributions</p> <p>9.1.2. Local Government Pension Scheme (LGPS) 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.</p> <p>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</p>	<p>financial year is balanced or in surplus. The purpose of the Licensed Deficit Agreement is to provide an appropriate level of challenge, support and financial oversight to ensure the recovery of the deficit balance within an agreed timescale. The school will be required to provide regular financial monitoring information and to update its recovery plan as requested by the Local Authority until the deficit has been eliminated.</p> <p>9.1 Teachers Pensions</p> <p>Payments of monies due</p> <p>Monthly contributions – on time and the correct amount, broken down by bands for employee, employer and additional contributions, by the 15th of the month following deduction</p> <p>9.1.2. Local Government Pension Scheme (LGPS) 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 pensions legislation.</p> <p>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 carries out these activities. Therefore, the table below can be</p>	<p>As per update from Pensions</p> <p>Updated wording</p> <p>Updated wording</p>
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be a useful guide when having discussions with your payroll provider to clarify who does what.

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

a useful guide when having discussions with your payroll provider to clarify who does what.

Payments of monies due	<p>Monthly contributions – on time and the correct amount, broken down by employee, employer and additional contributions</p> <p>Monthly contributions remittance must be sent directly to the Pension Fund (not LPPA) on or before the payment date. The payment and return should be sent by 7th of the month following deduction, and no later than the 19th of the month following deduction.</p>
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Monthly contribution return errors	Respond to errors within 10 working days of notification.
<p>Examples of monthly return errors</p> <ul style="list-style-type: none"> • A discrepancy between payment and schedule • An incorrect employer contribution rate used 	<p>If you are unable to respond in ten working days then inform the LA of the likely time frame that you can respond in</p>

Updated wording

Updated wording

Updated wording

APPENDIX B
SUMMARY OF CHANGES:
2026-27 SCHEME FOR FINANCING SCHOOLS

	<table border="1"> <tr> <td data-bbox="174 675 589 866">Submission of joiners/leavers</td> <td data-bbox="589 675 1037 866"> <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 </td> </tr> <tr> <td data-bbox="174 866 589 970">Notification of other changes during employment</td> <td data-bbox="589 866 1037 970">Relevant changes e.g. change of hours, absence notification online within 1 month of the event</td> </tr> </table>	Submission of joiners/leavers	<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 	Notification of other changes during employment	Relevant changes e.g. change of hours, absence notification online within 1 month of the event	<p>Monthly data return error rates Examples of monthly return errors</p> <ul style="list-style-type: none"> • 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 	<p>Respond to errors within 10 working days of notification.</p> <p>If you are unable to respond in ten working <u>days</u> then inform the LPPA of the likely time frame that you can respond in and advise Brent Pensions of the delay</p>	<p>Updated wording</p>
Submission of joiners/leavers	<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 							
Notification of other changes during employment	Relevant changes e.g. change of hours, absence notification online within 1 month of the event							
		<table border="1"> <tr> <td data-bbox="1077 727 1480 911">Submission of joiners/leavers</td> <td data-bbox="1480 727 1928 911"> <ul style="list-style-type: none"> • Notification of joiners within 2 <u>month's</u> of joining the scheme • Notification of leavers within 2 <u>month's</u> of leaving the scheme • Notification of retirement within 1 month prior to the last day of service </td> </tr> <tr> <td data-bbox="1077 911 1480 1015">Notification of other changes during employment</td> <td data-bbox="1480 911 1928 1015">Relevant changes e.g. change of hours, absence notification online within 2 <u>month's</u> of the event</td> </tr> </table>	Submission of joiners/leavers	<ul style="list-style-type: none"> • Notification of joiners within 2 <u>month's</u> of joining the scheme • Notification of leavers within 2 <u>month's</u> of leaving the scheme • Notification of retirement within 1 month prior to the last day of service 	Notification of other changes during employment	Relevant changes e.g. change of hours, absence notification online within 2 <u>month's</u> of the event		
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**APPENDIX B
SUMMARY OF CHANGES:
2026-27 SCHEME FOR FINANCING SCHOOLS**

<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>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, 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>	<p style="text-align: center;">Updated wording</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>		<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 (currently, 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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SCHEME FOR FINANCING SCHOOLS:

SCHOOLS FINANCIAL REGULATIONS

2026-27

CONTENTS

(Updated June 2026)

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 2026)

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

<u>F.</u>	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 of June 2026)

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 2026, 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 \(brent.gov.uk\)](http://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 or 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-terminly. 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 \(brent.gov.uk\)](http://brent.gov.uk)

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.’

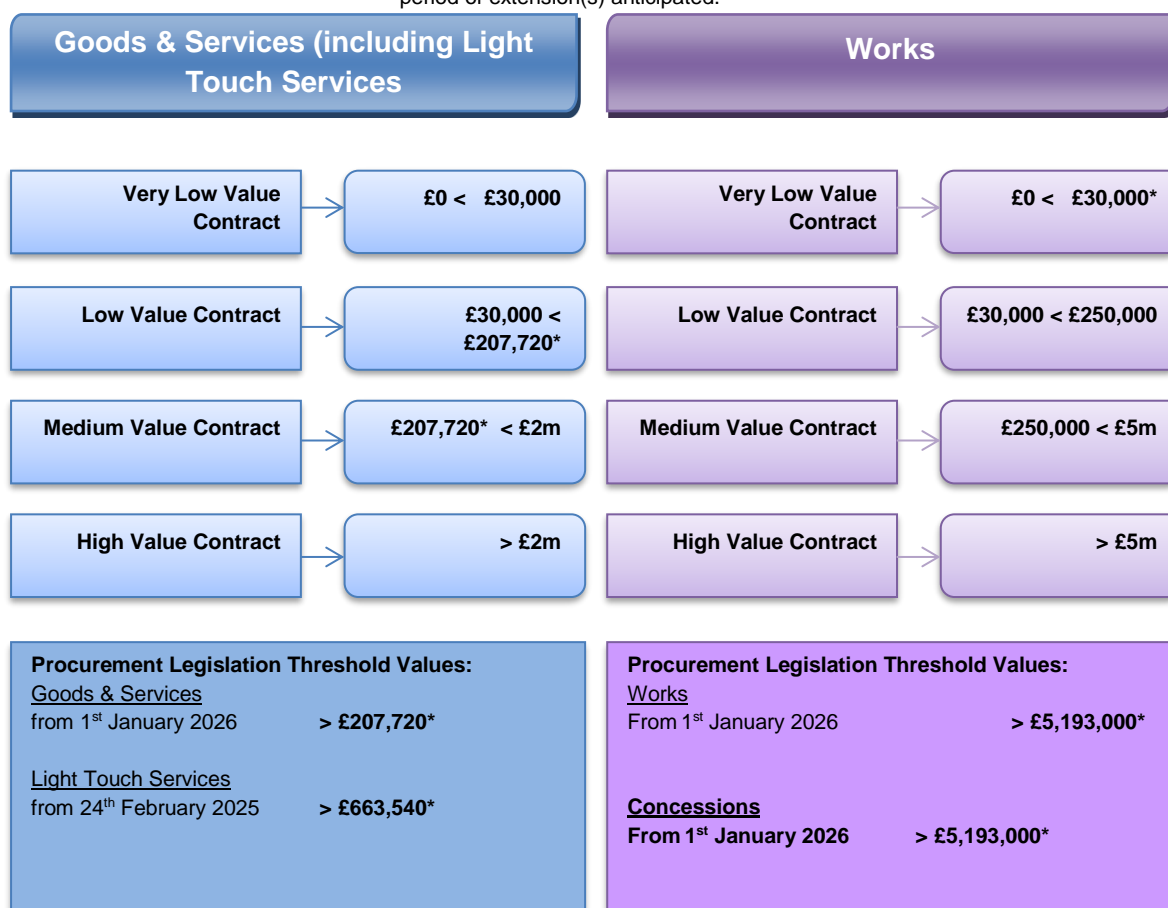
A summary of the LA’s Financial Regulations and Contract Standing Orders is provided below however, the Governing Board must be mindful of referring to and complying the full requirements contained in the LA’s Constitution, which may be amended from time to time.

- 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 and where applicable the Public Contracts Regulations 2015 (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. Framework Agreements and DPS' set up under the Public Contracts Regulations 2015 and which are still active, schools are required to follow the Public Contracts Regulations 2015 in respect of those Framework Agreements and DPS'.
- 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 1 June 2026)

NURSERY (4)

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

PRIMARY (44)

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 Primary 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)

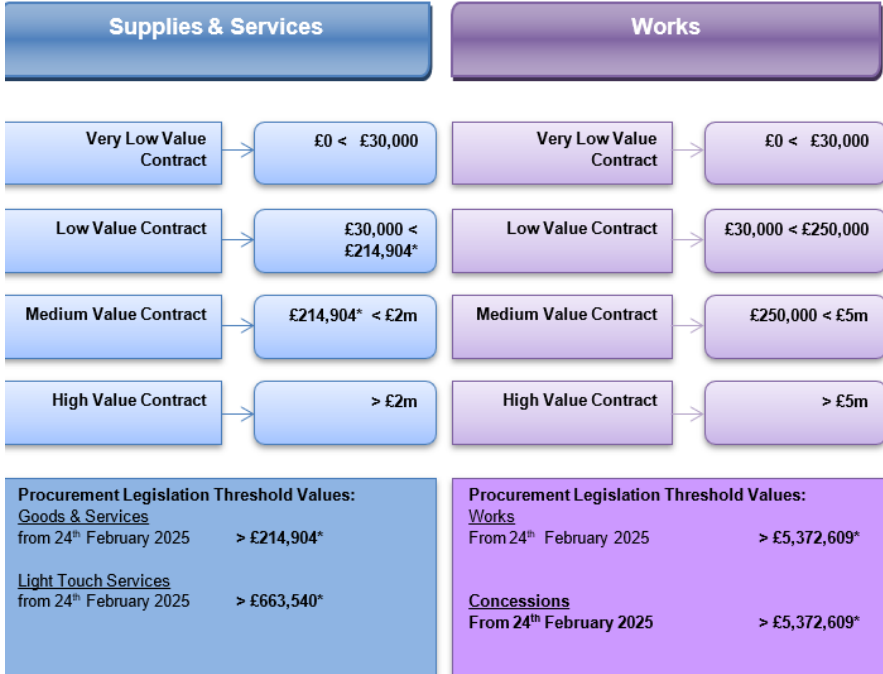
Ashley College
Brent River College

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APPENDIX D
SUMMARY OF CHANGES:
2026-27 SCHOOLS FINANCIAL REGULATIONS

	Previous Wording	New Wording	Reason for change
Page 143	<p>Annex A – List of Maintained Schools</p> <p>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.</p>	<p>This has been updated to reflect the closure of Malorees Junior School and the expansion and renaming of Malorees Infant School to Malorees Primary School.</p> <p>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 and where applicable the Public Contracts Regulations 2015 (referred to elsewhere herein as “Procurement Legislation”), the LA’s Financial Regulations and Contract Standing Orders.</p>	<p>Change of status</p> <p>In line with updated Procurement Legislation</p>

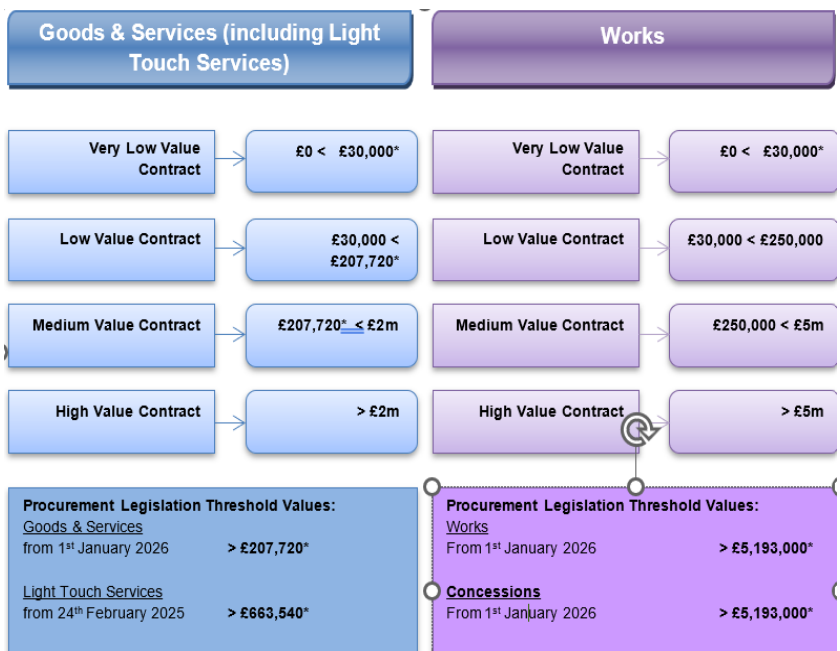
G.3 Contract Value



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

G.3 Contract Value



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

In line with updated Procurement Legislation

In line with updated Procurement Legislation

APPENDIX D
SUMMARY OF CHANGES:
2026-27 SCHOOLS FINANCIAL REGULATIONS

Page 145	<p>Framework Agreement or DPS or Dynamic Market would be legally permissible.</p>	<p>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. Framework Agreements and DPS' set up under the Public Contracts Regulations 2015 and which are still active, schools are required to follow the Public Contracts Regulations 2015 in respect of those Framework Agreements and DPS'.</p>	
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