



OFFICIAL EXECUTIVE DECISION NOTICE PUBLISHED BY DEMOCRATIC SERVICES

Notice is hereby given that the following decision(s) have been made today by Cabinet Members at the London Borough of Hillingdon:

Title of decision	Policy on Supporting Schools in Financial Difficulty
Reference No.	2026/1683
Date of decision	Tuesday 14 April 2026
Call-in expiry date	Tuesday 21 April 2026
Relevant Select Committee	Children, Families & Education Select Committee
Relevant Wards	N/A

Decision made

Cabinet Members making the decision	Councillor Susan O'Brien, Cabinet Member for Children, Families & Education Councillor Eddie Lavery, Cabinet Member for Finance & Transformation
Decision	Agreed That the Cabinet Members approved the new policy for Supporting Schools in Financial Difficulty to enable schools to be supported to be financially sustainable.
Reason for decision	<p>Schools continue to face sustained financial pressures arising from falling pupil rolls, rising staffing costs and inflation, making it increasingly challenging to operate within delegated budgets. The Local Authority has statutory responsibilities for the financial oversight of maintained schools, including ensuring effective financial management and intervening where a school's financial position is at risk, as required by the School Standards and Framework Act 1998 and the statutory Scheme for Financing Schools.</p> <p>The Education Improvement Team and the Schools Finance Team operate jointly within the strengthened 2026 policy and in accordance with the statutory requirements set out in the DfE's Schemes for Financing Local Authority Maintained Schools 2026 - 27 and the Hillingdon Scheme for Financing Schools 2026 - 27. Together, these frameworks set clear expectations for financial planning, mandatory three-year budget forecasting, recovery planning where deficits emerge, and the circumstances in which the Local Authority must escalate intervention to safeguard the financial position of schools and the Council.</p>

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	<p>The 2026 policy provides a clearer and more robust framework for identifying and managing financial risk in maintained schools. It sets out the financial risk categories, strengthens requirements for regular monitoring, and formalises the conditions under which a licensed deficit may be agreed, including the statutory three-year repayment limit. The policy also clarifies the Local Authority's use of Notices of Concern, issued where action is required to safeguard the financial position of either the school or the Council, and distinguishes these from Warning Notices, which relate to wider governance and educational concerns, consistent with national statutory guidance.</p>
<p>Alternative options considered and rejected</p>	<p>The other options are to:</p> <p>1. Do nothing (retain no policy or the outdated 2024 policy) This option is not viable. Without an up-to-date policy aligned to the statutory DfE Schemes for Financing Local Authority Maintained Schools 2026 - 27 and the Hillingdon Scheme for Financing Schools 2026 - 27, the Council would have significantly reduced oversight of schools' financial health and limited ability to intervene at an early stage. This would heighten financial risks to the Council, including further increases in both the number and scale of school deficits, and would not meet the statutory expectations placed on local authorities for financial monitoring, deficit recovery planning, and use of Notices of Concern.</p> <p>2. Adopt a different approach to supporting schools The Education Improvement Team and the Schools Finance Team are required to operate within the statutory framework set by:</p> <ul style="list-style-type: none"> • the School Standards and Framework Act 1998, which establishes the delegated funding and financial governance duties of the Local Authority • the Education and Inspections Act 2006, which sets out the LA's intervention powers • the DfE's statutory guidance Schemes for Financing Local Authority Maintained Schools 2026 - 27 • the Hillingdon Scheme for Financing Schools, which is binding on both the Local Authority and schools <p>The 2026 policy has been specifically designed to comply with these statutory requirements. Any alternative approach would risk non-compliance with the national framework and would weaken the Council's ability to maintain effective financial oversight of its maintained schools.</p>
<p>Classification</p>	<p>Part I – Public</p>
<p>Link to associated report</p>	<p>Here</p>

Relevant Officer contact & Directorate	Abi Preston – Director of Education & SEND Luisa Hansen – Head of Finance – Children's & SEND
Any interest declared by the Cabinet Member(s) / dispensation granted	N/A

Implementation of decision & scrutiny call-in

[Internal Use only]	
When can this decision be implemented by officers?	<p>Officers can implement Cabinet Member decision in this notice only from the expiry of the scrutiny call-in period which is:</p> <p>5pm on Tuesday 21 April 2026</p> <p>However, this is subject to the decision not being called in by Councillors on the relevant Select Committee. Upon receipt of a valid call-in request, Democratic Services will immediately advise the relevant officer(s) and the decision must then be put on hold.</p>
Councillor scrutiny call-in of this decision	<p>Councillors on the relevant Select Committee shown in this notice may request to call-in this decision. The request must be before the expiry of the scrutiny call-in period above.</p> <p>Councillors should use the Scrutiny Call-in App (link below) on their devices to initiate any call-in request. Further advice can be sought from Democratic Services if required:</p> <p>Scrutiny Call-In - Power Apps (secure)</p>
Further information	<p>These decisions, where applicable, have been taken under The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.</p> <p>This is the formal notice by the Council of the above executive decision, including links to the reports where applicable.</p> <p>If you would like more information on this decision, please contact Democratic Services on 01895 250636 or email: democratic@hillingdon.gov.uk.</p> <p>Circulation of this decision notice is to a variety of people including Members of the Council, Corporate Directors, Officers, Group Secretariats and the Public. Copies are also placed on the Council's website.</p> <p style="text-align: right;">Democratic Services London Borough of Hillingdon Civic Centre High Street Uxbridge UB8 1UW</p>