London Borough of Waltham Forest

2026

SCHEME FOR FINANCING SCHOOLS

Strategic Director Resources
and
Strategic Director, Children's Services

London Borough of Waltham Forest Town Hall
Forest Road, Walthamstow,
London E17 4JF

Updated June 2026

Contents Page

SECTION 1: THE FUNDING FRAMEWORK

1.1 The Funding Framework

The London Borough of Waltham Forest is committed to a funding framework, agreed with its schools, which support improvement, strengthens outcomes for pupils and allows schools and the local authority to offer efficient and effective services. The funding framework which replaces local management of schools is set out in the legislative provisions in sections 45-53 of the Schools Standards and Framework Act 1998. Further details are set out in the Department for Education's Statutory Guidance: Scheme for Financing Local Authority Maintained Schools, available at: [Schemes for Financing Schools 2026-27]

Under this legislation, Local Authorities determine the size of their school's budget and their non-school's education budget, although the local authority must allocate 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 an authority's-maintained schools except for capital and certain miscellaneous items.

. Local authorities may retain funding from the school's budget for purposes defined in regulations made by the Secretary of State under Section 45A of the Act (the centrally retained expenditure). The amounts to be retained centrally are decided by the local authority concerned, subject to any limits or conditions which may include gaining the approval of their school's forum or the Secretary of State in certain circumstances, in accordance with regulations made by the Secretary of State. The balance of the school's budget remaining after deduction of centrally retained funds is called the Individual Schools Budget (ISB). Expenditure items in the non-school's education budget must be retained centrally, although earmarked allocations may be made to schools.

Local Authorities 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. The budget share is then delegated to the governing body 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 a scheme made by the authority in accordance with s.48 of the Act and regulations made under that section. All proposals to revise the scheme must be approved by School's Forum, though the authority 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 by the authority.

Subject to provisions of this scheme, governing bodies of schools may spend budget shares as they determine, for the purposes of their school. They may also spend budget shares on any additional purposes prescribed by the Secretary of State in regulations made under s.50 of the Act. Amounts spent by a governing body on providing community facilities or service under section 27 of the Education Act 2002 are treated as if they were amounts spent for the purposes of the school (section 50(3A) of the Act).

The Local Authority may suspend a school's right to a delegated budget if the provisions of this scheme (or rules applied under 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 outlines under schedule 17 of the Act.

The local authority is obliged to publish each year a statement setting out details of its planned school's budget and other expenditure on Children's Services, showing the amounts to be centrally retained and the funding delegated to schools. After each financial year the authority must publish a statement showing outturn expenditure at both central level and for each school, and the balances held in respect of each school. This information can be found within the papers for School's Forum.

1.2 The Role of the Scheme

This scheme sets out the financial relationship between the London Borough of Waltham Forest and the maintained schools which it funds. It contains requirements relating to financial management and associated issues which are binding on both the Local Authority and on its maintained schools.

1.2.1 Application of the Scheme

This scheme applies to all community, nursery, special, voluntary, foundation (including trust), and pupil referral units maintained by the local authority. Annex 1 to this scheme constitutes a definitive list of all schools to which this scheme applies as at 01 April of each financial year.

1.3 Publication of the Scheme

A copy of this scheme will be published on the information for Schools hub Home | The Hub - Waltham Forest Education Hub. Any approved revisions to the scheme will be made to the internet version which will be the latest version and changes to the scheme will be notified to schools.

1.4 Revision of the Scheme

Proposed amendments to the scheme will be subject to consultation with Schools Forum. Schools Forum will decide whether the proposed revisions are of such significance that they should be subject to a consultation with the governing body and head teacher at every maintained school.

Revisions to the scheme proposed by the local authority may only be implemented after the Schools Forum, or (in cases where the authority and the School Forum cannot agree) the Secretary of State has approved them, In the event that a vote is necessary when deciding whether to agree changes to the scheme, only members of the Schools Forum representing maintained schools will be entitled to vote.

It is also possible for the Secretary of State to make directed revisions to schemes after consultation. Such revisions become part of the scheme from the date of the direction and are therefore not subject to approval by the

Schools Forum. There will be an annual review of the scheme to ensure that terminology remains up to date; these will also not require approval from Schools Forum but will be shared for information.

1.5 Delegation of Powers to the Head Teacher

The governing body of a school must consider to what extent it wishes to delegate the financial powers of the school to the Head Teacher and must record its decision (and any revisions) in the minutes of the governing body meeting, although the governing body remains ultimately accountable. The level and extent of any delegation must be reviewed at least annually. Similarly, powers may be delegated to a committee of the governing body (such as a finance committee), which may meet more frequently than the full governing body and therefore be in a position to respond more quickly to issues and matters that may arise in relation to finances.

The annual and revised budget plan must be approved by the full governing body; this responsibility cannot be delegated to a committee or individual and this should also be recorded in the minutes of the meeting.

1.6 Maintenance of Schools

The local authority is responsible for maintaining the schools covered by the scheme, and this includes the duty of defraying all the expenses of maintaining them (expect in the case of a voluntary aided school where some of the expenses are, by statue, payable by the governing body). Part of the way an authority maintains schools is through the funding system put in place under section 45-53 of the Schools Standards and Framework Act 1998.

SECTION 2: FINANCIAL CONTROLS

2.1 Application of Financial Controls to Schools

In managing their delegated budgets schools must abide by the Authority's requirements on financial controls and monitoring. Some of these are directly referred to in this scheme while others are included in the Council's Financial Regulations. If there is any inconsistency between this scheme and those other rules and regulations relating to the funding or financial management of schools, the terms of the scheme shall apply. Those requirements may contain particular regulations for schools operating their own bank accounts.

The governing body should ensure that the headteacher reports progress on financial performance on a regular basis (at least quarterly and schools that are in deficit on a monthly basis) to the full governing body or the finance committee. The headteacher is responsible to the governing body for financial control within the school. The headteacher should ensure that the financial controls are maintained in the absence of key staff and should ensure that provisions are in place for all staff to be adequately trained. The headteacher should be responsible for amending and updating local financial procedures in line with Audit, the Local Authority and statutory requirements. Any changes to the local financial procedures should be reported back to the governing body.

Schools must comply with Council financial regulations, standing orders and accounting instructions and guidelines, as issued to the school from time to time by the Council's Chief Financial Officer or their delegate, who is statutorily responsible for ensuring the probity and regularity of all financial activities and systems within the Authority.

2.2 Provision of Financial Information and Reports

Schools are required to provide the Local Authority with details of anticipated and actual income and expenditure in a form and time determined by the Local Authority (generally in line with Consistent Financial Reporting Framework), to ensure that the Local Authority's role in ensuring proper use of public funds is achieved. Requests for information may become more frequent if the Local Authority has given notice in writing that it is concerned about its financial management, the school is in or predicted to be in a deficit or the school is in its first year of operation.

All schools must submit quarterly budget monitoring reports as a minimum in a specified format no later than two weeks after the end of the quarter. The forecasted income and expenditure must be realistic, and schools must explain major variances between the submissions. (Including between quarter 3 and the outturn).

The submissions must also include the latest bank reconciliation carried out, including a copy of the bank statement which shows the closing balance that is being reconciled to.

With the level of School Balances becoming an increasing concern, particularly as a growing number of schools move into deficit positions, it is likely that more frequent monitoring and reporting requirements will be introduced for all schools. This will help ensure that schools currently holding surplus balances maintain their financial stability, while enabling earlier identification and support for schools at risk of entering deficit. Refreshed monitoring and closedown timetables will be issued to Schools in 2026/27.

2.3 Payment of Salaries; Payment of Bills

Schools have full responsibility for the payment of salaries and wages as well as for the payment of suppliers' invoices. In meeting these responsibilities, the school may undertake the necessary tasks itself or buy in such services from relevant providers. The school must ensure that that the individuals/organisations are suitably competent to carry out the tasks and that they are carried out in line with the Schools Finance Manual and relevant procurement rules.

2.4 Control of Assets

Each school is responsible and is required to maintain and regularly update a register/inventory of its assets. The governing body is required to maintain an inventory of all its moveable non-capital assets, such as furniture, plant, computer and other equipment for all items valued over £1,000. Schools are encouraged to keep a register of assets (via their own arrangements) worth less than £1,000 and register anything that is portable and attractive such as ipads/camera.

Schools are only permitted to dispose of assets where those assets are in the ownership of the governing body. Assets should only be disposed of where this has the approval of the governing body (unless the governing body has delegated authority to do so to a sub-committee) and this must be included within the minutes to the meeting.

2.5 Accounting Policies (including year-end procedures)

The Local Authority has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA) code of recommended practice. An integral part is that accounts are maintained on an accruals basis rather than a cash basis (this means the cost of supplies and services etc. are accounted for in the period during which they were consumed or received. Similarly receipts from fees, charges, rents etc. must be accounted for in the period to which they relate). Therefore, reports and accounts of schools must be submitted on a similar basis.

Schools must submit an outturn report of their financial position, in a specified format issued by the Local Authority no later than the deadline confirmed to schools by the Education Finance Team. The information requested will be consistent with DfE's Consistent Financial Reporting (CFR) requirements and other information required for consolidation into the Local Authority's accounts.

Each year the Education Finance Team will issue guidance on the procedures and timescales to be followed at the end of the financial year for the closure of accounts.

2.6 Writing off Debts

Governing bodies are only authorised to write off debts up to £2,000. In the case of larger debts, the school must consult with the Education Finance Team or Director of Education for approval.

Any writing off of a debt must be formally recorded in the minutes of the governing body. 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 write-offs must be correctly recorded in the accounts, by reversal of the original income transaction. All documentation relating to the original debt, the recovery process and its write-off and approval of this should be retained by the school and submitted to the Authority at the end of the financial year.

2.7 Basis of Accounting

Reports and accounts that are submitted to the Local Authority must be prepared on an accruals basis, taking account of creditors and debtors.

2.8 Submission of Budget Plans

Each school is required to submit a final three-year budget plan, approved by the governing body (and recorded in the board minutes) to the Local Authority by 01 May each year. A five-year budget plan will be necessary when a school is in severe deficit or where the three-year budget plan does not seem sustainable, but this should be under exceptional circumstances only, as DfE guidelines state that deficits should be cleared within a maximum period of three years.

Any revisions to budget plans should be reported to the Local Authority as part of the monthly/quarterly monitoring cycle. The format of the budget plan is as prescribed in the annual budget planning guidance sent to all schools each year by the Local Authority's Education Finance Team.

2.9 School 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, taking into account the Local Authority's purchasing, tendering and contracting requirements.

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It is for Head Teachers and governors to determine at school level how to secure better value for money.

There are significant variations in efficiency 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.

2.10 Virement (Budget Adjustments)

A virement is the transfer of funds from one budget to another. It allows flexibility to move budgets to deal with changing circumstances throughout the course of the year. Schools may transfer (vire) funds freely between budget headings during the course of the financial year to reflect changes in spending plans and actual spending. Such virements should be duly authorised in line with the approval arrangements within any individual school. Such changes should be reported to the Local Authority if they are at a level of detail which affects the budget plan submitted to the Local Authority.

In order to promote efficient management of the school it is recommended that the governing body delegates authority for virements below a specified level to the Head Teacher, or other nominated officers. However, this is entirely a matter for each governing body to determine for itself. There are some restrictions around specific earmarked allocations, but schools will be notified on receipt of the sums.

2.11 Audit: General

Schools are required to co-operate fully with auditors appointed by the Local Authority, including Internal Audit, and the Local Authority's external audit arrangements as established under the Local Audit and Accountability Act 2014. Schools must provide auditors with full, prompt and unrestricted access to any records, documents, systems, assets, and information reasonably required to undertake their work.

All maintained schools fall within the audit regime determined by the Local Authority and are subject to internal audit review on a risk-based basis. Schools must ensure that all relevant records and supporting information are made available to both internal and external auditors, including information held electronically. This supports the Local Authority's statutory requirement to maintain effective governance, risk management and control processes.

- Where audit reviews result in findings and recommendations, the Head Teacher must ensure that:
- Agreed actions are implemented within the specified timescales;
- Progress against the action plan is monitored, evidenced and documented;
- The governing body is informed of audit outcomes and maintained oversight of implementation

Schools must ensure that audit recommendations are addressed in a timely manner to mitigate identified risks, including those relating to fraud, bribery, and corruption (see Section 2.22).

Where significant control weaknesses are identified, including where an audit opinion provides limited or no assurance, schools may be required to attend the Local Authority's Audit and Governance Committee to provide assurance on the actions being taken to address identified risks and control failures. Internal Audit reports and summary fundings are reported to the Audit and Governance Committee as part of the council's governance framework.

2.12 Separate External Audits

Schools' governing bodies may spend funds from its budget share to obtain external audit certification of its accounts, separate from any Local Authority internal or external audit process if they so wish. However, there is no expectation or legal obligation for schools to do so. Where a school chooses to seek such an additional audit it does not remove the requirement that the school must also co-operate with the Local Authority's internal and external auditors.

2.13 Audit of Voluntary and Private Funds

Schools must provide an independent audit report and certificate in respect of any voluntary and private funds held and of the accounts of any trading organisation controlled by the school. These should be submitted within six months of the financial year end. The audit should be carried out by a suitable independent person, and the report and accounts should be presented to the governing body annually. The governing body will be required to register any relevant funds with the Charities Commission.

The independent audit report (provided by the suitable independent person) should specifically assure that no Dedicated Schools Grant Funds are being administered via voluntary or private funds. A school refusing to provide audit certificates to the Local Authority as required by the scheme is in breach of the scheme and the Local Authority can take action on that basis.

2.14 Register of Business Interests

It is important that people who are making decisions about spending public money are able to demonstrate that they do not benefit personally from those decisions and therefore the governing body must maintain a Business Interests Register. This should list for each member of the governing body, the head teacher and all staff involved in financial transactions (or financially related transactions): Any business interests they (or any immediate member of their family) have, details of other education establishments that they govern, and any relationship between school staff and members of the governing body.

The register must be reviewed and updated annually by all relevant staff and governors, and a nil return required where there is nothing to declare. The register must be available for inspection by governors, staff and parents as well as by the Local Authority and must be published on a publicly available website. The register of business interests should be formally referred to prior to the acceptance of quotations or the awarding of contracts. It should be noted in the minutes of the governing body that this procedure has been adopted at the start of each academic year.

2.15 Purchasing, Tendering and Contracting Requirements

Schools are required to abide by the Local Authority's financial regulations and Contract Procedure Rules 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 Local Authority's policies and procedures.

The financial regulations and Local Authority policies and procedures will not apply where they would require schools to:

- Do anything incompatible with any of the provisions of this Scheme for Financing Schools, or any statutory provision.
- Seek Local Authority Officer countersignature for any contracts for goods or services for a value below £60,000 in any one year;
- Select suppliers only from an approved list.
- Permit schools to seek fewer than three tenders or quotations in respect of any contract with a value exceeding £10,000 in any one year is disapplied for the purposes of this scheme.

Buying for schools on a range of compliantly procured deals is on Buying for schools - GOV.UK

2.16 Application of Contracts to Schools

Schools have a right to opt out of Local Authority arranged contracts except where they have voluntarily agreed to be bound to the terms and conditions of a particular contract(s).

Although Governing Boards are empowered to enter into contracts in their own right (Education Act 2002, Paragraph 3 of Schedule 1), and also may do so where they have a clear statutory obligation (e.g. contracts made by Voluntary Aided or Foundation Schools for the employment of staff), in most cases they do so on behalf of the Local Authority 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 Procedure Rules.

2.17 Central Funds and Earmarking

The Local Authority may from time to time make sums available to schools from central funds, in the form of allocations which are additional to and separate from the schools' budget shares. These might, for example, be sums for Special Educational Needs or other initiatives funded from the central expenditure of an Authority schools' budget or other Authority budget.

Any such earmarked funding from centrally retained funds is to be spent only on the purposes for which it is given, or on other budget heads for which earmarked funding is given and is not to be vired into the schools budget share. In order that schools may demonstrate compliance with this requirement, schools should ensure that separate funds are entered onto their own financial management systems and that all expenditure charged to these allocations can be accounted for to demonstrate that the funds were only spent for the purpose for which they were allocated.

The Local Authority cannot make any deduction, in respect of interest costs incurred by the Local Authority, from payments to schools of devolved specific or special grant.

2.18 Spending for the Purposes of the School

In accordance with section 50(3) of the School Standards and Frameworks Act governing bodies are authorised to spend the budget share for the purposes of the school subject to the provisions contained in this scheme and any regulations issued by the Secretary of State. By virtue of section 50(3A) (which came into force on 01 April 2011), amounts spent by governing bodies on community facilities or services under section 27 of the Education Act 2002 will be treated as if spent for any purposes of the school.

Under Section 50(3) (b) the Secretary of State may prescribe additional purposes for which expenditure of the budget share may occur. This has been done in the School Budget Share (prescribed purposes) (England) Regulations 2002 (S1 2002/378), which have been amended by School Budget Shares (prescribed Purposes) (England) (Amendment) Regulations 2010 (SI 2010/19). These allow schools to spend their budgets on pupils who are on the roll of other maintained schools or academies**.**

Governing bodies are reminded that the prime purpose of the school and its consequent expenditure should be the provision of teaching and learning for the pupils and students attending the school.

2.19 Capital Spending from Budget Shares

Governing bodies are permitted to use their budget shares to meet the cost of capital expenditure on the school premises. This includes expenditure by the governing body of a voluntary aided school on work which is their responsibility under paragraph 3 of Schedule 3 of the SSAF Act 1998.

If the expected capital expenditure in any one year will exceed £15,000 the governing body must notify the Local Authority and take into account any advice from the Director of Education, as to the merits and implications of the proposed expenditure.

If the premises are owned by the Local Authority or the school has voluntary controlled status, then the governing body should seek the consent of the Local Authority to the proposed works, but such consent can be withheld only on health and safety grounds.

The reason for these provisions is to help meet responsibilities with the 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.

2.20 Notice of Concern

The Authority may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Chief Finance Officer and Strategic Director of Children's Services or their nominated deputies, 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 Local Authority or the school.

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

These may include (but are not limited to):

- Insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;
- Insisting that appropriately trained/qualified staffs are appointed to undertake tasks relating to the financial management of the school. Such appointments maybe temporary or permanent. These appointments will be at the expense of the school.
- Insisting that an appropriately trained/qualified person chairs the Finance Committee of the governing body;
- Placing more stringent restrictions or conditions on the day-to-day financial management of a school that the scheme requires for all schools – such as the provision of monthly accounts, forecast statements and details of expenditure to the Local Authority;
- Insisting on regular financial monitoring meetings at the school attended by Local Authority officers
- 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.

- Withdrawing a schools bank account facility, where it is deemed a school is unable to manage a bank account. (e.g. failure to carry out regular and accurate bank reconciliations)

The notice will clearly state what the 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 Local Authority may take where the governing body does not comply with the notice.

The circumstances in which a notice may be issued could 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 Local Authority 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 or repeated issues with submissions of other reporting and information requirements;
- 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.
- Schools not completing their financial returns on a timely and/or accurate basis.

The purpose of this provision is to enable the Local Authority to set out formally any concerns it has regarding the financial management of a school it maintains and requires a governing body to comply with any requirements it deems necessary. The principal criterion for issuing a notice, and determining the requirements included within it, must be to safeguard the financial position of the Local Authority or school.

It should not be used in place of withdrawal of financial delegation where that is the appropriate action to take; however, it may provide a way of making a governing body aware of the Local Authority's concerns short of withdrawing delegation and identifying the actions a governing body should take in order to improve their financial management to avoid withdrawal.

If a school is issued a notice of concern, they will be placed into the Local Authorities Stronger Schools Financial Programme and will need to provide monthly financial reporting and attend regularly meetings with the Local Authority in line with the Stronger Schools Financial Programme policy.

2.21 Schools Financial Value Standard (SFVS)

All Local Authority maintained schools (including nursery schools and Pupil Referral Units (PRUs) that have a delegated budget) must demonstrate compliance with the Schools Financial Value Standard (SFVS) and complete the assessment form on an annual basis. It is for the schools to determine at which time of 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 Local Authority before 31 March and annually thereafter. The financial transparency new burden's policy will publish the names of Local Authorities who fail to submit the returns on time.

2.22 Fraud

All maintained schools must establish and maintain effective systems of control to prevent, detect and respond to fraud, theft, bribery, corruption, and other financial irregularities. These controls must ensure that public funds and assets are safeguarded and used only for their intended purposes, in line with the school's delegated financial responsibilities.

The governing body and Head Teacher are responsible for ensuring that all staff and governors are aware of, understand, and comply with the school's policies and procedures related to fraud, theft, bribery, corruption, and financial irregularity. This includes:

- Communicating the controls in place to prevent and detect irregularity;
- Setting out the expected standards of conduct and ethical behaviour;
- Clearly outlining the potential disciplinary, civil, and criminal consequences of breaching these controls.

This information must be provided as part of induction for all new staff and governors and reinforced periodically through training and awareness activities.

All actual or suspected instances of fraud, theft, bribery, corruption or financial irregularity must be reported promptly in accordance with the school's whistleblowing procedures and to the Local Authority's Corporate Anti-Fraud Team. Schools must not undertake their own investigations without seeking advice from the Corporate Anti-Fraud Team, who will provide specialist guidance and, where appropriate, lead or support any investigation.

The Corporate Anti-Fraud Team can be contacted via:
Named Officer: Jamie Branch, Internal Audit & Anti-Fraud Manager
Email: jamie.branch@walthamforest.gov.uk
Fraud Reporting Inbox: fraud@walthamforest.gov.uk

For the purpose of this Scheme, the following definitions apply:

Fraud- is defined as any intentional act or omission designed to deceive, mislead, or abuse a position of trust for the purpose of gaining a financial or other benefit, or causing loss to another party. This includes, but is not limited to, false representation, failure to disclose information, and abuse of position.

Bribery- is defined as the offering, promising, giving, requesting, or accepting of a financial or other advantage with the intention of inducing or rewarding improper performance of a function or activity. This includes any attempt to influence decision-making dishonestly or improperly.

Corruption-is the abuse of entrusted power for private gain. This includes bribery but may also involve other conduct such as conflicts of interest, improper gifts or hospitality, and misuse if authority for personal or third-party benefit.

SECTION 3: INSTALMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS

The Local Authority has adopted the CIPFA Code of Practice for Treasury Management. For the purposes of this section, budget share includes any place-led funding for special schools or pupil referral units.

3.1 Frequency of Instalments

The budget share will be made available to governing bodies monthly, by the 18th of each month or earlier if this is a non-banking day. The Local Authority will reimburse costs arising for late payments, so long as no act or omission by a school caused the delay.

Where a school has a particular cash flow problem at some time during the year, the profile of payments for advances may be adjusted subject to the approval of the Chief Finance Officer and Director of Education. In this instance, the school must contact the Education Finance Team with supporting cashflow statement, clearly demonstrating the requirements for accelerated instalments and outlining their repayment plans.

3.2 Proportion of Budget Share Payable at Each Instalment

The Local Authority will normally pay the budget share in equal monthly instalments.

The calculation is the annual amounts of (Budget Share + Pupil Premium Grant + 6th Form Funding + Growth Fund Payments - De-delegation-PRU Contributions-PFI Contributions.)/12.

It should be noted that some grants are subject to in-year variation by the DfE, and should this occur budget shares will be adjusted accordingly.

Payments for high needs students are paid each month according to the school days in the month, for which the pupils were on roll. High Needs payments are specific to individual pupils and therefore it is necessary to only pay for the days those pupils were at the school. Schools must review payment schedules for these students monthly and highlight any discrepancies to the Local Authority for prompt review and resolution.

Payments for early years pupils are also paid monthly. These are paid via termly census and calculated using the EYSFF for that particular term.

3.3 Interest Clawback

The Local Authority may deduct from the budget share instalments an amount equal to the estimated interest lost by the Local Authority in making available the budget share in advance. Advances could accrue interest charges at 1% above the rate of the Bank of England Base rate.

3.4 Interest on Late Budget Share Payments

The Authority will add interest to late payments of budget share instalments, where such late payment is the result of Authority error. The interest rate used will be the current Bank of England base rate.

3.5 Budget Shares for Closing Schools

Where DfE approval for discontinuation of a school has been secured, budget shares will be made available for that school in equal monthly instalments until closure unless the school can prove that money is needed in greater instalments so as not to be detrimental to the operation of the school.

3.6 Bank and Building Society Accounts

All schools are permitted to have an external bank account into which their budget share instalments are paid. Where schools have such accounts, they shall be allowed to retain all interest payable on the account unless they choose to have an account within a Local Authority contract, which makes other provision.

New bank account arrangements may only be made with effect from the beginning of each financial year. Notice of the intention to do so must be given to the Local Authority in writing at least six weeks in advance of the change taking place. Similarly, any school currently holding its own bank account must give the Local Authority notice in writing at least six weeks in advance of any change in banking arrangements.

A school's decision to change its banking arrangements should be formally minuted at a governing body or relevant committee meeting disclosing the governors' reasons for that decision. In making such a decision, governors should have regard to value for money.

3.7 Restrictions on Accounts

Schools wishing to open bank accounts outside the Local Authorities' contract must ensure the account is placed with a local branch of a bank, or building society holding the following Fitch IBCA ratings, or better; Long Term A or Short Term F1. The school can seek advice from the Local Authority as to which banks and building societies meet these criteria.

Schools are reminded that all cash within a school bank account remains the property of the Local Authority until it is spent.

Schools must not at any time have an overdrawn bank balance.

Schools that already hold bank accounts which do not meet these criteria will not be required to change their current banking arrangements. However, if the school chooses to change its banking arrangements, at that point in time it will be required to comply with the above criteria.

Where a school holds a local bank account the account mandate should provide that the Local Authority is the owner of the funds in the account; that the Local Authority is entitled to receive statements (including electronic statements and other reports from the bank) and that the Local Authority can take control of the account if the school's right to a delegated budget is suspended by the Local Authority.

3.8 Borrowing by Schools

Governing bodies may borrow money only with the written permission of the Secretary of State. The Secretary of State's general position is that schools will only be granted permission for borrowing in exceptional circumstances. Any request to the Secretary of State for such permission must have been subject to approval from Waltham Forest Council.

With the introduction of International Financial Reporting Standard 16 (IFRS16) for Local Authorities from 1 April 2024, the distinction between operating and finance leases at maintained schools has ended for accounting purposes. That is, under the Education Act 2002, all leases will be classed as borrowing and will require the Secretary of State for Education's consent.

However, the Secretary of State has 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. Governing bodies can choose to use any scheme that the Secretary of State has said is available to schools without specific approval.

Schools are permitted to lease any assets covered by the class consent, without further reference to the authority. However, before entering any permitted lease, schools should carefully consider whether leasing offers the best value for that asset compared to outright purchase. Schools should not see the change as an encouragement to lease. Specifically, schools should continue to be wary of any lease proposal which involves returning equipment early and adding the cost of the returned equipment to the cost of new equipment (so that the school is continuing to pay for equipment it no longer has).

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.

This 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 budget, but schools are free to agree a charge for a service which the Trustees or Foundation are able to provide as a consequence of their own borrowing. Governing bodies do not act as agents of the Local Authority when repaying loans.

3.9 Leases

When a school is not purchasing an item outright it may be entering into a financing arrangement. Schools should also be aware that entering into certain agreements such as finance leases and hire purchase agreements constitute external borrowing (see section 3.8) and schools must be cautious and seek advice from the Local Authority when considering entering into long-term agreements to ensure they do not breach the borrowing restrictions.

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

4.1 The Right to Carry Forward Surplus Balances

Schools will carry forward from one financial year to the next any surplus/deficit in net expenditure relative to the school's budget share for the year plus/minus any balance brought forward from the previous year. A school's balance at 01 April of any financial year is equal to the balance as at 31 March in the previous financial year.

4.2 Interest on Surplus Balances

Schools which have local bank accounts will be able to retain interest earned on those accounts.

4.3 Obligation to Carry Forward Deficit Balances

Schools will carry forward deficit balances from one financial year to the next. A school's deficit balance at 1 April will be equal to that at 31 March, (i.e. that amount shown in the out-turn statement published under s251). Ay deficit carried forward will be the first call on the budget share for the following year. Where deficits at schools maintained by the Local Authority exist, a schedule of repayments may be agreed with the governing body.

4.4 Planning for a Deficit Budget

Schools are not permitted to plan for a deficit balance in normal circumstances. However, this may be permitted in exceptional circumstances with the prior agreement of the Local Authority. Schools should notify the Local Authority at the earliest opportunity if they are expecting their accounts to move into a deficit position. Before this agreement is given the school will be expected to work with the Local Authority to consider all available options in an attempt to set a balanced budget. In agreeing to this the Local Authority will require a plan from the school indicating how it intends to recover the deficit (see 4.8). The school will be considered at risk, and additional monthly reporting will be required in line with the Stronger Schools Financial Programme.

4.5 Charging of Interest on Deficit Balances

The Local Authority has the discretion to charge a school interest on any cash advanced to support a licensed deficit, with the likelihood increasing if the school has ignored advice from the Local Authority. If the Local Authority elects to do this the rate of charge will be 1% above the current Bank of England base rate.

4.6 Writing off Deficits

The Authority cannot write off the deficit balance of any school. This restriction is a statutory requirement set out in the Department for Education's Schemes for Financing Schools guidance (Section 6.7).

4.7 Balances of Closing and Amalgamating Schools

Where in the funding period, a school has been established or is subject to a prescribed alteration as a result of the closure of a school, the Local Authority may add an amount to the budget share of the new or enlarged school to reflect all or part of the unspent budget share, including any surplus carried over from previous funding periods, of the closing school for the funding period in which it closes.

4.8 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.

School budget plans must be prepared with a view to breaking even or creating a surplus at the end of the financial year. The Licensed Deficit process allows schools to operate with a temporary, planned deficit where this is necessary to maintain stability, protect the quality of education, and implement a sustainable recovery plan agreed with the Local Authority.

The funding to allow such a deficit budget shall be provided from the collective surplus of school balances held by the Local Authority on behalf of schools.

Although it is open to the Local Authority, in circumstances where there is no such surplus, to make alternative arrangements if it can do so within the relevant Local Authority finance legislation.

Where schools have reason to anticipate setting a deficit budget, the Education Finance Team must be informed as soon as possible (prior to the budget deadline submission of 1st Friday in May as set out in scheme clause 2.8).

Deficits need to operate under licence. This requires the school to agree a deficit recovery plan with the Local Authority before the first formal budget is set in the financial year of the planned deficit.

A formal sign off of all arrangements will be required by the Education Oversight Board. When preparing a Deficit Recovery Plan the following checklist should be used:

- Review forecasting of pupil numbers.
- Restructure plans that have been discussed with HR, including any redundancy estimates.
- Accurate future year forecasts which will give the Council a realistic view of the financial position of the school over the next three to five years.
- The Deficit Recovery Plan and Risks should be completed in the appropriate tabs within the Budget template submission. In this template reasons for the deficit and actions to return to a balance position must be listed.
- The maximum length over which schools may repay the deficit (i.e. reach at least a zero balance) is three years which may be extended to five years in exceptional circumstances.

The Director of Education and Director of Financial Services or their nominated representative/s will meet at least termly with the Chair and Headteacher of each school with a licensed deficit to review progress against the agreed deficit recovery plan. Monthly accounts and forecasting will also need to be submitted to the Local Authority (see scheme clause 2.2).

The maximum deficits in total will normally be 5% of the schools' total formula funding for the year in which the deficits are applied for. Deficits will not be licensed for sums less than £10,000 – these must be contained by budget reductions.

In circumstances where a school requires a budget share advance due to experiencing cash flow problems (in order not to be overdrawn at their bank), this should be treated as a cash advance and not a loan. The Local Authority will discuss with the school the re-profiling of their school budget share and will be subject to wider conditions, including ongoing engagement with the Local Authority.

4.9 Loan Schemes

Loans will only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year. Loans will not be used as a means of funding a deficit that has arisen because a school's recurrent costs exceed its current income.

If loans are made to fund a deficit and a school subsequently converts to academy status, the Secretary of State will consider using the power under paragraph 13(4)(d) of Schedule 1 to the Academies Act 2010 to make a direction to the effect that such a loan does not transfer, either in full or part, to the new academy school.

SECTION 5: INCOME

Schools shall be able to retain income expect in certain circumstances.

5.1 Income from Lettings

Schools may retain income from lettings of the school premises which would otherwise accrue to the Local Authority, subject to alternative provisions arising from any joint use of private finance initiative (PFI) or public private partnerships (PPP) agreements. Schools can cross-subsidise lettings for community and voluntary use with income from other lettings, provided there is no net cost to the budget share and the governing body 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~~.~~

Schools are required to have regard to directions issued by the Local Authority as to the use of school premises, as permitted under the School Standards Framework Act 1998 for various categories of Schools.

The income from lettings of school premises should not be payable into voluntary or private funds held by the school.

5.2 Income from Fees and Charges

Schools may retain income generated from fees and charges, except where a service is provided by the Local Authority from centrally retained funds. However, schools must have regard to any policy statements on charging produced by the Local Authority.

5.3 Income from Fundraising Activities

Income generated from fund-raising activities belongs to the school.

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

5.4 Income from the Sale of Assets

Schools are allowed to retain the proceeds of sale of assets except in cases where the asset was purchased with non-delegated funds (in which case the Local Authority will decide whether the school should retain the proceeds) or the asset concerned is land or building forming part of the school premises and is owned by the Local Authority. Details on disposal of assets are documented within the Financial Regulations.

5.5 Administrative Procedures for the Collection of Income

Where schools are producing invoices for the recovery of monies due, they must have due regard to whether the income is subject to VAT. The Schools Finance Manual should be viewed in these circumstances.

5.6 Purposes for which Income may be Used

Income generated 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 Local Authority may charge the budget share of a school without the consent of the governing body only in circumstances expressly permitted by the Scheme. The Local Authority will consult schools as to the intention to charge and will notify schools when it has been made.

Actual costs will normally be charged to school budgets for the cost of salaries of school- based staff.

Local authorities may de-delegate funding for permitted services without the express permission of the governing body, provided this has been approved by the appropriate phase representatives of the Schools Forum.

6.2 Circumstances in which Charges may be made

Where retirement and/or redundancy costs have been incurred without the prior written agreement of the Local Authority to bear such costs (the amount chargeable being only the excess over any amount agreed by the Local Authority).

Other expenditure incurred to secure resignations where there is good reason to charge to the school.

Awards by courts and employment tribunals against the LA, or any out of court settlements, arising from action or inaction by the governing body contrary to the Local Authority's advice. Awards may sometimes be against the governing body directly and would fall to be met from the budget share. Where the local authority is joined with the governing body in the action and has expenditure as a result of the governing body not taking authority advice, the charging of the budget share with the authority expenditure protects the authority’s position. Local authorities should ensure in framing any such advice that they have taken proper account of the role of aided school governing bodies.

Expenditure by the Local Authority in carrying out health and safety work or capital expenditure for which the Local Authority is liable where funds have been delegated to the governing body for such work, but the governing body has failed to carry out the required work.

Expenditure by the Local Authority incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the Local Authority, or the school has voluntary controlled status.

Expenditure incurred by the Local Authority 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 Local Authority. The local authority itself needs to consider whether it has an insurable interest in any particular case.

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 Local Authority.

Recovery of penalties imposed on the Local Authority by, HM Revenue and Customs, Teachers' Pensions, the Environment Agency or other regulatory authorities as a result of a school negligence.

Correction of Local Authority errors in calculating charges to a budget share; for example, pension deductions. Before applying any such provision, the local authority should consider whether it is reasonable to do so. If the error dates back several years it may be questionable whether such charging is reasonable.

Additional transport costs incurred by the Local Authority arising from decisions by the governing body on the length of the school day, and failure to notify the Local Authority of non-pupil days resulting in unnecessary transport costs.

Legal costs which are incurred by the Local Authority because the governing body did not accept the advice of the authority. Costs of necessary health and safety training for staff employed by the Local Authority, where funding for training had been delegated but the necessary training not carried out.

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.

Cost of work done in respect of teacher pension remittance and records for schools using non-local authority payroll contractors, the charge to be the minimum needed to meet the cost of the authority's compliance with its statutory obligations.

Costs incurred by the local authority in securing provision specified in an education, health and care (EHC) plan where the governing body of a school fails to secure such provision despite the delegation of funds in respect of low-cost high incidence SEN or specific funding for a pupil with high needs.

Costs incurred by the local authority due to submission by the school of incorrect data.

Recovery of amounts spent from specific grants on ineligible purposes.

Costs incurred by the Local Authority as a result of the governing body being in breach of the terms of a contract

Costs incurred by the Local Authority 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.

Costs incurred by the local authority in administering admissions appeals, where the Local Authority is the admissions authority and the funding for admission appeals has been delegated to all schools as part of their formula allocation.

The cost of an undisputed invoice for energy where a school has entered into an agreement with the Secretary of State for Education for the supply of energy and failed to pay such an invoice (Regulation 24 of the regulations).

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SECTION 7: TAXATION

7.1 Value Added Tax (VAT)

HM Revenue and Customs have agreed that VAT incurred by schools when spending any funding made available by the Local Authority is treated as being incurred by the Authority and qualifies for reclaim by the Local Authority.

The Authority has established procedures to enable schools to utilise the Authority's ability to reclaim VAT on expenditure relating to non-business activity. These are set out in separate guidance in the School Finance Manual.

However, VAT incurred on expenditure by the governors of a voluntary aided school when carrying out their statutory responsibilities to maintain the external fabric of their buildings is reclaimed directly from the DfE and not through the monthly return to the Authority.

Schools are expected to submit regular monthly VAT returns detailing the VAT paid and collected during that period. The Authority will reimburse legitimate VAT expenditure to schools during the following period upon receipt of the VAT reports.

Schools are responsible for the correct declaration of input and output VAT. If schools fail to comply with VAT regulations and advice from the Council then the schools budget share will be charged with any resultant costs including any irrecoverable VAT (for any school or council service affected by the school's action), penalties and associated interest charges.

7.2 CITS (Construction Industry Taxation Scheme)

Schools are required to abide by procedures issued by the Authority in connection with CITS. Where HM Revenue and Customs discover errors in the operation of the CITS system within maintained schools they will seek to recover the appropriate portion of the tax from Waltham Forest Council. Any amounts paid to HM Revenue and Customs in this way will be recovered from the school's budget share.

SECTION 8: THE PROVISION OF SERVICES AND FACILITIES BY THE LOCAL AUTHORITY (LA)

8.1 Provision of Services from Centrally Retained Budgets

The Local Authority will determine on what basis services from centrally retained funds will be provided to schools. This includes redundancy and premature redundancy contribution (PRC) payments. The Local Authority will not discriminate in its provision on the basis of categories of schools except in cases where this would be allowable under the school and early years finance regulations or the Dedicated Schools Grant (DSG) conditions of grant.

8.2 Provision of Services bought back from the Local Authority using Delegated Budgets

Services offered to schools for buy-back are included in an annual Service Level Agreement document. The length of agreements varies from service to service, but any initial agreement to buy services or facilities from the Local Authority must not exceed three years from the inception of the scheme or the date of the agreement, whichever is the later. Any subsequent agreements for the same services will be limited to a maximum contract period of five years.

When a service is provided for which expenditure is not retainable centrally by the Local Authority under the Regulations made under section 46 of the Act, it must 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 must be met by the total income, even if schools are charged differentially.

Schools should abide by the payment terms as specified on the invoice covering the charge for services and goods provided by the Local Authority or by the payment terms in the SLA agreement. In the event that a school accumulates arrears this matter will be referred to the School Debt Improvement Board.

8.3 Packaging

For those services for which the Local Authority has delegated funding and which the Local Authority is offering on a buyback basis, the Local Authority must not package services in a way which unreasonably restricts schools' freedom of choice among the services available. Schools will not have to receive one service as a condition of receiving another service that is available separately.

8.4 Service Level Agreements

Where services or facilities are provided under a service level agreement - whether free or on a buyback basis - the terms of any such agreement will be in line with the provisions under section 8.2.

The Local Authority may offer service level agreements at different prices depending upon the length of the agreement entered into. The Local Authority may also be able to provide services beyond those defined in any agreement. Schools wishing to use such services will need to contact the relevant Local Authority department to check availability and agree an appropriate charge.

8.5 Teacher’s Pensions

In order to ensure that the performance of the duty on the Authority to supply Teachers Pensions with information under the Teachers’ Pensions Regulations 2014, the following conditions are imposed on the Authority and governing bodies of all maintained schools covered by this Scheme in relation to their budget shares.

The conditions apply to all governing bodies of maintained schools who provide payroll services. A governing body 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 Authority 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 Authority which the Authority requires to submit its monthly return of salary and service to Teachers' Pensions and to produce its audited contributions certificate.

The Local Authority will advise schools each year of the timing, format and specification of the information required. A governing body shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions (AVCs) are passed to the Authority within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

A governing body of any maintained school, which directly administers its payroll shall supply salary, service and pensions data to the Authority which the Authority requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate.

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SECTION 9: PRIVATE FINANCE INITIATIVE (PFI) / PUBLIC PRIVATE PARTNERSHIP (PPP)

The Authority shall have the power to issue regulations from time to time relating to PFI/PPP projects. The Authority will consult with schools on the content of any such regulations and, if required, will seek Department for Education approval. Amongst other issues these may deal with the reaching of agreements with the governing bodies of schools as to the basis of charges relating to such schemes; and the treatment of monies withheld from contractors due to poor performance. No new PFI schemes are allowable by the DfE. Existing PFI schemes will have PFI factors and governing body contributions deducted from the budget share prior to the Local Authority transferring the budget share to schools.

SECTION 10: INSURANCE

10.1 Insurance Cover

The governing body shall notify the Local Authority promptly of all new risks, liabilities, properties or vehicles which require to be insured and of any alterations affecting risks or insurance indicating the amount of cover required.

The governing body shall immediately notify the Local Authority of any fire, loss, accident or other event which may give rise to a claim under the Local Authorities' insurance arrangements.

All schools who buy back insurance through the Council receive the same level of cover as referred to in The Council's insurance policy agreement, including voluntary aided schools. Thus, there is no requirement for voluntary aided schools to purchase additional premises related insurances.

If the governing body opts to arrange its own insurance, the governing body must demonstrate that cover is sufficient for the Local Authorities' insurable interests, under a policy arranged by the governing body, is at least as good as the relevant minimum cover arranged by the Local Authority. This must be demonstrated by providing relevant documentation to the Local Authority on an annual basis.

- The school can only leave the Council's insurance policy at the start of a financial year and must give at least 3 months prior notice in writing.
- Where the governing body opts to arrange its own insurance, the governing body must have regard to the resources available to the school when deciding on any amount of risk it wishes to carry without external cover.

Instead of taking out insurance, a school may join the Secretary of State's Risk Protection Arrangement (RPA) for risks that are covered by the RPA.

Schools may do this individually when any insurance contract of which they are part expires. Alternatively, all primary and/or secondary maintained schools can join the RPA collectively by agreeing through the Schools Forum to de delegate funding. For any schools considering this arrangement, they must contact the Council's insurance team to ensure that areas that are not covered by the RPA (but need to be covered) can be met through additional insurance cover.

SECTION 11: MISCELLANEOUS

11.1 Right of Access to Information

The governing body must supply all financial and other information which might reasonably be required to enable the Local Authority to satisfy itself as to the school's management of its delegated budget share, or the use made of any central expenditure by the Local Authority (e.g. earmarked funds) on the school.

11.2 Liability of Governors

Because the governing body is a corporate body, 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 (Section 50 (7) of the SSAF Act 1998).

11.3 Governors' Expenses

The Local Authority may delegate to the governing body of a school yet to receive a delegated budget, funds to meet governors' expenses. The amount of such expenses are at the discretion of the Local Authority.

Under section 50(5) of the act, only allowances in respect of purposes specified in regulations made under section 19 of the Education Act 2002 may be paid to governors from a school’s delegated budget share. Schools are expressly forbidden from paying any other allowances to governors.

Schools are also barred from payment of expenses duplicating those paid by the Secretary of State to additional governors appointed by him to schools under special measures.

11.4 Responsibility for Legal Costs

Legal costs (not the costs of legal advice) incurred by the governing body, although the responsibility of the Local Authority as part of the cost of maintaining the school, unless they relate to the statutory responsibility of aided school governors for buildings, may be charged to the school's budget share unless the governing body acts in accordance with the advice of the Local Authority.

A school cannot expect to be reimbursed with the cost of legal action against the Authority itself.

The costs referred to are those of legal actions, including costs awarded against the Local Authority; not the cost of legal advice provided. Normally, general legal advice will be provided by the Local Authority's Legal Services division, in the unlikely event that the Local Authorities' Legal Services division considers there to be a conflict of interest between the Local Authority and the governing body, it may be necessary for the schools to seek legal advice from an alternative source.

11.5 Health and Safety

In expending the school's budget share the governing body must have due regard to duties placed on the Local Authority in relation to health and safety, and the Local Authority's policy on health and safety matters in the management of the budget share.

The budget share of a school may be charged by the Authority without the consent of the governing body if expenditure by the Authority in carrying out health and safety work or capital expenditure for which the Authority is liable where funds have been delegated to the governing body for such work, but the governing body has failed to carry out the required work (in line with Scheme clause 6.3).

11.6 Right of Attendance for the Chief Finance Officer

Governing Bodies are required to permit the Chief Finance Officer or any officer of the Local Authority nominated by The Chief Finance Officer, to attend meetings of the governing board at which any agenda items are relevant to the exercise of his/her responsibilities. Such attendance will normally be limited to items which relate to issues of probity or overall financial management. The Local Authority will give prior notice of such attendance unless it is impracticable to do so.

11.7 Special Educational Needs

The Local Authority requires schools to use their best endeavours in spending the school budget share, to secure the special educational needs of their pupils, and reserves the right to suspend delegation where a situation is serious enough to warrant it (this would not normally relate to an individual pupil).

11.8 Interest on Late Payments

Interest on late payments cannot affect the statutory requirements now introduced on this matter. Schools are required to ensure that payments are not delayed such that they attract interest under the provisions of the Late Payment of Commercial Debts (Interest) Act 1998. Such interest, when claimed by a supplier, may be charged against a school's budget share (in line with Scheme clause 6.3).

11.9 Whistle Blowing

School governors and school staff who wish to complain about financial management or financial propriety at the school should refer to the Local Authority's policy on [Whistleblowing | London Borough of Waltham Forest]

11.10 Child Protection

Schools are reminded of the importance of releasing staff to attend child protection case conferences and other related events. The funding for school staff to attend child protection case conferences and other related events are included in the school's budget share.

11.11 Redundancy and Early Retirement Costs

Section 37 of the 2002 Education Act sets out how premature retirement and redundancy costs should normally be funded. In accordance with this regulation and effective from 01 April 2011, all premature retirement costs of staff in maintained schools will be charged to the school's delegated budget.

Redundancy costs are treated in accordance with the Local Authority's policy on redundancy (Annex 2).

SECTION 12: RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

The Local Authority delegates all revenue funding for repairs and maintenance to schools. Only funding for schools' capital is retained by the Local Authority. Expenditure may be treated as capital only if it fits the definition used by the Local Authority for financial accounting purposes in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) code of practice on Local Authority Accounting. In particular, no item may be regarded as capital if its value is below £10,000, unless being charged to specific capital grants of value below the de minimus.

The Local Authority will always have limited capital funds that it has to prioritise according to condition, suitability and sufficiency needs. Smaller capital works below £25,000 in total are unlikely to be prioritised; schools should be looking to use their Devolved Formula Capital in the first instance.

In circumstances where urgent capital works have become necessary, the Local Authority will look to whether a school has Devolved Formula Capital or has excessive revenue balances (5%+ for secondary or 8%+ for other schools). If the urgent capital works have arisen because of a school failing to address routine health and safety repairs, the Local Authority reserves the right to invoke clause 6.3 of this Scheme.

For voluntary aided schools, the liability of the Authority for repairs and maintenance (albeit met by delegation of funds through the budget share) is the same as for other maintained schools, and no separate list of responsibilities is necessary for such schools. However, eligibility for capital grant from the Secretary of State for capital works at voluntary aided schools depends on the de minimis limit applied by DfE to categorise such work, not the de minimis limit used by the Local Authority.

SECTION 13: Community Facilities

13.1 Introduction

Under s27 (1) of the Education Act 2002, schools that chose to exercise the power to provide community facilities will be subject to a range of controls. Firstly, 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 Secretary of State issues guidance to governing bodies about a range of issues connected with exercise of the power, and a school must have regard to that.

However, under s.28 (1), the main limitations and restrictions on the power will be: a) those contained in schools' own instruments of government, if any; and b) in the maintaining Local Authority's Scheme for Financing Schools made under section 48 of the school standards and Framework Act 1998. Paragraph 2 of Schedule 3 to the Education Act 2002 extends the coverage of schemes to the powers of governing bodies to provide community facilities.

Schools are therefore subject to prohibitions, restrictions and limitations in the scheme for financing schools. This section of the scheme does not extend to joint-use agreements, transfer of control agreements, or agreements between the Authority and schools to secure the provision of adult and community learning.

Schools may use their budget shares to fund community facilities. Mismanagement of community facilities funds can be grounds for suspension of the right to a delegated budget.

13.2 Consultation with the Local Authority – Financial Aspects

In every school and community there will be key groups who need to be consulted about activities. They should be involved in the planning process to ensure that extended school programmes are in demand, well organised and meet local needs.

Changes made by the Children and Families Act 2014 mean that schools no longer need to consult the authority when establishing community facilities under Section 27 of the Education Act 2002, nor do they have to have regard to advice given to them by their Authority. However, as public bodies, they are expected to act reasonably, and this includes consulting those affected by decisions that they make.

Whatever their level of involvement, all school staff should be kept informed and involved in any decisions that relate to the school premises, staff or pupils. Schools may still approach the Local Authority for a strategic view on potential programmes. The Local Authority is well placed to help in assessing the ability of schools to offer additional activities. The Authority will take into account the school's resources, financial management abilities and other considerations.

13.3 Funding agreements – Local Authority Powers

The provision of community facilities in schools may be dependent on the conclusion of a funding agreement between a governing body and a third party.

Any funding agreements with third parties should be submitted to the Local Authority for its comments prior to the governing body signing any such agreement so that the Authority can ensure that any agreement is not seriously prejudicial to the interests of the school or the Authority. The formal notice should include a statement of purpose and a business plan for the proposed use of the community facilities power. The Local Authority should be given six weeks to respond.

The Local Authority has no right of veto in such agreements. If the third party requires Local Authority consent to the agreement for it to proceed, such a requirement and the method by which Local Authority consent is to be signified is a matter for that third party and not the scheme. However, , if an agreement has been or is to be concluded against the wishes of the Local Authority, or has been concluded without informing the Local Authority, which in the view of the Local Authority is seriously prejudicial to the interests of the school or the Local Authority, that may constitute grounds for suspension of the right to a delegated budget.

13.4 Other Prohibitions, Restrictions and Limitations

Where the Local Authority believes it appropriate they may require that in a specific instance of use of the community facilities power by a governing body, the governing body concerned must make arrangements to protect the financial interests of the Local Authority by either carrying out the activity concerned through the vehicle of a limited company formed for the purpose, or by obtaining indemnity insurance for risks associated with the project in question, as specified by the Authority. Section 28 of the 2002 Education Act provides that the exercise of the community facilities power is subject to prohibitions, restrictions and limitations in the scheme for financing schools.

13.5 Supply of Financial Information

A school operating community activities must provide the Local Authority with a financial summary of the community facilities activity in a form determined by the Local Authority. This summary statement will request information relating to the income and expenditure for the school arising from the facilities in question for the previous six months and on an estimated basis, for the next six months.

Where the Local Authority has concern as to the school's management of the financial consequences of the exercise of the community facilities power, on giving due notice the Local Authority may require such financial statements to be supplied every three months.

Financial information relating to community facilities will be included in returns made by schools under the Consistent Financial Reporting (CFR) Framework and these should be relied upon by Authorities as their main source of information for the financial aspects of community facilities. However, the CFR timetable is such that Authorities are likely to want supplementary information in order to ensure that schools are not at financial risk. (Schedule 15 of the

Act provides that mismanagement of funds spent or received for community facilities is a basis for suspension of the right to delegation of the budget share)

13.6 Audit

Schools' community activities financial accounts must be made available for inspection by internal and external audit. In concluding funding agreements with other persons pursuant to the exercise of the community facilities power, the governing body must ensure that such agreements contain adequate provision for access by the Local Authority 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.

13.7 Treatment of Income and Surpluses

The school can retain all net income derived from community facilities except where otherwise agreed with a funding provider, whether that be the Local Authority or some other person. Such retained net income can be carried over from one financial year to the next as a separate community facilities surplus.

Should the Local Authority close any community or community special school, any accumulated community facilities surplus of the school reverts to the Local Authority unless otherwise agreed in any formal partnership arrangement.

13.8 Health and Safety Matters

The requirements applying to the school under the Scheme for Financing Schools on Health and Safety apply in the exercise of the community facilities power.

The Governing Body is responsible for securing Disclosure and Barring Service clearance in respect of all staff involved in any community activities taking place during the school day. The cost of such clearance should be met by the community activities accounts or funding partner as part of an agreement with that partner.

13.9 Insurance

It is the responsibility of the governing body to make adequate arrangements for insurance against risks arising from the exercise of the community facilities power. Such insurance should not be funded from the school budget share.

When proposing to provide community facilities, as an integral part of its plans the governing body should undertake an assessment of the insurance implications and costs, seeking professional advice if necessary. In considering any arrangements for insurance, the governing body is required to consult with the Local Authority, to ensure that its insurance arrangements meet the Local Authority's minimum requirements regarding possible third-party claims, i.e. public liability, employer liability, etc.

The Local Authority reserves the right to undertake its own assessment of the insurance arrangements made by a school in respect of community facilities. In the event of the arrangements are judged inadequate, the Local Authority may make arrangements itself and charge the resultant cost to the school. Such costs cannot be charged to the school's budget share.

13.10 Taxation

The governing body should seek the advice from the Local Authority and the local VAT office on any issues relating to the possible imposition of Value Added Tax on expenditure and income in connection with community facilities, including the use of the Local Authority VAT reclaim facility.

Schools are reminded that if any member of staff employed by the school or Local Authority in connection with community facilities at the school is paid from funds held in the school's own bank account, the school is likely to be liable for payment of income tax and National Insurance, in line with HMRC rules.

Schools are required to follow the Local Authority's advice in relation to the Construction Industry Scheme (CITS) where this is relevant to the exercise of the community facilities power.

13.11 Banking

The school is required to make adequate arrangements for separation of funds to ensure that school budget and other Local Authority funds are accounted for separately from community facilities funds.

The Local Authority's general conditions relating to the operation of external bank accounts (e.g. signing of cheques, the titles of bank accounts, the contents of bank account mandates and similar matters) will apply, as set out elsewhere in this Scheme.

Schools are reminded that they may not borrow money without the written consent of the Secretary of State. This requirement does not extend to monies lent to schools by their maintaining Local Authority.

ANNEX 1

SCHOOLS COVERED BY THE SCHEME (April 2026)

School Type	School Sub-Type	School Name
Nursery	Community	Acacia Nursery School
Nursery	Community	Church Hill Nursery School
Nursery	Community	Low Hall Nursery School
Primary	Community	Ainslie Wood Primary
Primary	Community	Barn Croft Primary School
Primary	Community	Chapel End Infant School
Primary	Community	Chase Lane Primary School
Primary	Voluntary Controlled	Chingford C of E Primary School
Primary	Community	Coppermill Primary School
Primary	Community	Dawlish Primary School
Primary	Community	Downsell Primary
Primary	Community	Edinburgh Primary School
Primary	Community	George Tomlinson Primary School
Primary	Community	Greenleaf Primary School
Primary	Community	Gwyn Jones Primary School
Primary	Community	Handsworth Primary School
Primary	Community	Henry Maynard Primary School
Primary	Community	Jenny Hammond Primary School
Primary	Community	Mission Grove Primary School
Primary	Community	Newport Primary School
Primary	Community	Oakhill Primary School
Primary	Community	Parkside Primary School

Primary	Voluntary Aided	Our Lady and St Georges Primary School
Primary	Community	South Grove Primary School
Primary	Voluntary Aided	St Joseph’s R C Infant School
Primary	Voluntary Aided	St Joseph’s R C Junior School
Primary	Voluntary Aided	St Patrick R C Primary School
Primary	Voluntary Aided	St Mary’s R C School
Primary	Community	Stoneydown Park Primary School
Primary	Community	Thorpe Hall Primary School
Primary	Community	Whitehall Primary School
Primary	Community	The Winns Primary School
Primary	Community	Hawkswood Primary
Secondary	Community	Frederick Bremer Secondary
Secondary	Community	Heathcote School & Science College
Secondary	Voluntary Aided	Holy Family College
Secondary	Community	Kelmscott Secondary School
Secondary	Community	Burnside Secondary School
Secondary	Community	Leytonstone Secondary School
Secondary	Community	Walthamstow Girls Secondary School
Secondary	Community	Willowfield School
All Through	Community	Buxton
Special	Community	Belmont Park
PRU	Community	Hawkswood Therapeutic

ANNEX 2

RESPONSIBILITY FOR REDUNDANCY, PREMATURE RETIREMENT COSTS AND SEVERANCE PAYMENTS IN MAINTAINED SCHOOLS

Guidance and Application Process for Financial Assistance

This document sets out the London Borough of Waltham Forest's (LBWF) policy on providing financial assistance towards the costs arising from redundancies, premature retirement costs and severance agreements in maintained schools.

The previous redundancy policy had not been reviewed since 2017 and has now been updated, in line with requirements set out in the Education Act 2002, which covers LBWF responsibilities in relation to financial assistance for redundancy costs. This does not replace HR policies and processes but outlines the circumstances in which LBWF will provide financial assistance for maintained schools.

1. Background

1.1. The Education Act 2002 outlines the Local Authorities' responsibility in providing financial support to schools where costs arise from redundancies in certain circumstances. This guidance sets out a clear process for schools and LBWF to follow and the circumstances in which financial support may be agreed.

1.2. This guidance is for schools seeking financial assistance towards the costs of redundancy and is intended to support existing HR policies which still need to be followed. It does not replace or supersede any of the processes set out in these policies.

2. Funding

2.1 Schools must fund all costs arising from premature retirement and severance agreements from their school budgets. LBWF will only fund or contribute funding towards redundancy costs where the school must make budget savings in order to set an overall balanced budget. LBWF will not provide support in certain situations which include:

- where the school offers more generous terms than LBWF's redundancy policy – the excess will be charged to the school
- where a school is otherwise acting outside LBWF's policy and procedures
- where the school has unplanned use of surplus balances
- where the school is making staffing reductions which LBWF does not believe are necessary to set a balanced budget or meet the conditions of a licensed deficit

- where the staffing reductions arise from a deficit caused by factors within a school’s control
- where a school has refused to engage with LBWF’s redeployment policy

2.2 Where a school has a surplus balance that is not earmarked for another agreed use, the school should fund the redundancy costs from these unallocated surplus funds. Full and specific details of any planned use of balances should be included in the business case. LBWF will assess value for money of any request by calculating the payback period of the investment (i.e. the cost of the redundancy vs the savings made). The expectation is that the payback period will not exceed two years. Where schools have insufficient balances, LBWF may fund or contribute funding towards these costs if the value for money calculation supports the business case.

2.3 LBWF’s decision to provide funding will also consider the overall management of the school budget to ensure that any costs incurred by LBWF are fair and reasonable.

3. Decision Making Process

3.1. Schools considering reducing their staffing complement through redundancies, premature retirement or severance agreements should consult with their HR provider in the first instance.

3.2. With the support of their HR provider, the school is required to provide a written business case to the Education Finance Team when requesting financial assistance. All of the elements that must be included are outlined in the checklist at the end of this guidance. Failure to include all of the requested information may result in a decision on the funding of redundancy costs being rejected or delayed.

3.3. The School Redundancy Panel is responsible for the recommendation of the outcome decision to the Strategic Director of Resources (S151 officer) as to whether finance support will be offered (and at what level, either full or part contribution), following review and recommendation from Finance, Legal, and HR colleagues as appropriate. All agreed recommendations will be referred to the Strategic Director for final approval. If agreed, the funding support is then made in principle and will not be paid to the school until the redundancy process has been completed, and final costs can be evidenced to LBWF.

3.4. The School Redundancy Panel meets half termly and business cases will be considered initially prior to the start of the school’s consultation and redundancy process. LBWF will respond to the outline business case in writing following the meeting setting out the provisional decision on funding or requesting additional information if required before a decision can be reached. If additional information is required, the decision timeline will start again from the point when all information is received. It is therefore essential that schools allow for this period within their proposed timelines (including decisions by their Governing Body) and submit all information required as outlined in the checklist.

3.5. If LBWF accepts in principle to fund the potential costs resulting from the business case, the school should then begin to formally work through the relevant procedures in conjunction with their HR provider and in accordance with relevant statutory requirements. LBWF will continue to monitor school balances and may decide that there are additional reporting requirements that need to be met. The school will be informed of this at the point of agreement.

3.6. If LBWF does not accept the business case put forward by the Governing Body, or requests modification which the Governing Body rejects, then the school will be able to discuss with the Education Finance Team the criteria that have been used to make the decision. The school can then choose to modify the business case and resubmit.

3.7. Where the LBWF decision is not to fund a business case, following either the original Governing Body request or any subsequent appeal, the school has the option to continue with their proposals and meet any funding requirement from their delegated budget, providing this does not put them into a deficit budget position.

3.8. Once the school has a record of the final Governing Body decision and a schedule of the costs of all the individuals affected, this should be sent to the School Redundancy Panel via the HR team. The Panel will consider the proposal in full and ensure that payments do not exceed those set out in the LBWF Reorganisation and Redundancy Policy. Any queries will be discussed with the school. If finally agreed, the business case and schedule of costs will be referred to the Strategic Director of Resources (S151 officer) for the final decision and authorization of payment.

3.9 Once the final decision has been made, the Education Finance Team will notify the school of the Panel outcome. If LBWF does not accept the business case put forward by the Governing Body, then the school will have a period of ten working days in which it may appeal the decision. The appeal will only be considered if the School Redundancy Panel

- has failed to consider any of the evidence initially submitted
- has made an error in interpretation of the criteria

The appeal should be submitted to the Education Finance Team for final decision by the Head of Finance, Education and Schools.

3.10. The school should make any payment through their payroll provider and then, if an LBWF contribution has been agreed, reclaim this based on the actual costs. LBWF will arrange for the payment of the agreed contribution (usually through the next available monthly cash advance) to the school.

4. Redundancy

4.1. The primary legislation for the issues addressed by this policy is set out in Section 37 of the Education Act 2002 which makes it clear that decision making responsibilities in securing the termination of employment contracts of teaching and support staff in schools through redundancy lie with the Governing Body.

4.2. Consequently, the LA role in consideration of any matter of possible staff redundancy would be only on making decisions about funding any such proposal, in accordance with relevant statutory requirements.

4.3. Section 37 of the Act makes it clear that the costs incurred in respect of securing the dismissal of staff through redundancies, shall not come from the schools delegated budget unless the LA has good reason for refusing to fund all or part of the costs. 'Good reason' is not defined but a good reason might be that the LA believes the proposed redundancy was unnecessary, or not necessary to bring the school back into a balanced financial position, efforts to secure redeployment were not adequately explored, where payments are too high or if the school holds a surplus revenue balance which could reasonably be used to fund the additional costs.

4.4. In considering any proposal which might require LBWF to fund or contribute towards redundancy payments, we will review the submitted business case and associated information. In addition, the following criteria will be applied to a school's business case by LBWF in reaching a decision:

- Is the proposed reduction in staffing based on accurate assessment of the school's current financial position?
- Is the proposed reduction in staffing based on a reasonable and accurate prediction of the school's future financial position?
- Does the funding requested represent value for money when compared to the saving to be achieved?
- Has the school considered other alternatives for efficiencies and reduction of costs?

4.5. Having agreed in principle to fund the costs of any redundancy by accepting the business case put forward by a school, LBWF will then consider the schedule of proposed costs for redundancy for every individual affected. LBWF will only meet the costs of employee payments in line with the LBWF policy for redundancy payments, no financial support will be agreed for Payment in Lieu of Notice (PILON).

5. Severance and Premature Retirement

5.1. The primary legislation for the issues addressed by this policy is set out in Section 37 of the Education Act 2002 which outlines that decision making responsibilities in securing the resignation of teaching and support staff, through severance agreements and premature retirement, lies with the Governing Body.

5.2. Section 37 of the of the Education Act 2002 makes it clear that the costs incurred by a school in respect of securing the resignation of staff through severance agreements or through premature retirement, shall come from the school's delegated budget.

5.3 Support staff aged over 55 who are made redundant and are members of the Local Government Pension Scheme (LGPS) can access their pension without any actuarial reduction. Therefore, while LBWF may fund the redundancy cost, the pension strain cost arising from the early access to full pension will be charged to the school following the date of dismissal. The pension strain costs can be spread over a maximum of 3 years.

5.4 Teaching staff over 55 have no right to access their pension early if made redundant over aged 55.

Financial Assistance Request - Checklist	
Actions	
Consult HR with outline proposal	
Upload business case and attachments to Access Evo	
HR responds with statutory employment considerations and provides all relevant policies including this policy outlining the criteria and process for LBWF funding redundancies	
HR refers to the School Redundancy Panel. The School Redundancy Panel considers the business case referring to the criteria outlined in this policy and gives an initial opinion on whether the business case meets the criteria for funding.	
School considers their proposal in conjunction with LBWF redundancy funding policy and whether it wants to proceed with Governing Body approval and staff consultation	
Following Governor's ratification of the proposal, the consultation and redundancy process occurs.	
Following completion of the process, the business case and funding request is submitted to LBWF and HR team. The HR team will upload all documents to the School Redundancy Panel folders. The Panel will consider the proposal in full.	
The Education Finance Team will notify the school of the panel outcome decision.	
If the Panel agrees the business case meets the criteria, the business case will be referred to the Strategic Director of Resources (S151 officer) for the final decision.	

If LBWF does not accept the business case put forward by the Governing Body, then the school will have a period of ten working days in which it may appeal the decision.	
If agreed in principle:	
Notify LBWF of the date changes will take effect, within ten working days of the Governing Body decision.	
Submit a detailed schedule of costs to LBWF detailing the individuals affected along with final business case.	
Notify LBWF if the school recruits to replace the redundant posts within 12 months of the actual redundancy date, in which case the school agrees to reimburse LBWF.	
Items that must be included in the business case	
An explanation as to why the school need to reduce or change their staffing structure (financial support will only be provided where the school are required to make savings in order to balance their budget so this will need to be clear).	
Confirmation that any alternatives to dismissal of staff have been fully explored, including possible re-deployment to other schools and if discounted, the reasons made clear.	
A clear explanation of the changes to the staff structure and the financial impact of the changes.	
Details of any new roles created as part of the proposal.	
A summary of the potential impact of the changes on educational outcomes.	
Details of the agreed policies and procedures that will be followed to make any reduction to staffing, including proposed selection measures.	
Full and specific details of any planned use of balances.	
Items that must be attached	
Current staff structure and proposed staff structure, clearly showing the proposed changes (including the financial impact) and the number of staff at risk.	
Three year budget plan without the staff changes and a three year plan that includes the proposed staff changes, including detailed notes for all assumptions.	
A timeline showing sufficient advance warning of any possible redundancies, including the LA finance process for funding support and governing body decisions.	
Details of any fixed term contracts (a list of posts and dates of contracts). If nil, then this must be made clear in the business case.	
Estimated minimum and maximum, redundancy and pension strain costs.	

ANNEX 3

APPLICATION OF SCHEMES FOR FINANCING SCHOOLS TO THE COMMUNITY FACILITIES POWER

Schools who choose to exercise this power conferred by section 27(1) of the Education Act 2002 to provide community facilities will be subject to controls. Regulations made under section 28 (2) if made, can specify activities which may not be undertaken at all under the main enabling power.

Section 88 of the Children and Families Act 2014, has removed the requirements in section 28(4) and section 28(5) of the Education Act 2002 for maintained schools in England. Under section 28(4) a school was obliged to consult its authority and under section 28(5) a school must have regard to advice or guidance from the Secretary of State or their Local Authority when offering this type of provision.

Under section 28(1), the main limitations and restrictions on the power will be those contained in the maintaining authority's scheme for financing schools made under section 48 of the School Standards and Framework Act 1998 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 the powers of governing bodies 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 of control agreements, or agreements between the authority and schools to secure the provision of adult and community learning.