



Scheme for Financing Schools (Statutory Requirement)

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Main changes from 14 July 2017 version:

4.8 Balances of closing and replacement schools

4.9 Licenced Deficit Arrangement

4.10 Loan arrangement

11.16 Responsibility for redundancies

Other minor updates to text.

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SCHEME FOR FINANCING SCHOOLS

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THE SCHEME

SECTION 1: INTRODUCTION

1.1 The role of the scheme

This scheme sets out the financial relationship between the authority and the maintained schools which it funds including Pupil Referral Units. It includes requirements relating to financial management and associated issues, which are binding on both the authority and schools. It became effective from August 2013.

1.1.1 Role and responsibilities of governing bodies

Within the statutory national and local framework, the governing body controls the running of a school with a delegated budget. Whilst the responsibilities detailed below are not exhaustive, it covers the following:

- to deploy resources freely within the school's budget, subject to the conditions of the scheme;
- to determine the number of teaching and non-teaching staff at the school, to select for appointment and be able to require dismissal, taking account of the professional advice of the Director of Children Young People and Learning and the headteacher.
- where there are regularly other staff on site in a school e.g. health authority personnel, whilst the day to day management of these staff is within the headteacher's remit, the governing body has no entitlement to suspend such staff,
- in the case of special schools, where a member of the school's staff accompanies its pupils to a mainstream school for outreach/integration purposes, the member of staff remains within the overall management of the special school,
- to develop and implement the School Development Plan, in consultation with the headteacher and within the general conditions and requirements of the LA's scheme. In developing such a plan, the governors need to take account of all their responsibilities, including the implementation of the National Curriculum, and ensuring that appropriate provision is made available for all pupils with special educational needs, with or without a statement;
- to ensure that the requirements specified in a child's statement of special educational needs are met by the school. This may include the provision of appropriate outreach and integration facilities, in accordance with each child's statement of special educational needs;
- to determine the extent to which it wishes to delegate its powers to other committees, or to the headteacher;
- to approve the first formal budget plan of each financial year (this can be delegated to a committee of the governing body but not the head teacher) and any subsequently agreed changes to the plan that fall outside the powers delegated to staff.

1.1.2 Role and responsibilities of the headteacher

Each governing body is required to consider the extent to which it wishes to delegate its powers to the headteacher. Any such decisions should be reviewed on an annual basis, be specific and clearly recorded in the minutes of the governing body.

Although it is for each governing body to determine the extent to which it wishes to delegate to the headteacher, as a guide, the authority would suggest that the following responsibilities be considered:

- to manage the school in accordance with the policies of the governing body and the LA;
- to prepare the annual budget plan for approval by the governing body;
- to be responsible to the governing body for the management of the school's budget share in accordance with the extent of delegation agreed by the governing body, such as the writing off of debts, agreeing adjustments to the original budget plan, agreeing the authorisation of expenditure;
- to be responsible for the day to day management of all aspects of the school's work, including provision for children with special educational needs;

The authority would suggest the following areas form part of the role of the headteacher in the context of this scheme:

- to offer advice and support to the governing body;
- to have a key role in helping the governing body formulate the School Development Plan and in securing its implementation with the collective support of the school's staff;
- ensure that the required improvement actions arising from internal audit and other relevant reviews are implemented and reported to the governing body;
- to be responsible to the governing body for ensuring all other financial requirements of this scheme are adhered to;
- to keep the governing body fully informed.

In undertaking day to day management of the school, the headteacher should have particular regard to Part IX of the school teachers pay and conditions document, paragraphs 33-37.

1.1.3 Role and responsibilities of the Local Education Authority

The Local Education Authority has a strategic role and its relationship with schools is set out in the Code of Practice on Local Education Authority – school relationships. Amongst others, this includes the following:

- develop a strategy for education (including determination of the total resources to be made available to schools);
- to provide an education infrastructure to ensure that pupils can take up a place at school;
- to make available a range of services that relate to pupils with difficulties that require additional support (including pupils with formal statements of special educational need)

and that can not be fully met through mainstream schools' normal provision.

1.1.4 Application of the scheme to the authority and maintained schools

This scheme applies to all community, voluntary, foundation, community special or foundation special schools maintained by the authority as well as Pupil Referral Units. The schools to which the scheme applies are listed in Annex A to this document. Any new schools that open will also be bound by the provisions contained within this scheme. Unless specifically stated otherwise, the provisions of this scheme apply to any nursery school maintained by the Authority.

1.2 Publication of the scheme

The scheme will be published on a website which is accessible to the general public and any revised version will also be published by the date the revisions come into force, together with a statement that the revised scheme comes into force on that date.

1.3 Revision of the scheme

Any proposed revisions to the scheme will be the subject of consultation with the governing body and the head teacher of every school maintained by the authority before they are submitted to the Schools Forum for approval only by members that represent maintained schools.

1.4 Delegation of powers to the headteacher

Each governing body is required to consider the extent to which it wishes to delegate its powers to the headteacher. Any such decisions should be recorded in the minutes of the governing body, as should any future revisions. (See Section 1.1.2).

1.5 Maintenance of schools

The authority is responsible for maintaining the schools covered by the scheme, and this includes the duty of defraying all the expenses of maintaining them (except in the case of a voluntary aided school where some of the expenses are, by statute, payable by the governing body). Part of the way an authority maintains schools is through the funding system put in place under Sections 45 to 53 of the SSAF Act 1998. This transfers the responsibility for day to day repair and maintenance of buildings to schools, with appropriate resources provided through the Funding Formula for Schools.

1.6 The Funding Framework

The funding framework which replaces Local Management of Schools is set out in the legislative provisions in sections 45-53 of the School Standards and Framework Act 1998.

Under this legislation, local authorities determine for themselves the size of their schools budget and their non-schools education budget – although at a minimum an authority must appropriate its entire Dedicated Schools Grant to their 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.

Authorities may deduct funds from their schools budget for purposes specified in regulations made by the Secretary of State under s.45A of the Act (the centrally retained expenditure). The amounts to be deducted for these purposes are decided by the authority concerned,

subject to any limits or conditions (including gaining the approval of their School Forum or the Secretary of State in certain instances) as prescribed by the Secretary of State. The balance of the schools budget left after deduction of the centrally retained expenditure is termed the Individual Schools Budget (ISB). Expenditure items in the non-schools education budget must be retained centrally (although earmarked allocations may be made to schools).

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. This 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 the Schools 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 to the authority.

Subject to any provision made by or under the scheme, governing bodies of schools may spend such amounts of their budget shares as they think fit for any purposes of their school* and for any additional purposes prescribed by the Secretary of State in regulations made under s.50 of the Act. (*Section 50 has been amended to provide that amounts spent by a governing body on providing community facilities or services under section 27 of the Education Act 2002 are treated as if they were amounts spent for the purposes of the school (s50(3A) of the Act.)

An authority may suspend a school's right to a delegated budget if the provisions of the authority's financial scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. A school's right to a delegated budget share may also be suspended for other reasons (schedule 17 to the Act).

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

The detailed publication requirements for financial statements are set out in directions issued by the Secretary of State, but each school must receive a copy of each year's budget and out-turn statements so far as they relate to that school or central expenditure.

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

SECTION 2: FINANCIAL CONTROLS

2.1.1 Application of financial controls to schools

In managing delegated budgets, schools must abide by the authority's requirements on financial controls and monitoring which are set out in the authority's Financial Regulations, Contract Standing Orders and other related documents. In particular, further requirements and advice relating to purchasing are set out in the Procurement Manual. All of these documents are available on the authority's intranet.

The following sections set out below in summary the requirements on schools relating to financial controls and monitoring. Where different conditions or limits apply to schools compared to those specified in the documents in the paragraph above, these are set out below in the relevant section.

2.1.2 Provision of financial information and reports

Where schools elect not to use the accounting system and financial reports available through the authority they are required to provide the authority with details of anticipated and actual expenditure and income on a quarterly basis. The timetable for submission of relevant information is as follows.

| Period to which expenditure and income relates | Date by which return to be made |
|--|---------------------------------|
| 1 April – 30 June | 7 August |
| 1 July – 31 September | 7 November |
| 1 October – 31 December | 7 February |
| 1 January – 31 March | 7 May |

Such returns must be certified as correct by the headteacher, or other suitably authorised school employee and be submitted via Excel spreadsheet, or other software package as agreed with the authority, and at a minimum must provide the following information:

Format for provision of financial information to the authority

| | | | | | | |
|--------------------------------|----------------------|----------------|---------------------------------------|-----------------------------------|-------------------------------|------------------------------------|
| School Name | <input type="text"/> | | | | | |
| Period to which return relates | <input type="text"/> | | | | | |
| | Original | Budget Revised | Cumulative Actual Expenditure To Date | Estimated Expenditure to Year End | Total Forecast Spend for Year | Variance Under (-)/ Over (+) spend |
| | £ | £ | £ | £ | £ | £ |
| <u>Expenditure</u> | | | | | | |
| Employees | | | | | | |
| Premises expenses | | | | | | |
| Transport related | | | | | | |
| Supplies and services | | | | | | |
| Support services | | | | | | |
| Total Expenditure | _____ | | | | | |
| <u>Income</u> | | | | | | |
| Grants | | | | | | |
| Other income | | | | | | |
| Total Income | _____ | | | | | |
| Net Expenditure before VAT | _____ | | | _____ | | |
| VAT on Expenditure | | | | | | |
| VAT on Income | | | | | | |
| Net VAT | | | _____ | | | |
| Total Net Expenditure | | | _____ | | | |
| Certified correct | _____ | | | Date | _____ | |
| Designation | _____ | | | | | |

The authority's account code list can be used to assist schools in categorising expenditure and income in the required summary format, which is consistent with that required for submission of budget plans.

Additionally, by 31 August following completion of the relevant financial year, a more detailed year end statement may be required to enable the authority to make financial returns to the DfE. If required, relevant schools will be supplied with appropriate information.

Whilst the quarterly return must include details of payments and receipts of VAT, the authority may additionally require this information on a monthly basis, in which case the total of VAT paid and VAT received will be required.

Where a school is in its first year of operation, or the authority has notified a school in writing that in its view the school's financial position requires a more frequent submission, the authority will require monthly returns. These must be received by the authority before the end of the following month to which the return relates. For example, returns detailing transactions for the month of May must be received before the end of the month of June.

Where schools continue to operate the accounting systems operated by the authority, relevant financial reports will be produced in a format and timetable specified by the authority.

2.1.3 Payment of salaries and wages; payment of bills

The authority will arrange for the payment of all salaries and wages due to employees, together with associated deductions, upon receipt of a signed agreement appropriately authorised by the governing body (or suitably authorised school employee). Schools will be responsible for making all other payments to creditors, up to the maximum amount delegated by the governing body.

Where school staff are engaged in paid work outside their normal terms and conditions, the terms of engagement must be formally reviewed and agreed by the relevant governor committee before the work commences. This review should consider both the full financial and operational implications to ensure there is no detrimental effect for the school in allowing staff to undertake this work and include seeking Legal and HR advice where necessary to ensure that remuneration is in accordance with relevant employment terms, such as School Teachers Pay and Conditions Document, and correctly complies with Inland Revenue requirements in particular in relation to consultancy provided on a self-employed basis.

Attention is drawn to section 12.4.1 of the School Teachers Pay and Conditions document 2011 in relation to discretionary payments to headteachers.

Section 3.6 sets out the availability of bank and building society accounts for schools to facilitate all payment types.

2.1.4 Control of assets

Each school must maintain an inventory of portable, valuable and attractive non-capital assets, which is subject to an annual physical check of the items listed, to be carried out by a person other than the person maintaining the record. The results of this check should be reported to the governing body in a timely manner.

The details of each item recorded should include a brief description, make, model, serial number (if applicable), location and asset number, if one has been allocated. All electrical items must be recorded to facilitate the required safety testing.

There is no monetary value laid down for the recording of assets and so school staff must use their judgement over items based on the risk of loss against making the record too large to make an annual check realistically achievable.

New items must be added upon acquisition and all disposals must be recorded and authorised as they occur. Governors must specify the levels of authority for the disposal of assets and this must be complied with and evidenced.

Further guidance on disposal of assets is available in the authority's Financial Regulations

2.1.5 Accounting policies (including year-end procedures)

Schools must abide by procedures in relation to accounting policies. These are detailed in the Financial Regulations and will be supplemented from time to time with further specific written guidance. Additional instructions will be issued annually in respect of year-end procedures, and all schools will be required to comply with the processing timetable.

2.1.6 Writing off of debts

Governing bodies may write off debts up to a maximum of £5,000 in respect of any one item. In the case of larger amounts, advice should be sought from the Director of Children Young

People and Learning.

The Director of Children Young People and Learning may to decide to seek recovery of outstanding income and charge the costs of recovery against any amounts recovered.

2.2 Basis of accounting

Reports and accounts furnished to the authority during the financial year must be on a cash basis and within the specified time scale (see section 2.1.2). For each year end, the Borough Treasurer will publish a timetable (usually February) for the provision of financial information to the authority. This will include the requirement of each school to provide a statement of income and expenditure outstanding or prepaid, so as to enable the authority to produce the final accounts on an accruals basis, as required by statute. Further conditions may be required should the relevant accounting codes of practice be changed.

2.3 Submission of budget plans

Governing bodies must prepare and formally adopt a budget plan which reconciles with their total budget allocation as notified by the authority, plus/minus an estimate of any brought forward balance from the previous year. This budget plan must be formulated having regard to known facts and a realistic assessment and financial provision for future events. To assist schools in this process, the authority shall provide schools with a guide to budgets at the time that they are notified of their delegated budgets. Budget plans must be approved by the relevant committee of the Governing Body and notified to the authority by May 31 of the financial year to which the budget relates in a style and a format determined by the authority. A copy of relevant minutes must also be supplied by the end of that calendar year. These minutes should specify the total net planned expenditure agreed for the delegated budget.

The governing body must also prepare details of any assumptions that underpin the budget plan and submit these if requested. This could include further schedules, such as a listing of all employees, together with their individual costs. Such requests will only be made where there is doubt that a realistic budget has been submitted with the governing body being required to supply requested information within one month.

To aid schools in their budget planning process, the authority undertakes to supply all income and expenditure data which it holds that is necessary for efficient planning by schools. This will ordinarily be in the form of monthly cost centre reports where schools use the authority's financial accounting systems, or annual financial statement, if a school chooses to use financial accounting systems other than those available through the authority.

There is one exception to the requirement on the relevant committee of the Governing Body to notify the authority by 31 May of their budget plan and this relates to where the Governing Body is in discussion with the LA relating to a loan agreement or other financial support that requires approval of the Schools Forum. In such circumstances, it will not always be possible to meet this deadline until formal decisions are taken by the Schools Forum, which is normally in June or July. Where the authority considers it unreasonable for a Governing Body to meet the 31 May submission deadline, an alternative submission deadline will be set by the relevant Director, which will be no later than 31 July. A copy of relevant minutes must still be supplied by the end of that calendar year. These minutes should specify the total net planned expenditure agreed for the delegated budget.

2.4 Efficiency and Value for Money

Schools must seek to achieve efficiencies and value for money, to optimise the use of their resources and o invest in teaching and learning.

To assist schools in doing this, Annex C lists the key principles relating to Best Value,

although there is no requirement on Governing Bodies to follow this. Furthermore, the authority has also published a document titled Guidance for Governing Bodies on preparing a model statement for Best Value.

In expending their budget share, schools should take into account the purchasing, tendering and contracting requirements outlined in section 2.10.

2.5 Virement

To take account of changing financial circumstances and priorities, schools are free to vire between budget headings on the original budget plan that was approved by governors. It is advised that governing bodies agree and minute a policy for this, including any financial limits and the extent to which this has been delegated to another committee or the headteacher.

To assist in the overall monitoring role, any virement within the budget plan should be notified in writing to the authority on at least a termly basis, and reflected in the financial systems used by schools.

2.6 Audit: General

Schools are within the audit regime determined by the authority as regards to Internal Audit and the External Audit regime as determined by the authority's appointed External Auditors.

Internal Audit will audit schools on a cyclical basis as set out in the Annual Internal Audit Plan, which forms part of the authority's three year strategic internal audit plan. The frequency of audit visits to each school will be determined by an assessment of risk. For example schools operating more independently by using an external bank account can expect a higher risk index and therefore more frequent audit visits.

2.7 Separate external audits

Where the governing body believes additional assurance is needed, it is permitted to spend funds from its delegated budget share to obtain external audit certification of its accounts, separate from any LA internal or external audit process. In such instances this will need to be funded from the school budget, although there is no expectation that this should be a usual feature of school expenditure. Objectives of any such audit need to recognise the status of the school as a spender of public funds.

2.8 Audit of voluntary and private funds

Schools are required to provide evidence to the authority of independent review of all voluntary and private funds held by schools and the audited accounts of any trading organisations controlled by the school. These must be submitted to the authority annually with the review having been conducted by a suitably qualified, experienced and independent person within six months of each account's financial year.

2.9 Register of business interests

All schools must maintain a register of business interests for each member of the governing body and all staff with any delegated financial responsibilities or influence or those of their immediate family including partners. Details must also be recorded of any other educational establishments that they govern and any relationships between school staff and members of the governing body. Opportunity must be given to declare any conflicts of interest at the beginning of each governing body meeting and governors and staff should not be involved in decision making over matters where they, or somebody close to them, has an interest.

This register must be maintained up to date with notification of changes from relevant persons, and through annual review of all entries. The governing body is also required to make the register available for inspection by governors, staff, parents and officials or agents of the authority, for example on a publicly accessible website.

2.10 Purchasing, tendering and contracting requirements

Schools must abide by the authority's current Financial Regulations and Contract Standing Orders in purchasing, tendering and contracting matters. They should also have regard to the guidance provided in the Procurement Manual, some of which is mandatory.

Particular attention should be given to contracts with a total (i.e. whole contract duration not just annual) value in excess of £0.156m (goods and services) or £3.9m (works), where the provisions of the Public Contracts Regulations will apply. Further guidance is given in the Procurement Manual which is also updated to reflect the annual revision to thresholds for Public Contracts Regulations which schools should confirm before the procurement process commences.

Whatever the general requirements of the authority, it **can not require schools to:**

- a) do anything incompatible with any of the provisions of this scheme, or any statutory provision, or any EU Procurement Directive;
- b) seek LA officer countersignature for any contracts for goods or services for a value below £60,000 in any one year;
- c) select suppliers only from an approved list;

In addition, **schools must not:**

- d) seek fewer than three tenders in respect of any contract with a value exceeding £10,000 in any one year;

2.11 Application of contracts to schools

Schools have a right to opt out of any contracts arranged for their benefit by the authority

Whilst governing bodies are empowered under paragraph 3 of schedule 1 to the Education Act 2002 to enter into contracts, in most cases they do so on behalf of the authority as maintainer of the school and the owner of the funds in the budget share. Therefore, where such contracts exceed the amount specified in paragraph 2.10(b) above, they require authority approval.

Where there are clear statutory obligations on governing bodies, such as contracts made by aided schools for the employment of staff, then authority consent is not required.

2.12 Central funds and earmarking

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

Where centrally retained funds are devolved as earmarked allocations, they must be spent

only on the purposes for which they are given, and not vired into the school budget share. Where a school operates a bank account external to the authority, payments to schools of devolved specific or special grant allocations will be for the full amount and will not be subject to any interest top slice.

The authority will specify accounting arrangements to schools in order to demonstrate that these requirements have been complied with. These arrangements will include provision to identify if a school has overspent on any such allocations, in which case this amount will be charged to the school's delegated budget share. Any underspendings will be returned to the authority.

2.13 Spending for the purposes of the school

In accordance with Section 50(3) of the SSAF Act 1998, subject to any additional purposes prescribed by the Secretary of State and the provisions contained within this scheme, governing bodies are permitted to spend budget shares for any purposes of the school. This includes amounts spent on community facilities or services under section 27 of the Education Act 2002 and on pupils who are on the roll of other maintained schools.

2.14 Capital spending from budget shares

Governing bodies are permitted to use delegated revenue 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 from the budget share in any one year will exceed £15,000, the governing body must notify the authority and take into account any advice from the Director of Children Young People and Learning as to the merits of the proposed expenditure, especially in regard to School Premises Regulations, DfE Construction Standards, Construction (Design and Management) Regulations, together with relevant Planning and Health and Safety Regulations etc., and any appropriate policies of the authority.

The authority has issued further guidance to assist schools that plan to undertake capital schemes through a Property Handbook for Schools.

Where the authority owns the premises, then the governing body must seek the consent of the authority to the proposed works prior to the acceptance of any tenders for the work.

2.15 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 Borough Treasurer and the Director of Children Young People and Learning, 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 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:

- insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;

- insisting that an appropriately trained/qualified person chairs the finance committee of the governing body;
- placing more stringent restrictions or conditions on the day to day financial management of a school than the scheme requires for all schools – such as the provision of monthly accounts to the authority;
- insisting on regular financial monitoring meetings at the school attended by authority officers;
- requiring a governing body to buy into an authority’s financial management systems; and
- imposing restrictions or limitations on the manner in which a school manages extended school activity funded from within its delegated budget share – for example by requiring a school to submit income projections and/or financial monitoring reports on such activities.

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

2.16 Suspension of right to a delegated budget

The governing body’s right to a delegated budget may be suspended under certain circumstances. Schedule 15 to the SSFA, as applied by Section 51 of the SSFA, provides that suspension may take place if a school’s governing body has persistently or substantially breached a requirement or restriction relating to its delegated budget, or has not managed its budget share satisfactorily. An LA may also suspend a delegated budget for reasons arising from the powers in Part 4 of the Education and Inspections Act 2006: Sections 59–66, which allow an LA to intervene in schools causing concern.

Before any suspension can commence, the Council will send a copy of the notice to the governing body and the headteacher. Suspension of powers of delegated responsibility would normally take effect one month after the notice has been served. The school's formula budget would then be managed centrally. Where the Council suspends delegation, the related staffing powers are also restricted.

In cases of gross incompetence or mismanagement or other emergency circumstances, delegated responsibilities could be suspended more quickly or immediately, and the Council would notify the school of its emergency action.

In all cases of suspension, the Director of Children Young People and Learning would provide a written explanation to the governing body, with a copy to the headteacher. The governing body would have a right of appeal by.

Where the Council decides to suspend delegation, it would be able to devolve back to the governing body such decision making powers as it considers appropriate, allowing the Council to be selective in identifying the areas in which it needs to take decisions. For example, the Council might have direct involvement in staffing decisions, if that is the area causing concern, while still leaving the governing body to take decisions on non-staffing expenditure.

The Council would review any suspension on at least a termly basis. Where delegated powers are restored, the decision would take effect from the start of next term.

Annex B lists the outline criteria to be taken into account by the Council in considering the need to suspend delegated powers from a governing body.

2.16 School 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 school 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 signed by their 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 deadline.

2.17 Fraud

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

The governing body and head teacher must inform all staff of school policies and procedures relating to fraud and theft, the controls in place to prevent them and the consequences of breaching those controls. This information must also be included in the induction of new school staff and governors.

SECTION 3: INSTALMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS

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

3.1.1 Bank accounts operated external to the authority

Where a school chooses to operate an external bank account, the authority will normally make available budget share instalments in twelve equal instalments on the first working day of each month. This will include top-up payments for pupils with high needs.

3.1.2 Bank accounts operated through the authority

The authority will continue to offer a “Super Imprest Account” to enable payment of bills other than those in connection with employees, or those requested by schools to be paid by the authority through boroughwide contracts, e.g. payment of utilities, or payments due to the authority e.g. Business Rate. Those schools choosing to use this option will agree a level of deposit with the authority and continue to receive monthly reimbursements at the value of submitted expenditure claims, and will be free to draw up to the total budget share as and when required. Temporary overdrafts are available if irregular, high value invoices need to be settled, and they must be requested before the account becomes overdrawn.

3.2 Proportion of budget share payable at each instalment (external bank accounts only)

3.2.1 Arrangements for the first year a school operates an external bank account

For schools choosing to operate an external bank account for the first time, an estimate of the likely brought forward balance from the previous financial year will be agreed with the authority and deposited in the designated external bank account (net of any adjusting accruals required to comply with accounting policies). The appropriate transfer will be processed before the commencement of the new financial year. When the actual brought forward balance is determined by the authority, and this differs from the original estimate, a one-off adjustment will be processed against the next available monthly instalment. The authority reserves the right to charge or pay interest on any variance to the original estimate, where this is considered significant. Such interest payments will be calculated on a daily basis at 1% above the Base Rate (now called Repo Rate) as set by the Bank of England.

3.2.2 On-going arrangements

3.2.2.1 Calculation of total budget share for payment into external bank accounts

The proportion of the budget share to be made available to schools each year shall be calculated having regard to the schools allocated budget share for the year as determined by the authority, plus/minus an estimate of the amount of VAT schools will be required to settle.

Any in-year changes to the budget made after the start of the financial year will be divided by the number of months remaining in the year and added equally to the relevant monthly instalments.

In estimating the amount of VAT to be advanced, unless otherwise agreed, the actual payments in the previous financial year shall be used, adjusted if required to reflect any changes in the scope or rates to be applied or to reflect any significant one-off items.

3.2.2.2 Calculation of proportion of total budget share to be paid each instalment

The proportion of budget share to be made available to schools each instalment shall be calculated having regard to the official budget notification made to each school prior to the commencement of the relevant financial year.

In order to maximise the efficient administrative arrangements for both schools and the authority, where schools have contracted to services from the authority (such as Payroll), or are liable for other payments (such as Business Rates), these will be deducted from the budget share before monthly instalments are calculated.

In the absence of other more reliable information, such deductions will be calculated having regard to the proportion of actual expenditure incurred on such items in the last completed financial year compared to total expenditure. These proportions will then be applied to the budget share to determine a total deduction.

Upon receipt of the approved budget plan for the relevant financial year, instalments will then be recalculated on the basis of the planned expenditure. An adjustment will be processed against the next due instalment should this be different from the original estimate.

An estimated brought forward balance will be processed against the first instalment due in the relevant financial year. This will be adjusted in the first available instalment after the closure of the Council's account, should the actual brought forward be different from the estimated amount.

In respect of VAT, an estimated amount will be added to the budget share. Again, in the absence of other more reliable information, such additions will be calculated having regard to actual expenditure incurred in the last completed financial year, adjusted if required to reflect any changes in the scope or rates to be applied or to reflect any significant one-off items. A correction will be actioned when actual data becomes available.

3.3 Adjustments to instalments

At year end, the estimated amount for VAT deposited into external bank accounts will be reconciled to actual expenditure/income incurred as detailed in monthly returns and an adjusting addition or deduction will be made from the next available instalment. This will correct any errors in the calculation of instalments where this varies from the final outturn.

If any under or overspending occurs at the end of the financial year (or life time of the project if this extends beyond a single financial year) on an earmarked project, a one-off adjustment will be made against the next available instalment.

The above calculations will also be undertaken on those schools which operate an external bank account for non-employee expenses only.

3.4 Interest clawback

The timing of payments into external bank accounts will result in a loss of interest to the Council when compared to the current expenditure profile. This arises, as deposits will be made into external school bank accounts at the beginning of the month when salary and wages payments are made to employees on the last working day. The following table sets out how the deduction will be made, assuming an interest rate of 6%, a budget allocation of £1,000,000 and that all non-employee related expenses are incurred on the 15th day of each month (with certain employee related on-costs, such as PAYE taxation, paid monthly in arrears). The actual interest rate to be used in clawback calculations will be 1% above the

Base Rate as set by the Bank of England.

The Council will regularly review this model with schools in order to adapt to any changing circumstances.

Calculation of Interest Clawback
(Assumes 6% interest and £1,000,000 total budget)

| Month | Date | Existing Profile | | Proposed Scheme | |
|------------------------|------|----------------------|---------------|----------------------|---------------|
| | | Payment Profile £ | Interest £ | Payment profile £ | Interest £ |
| April | 1 | 960 | 58 | 83,333 | 5,000 |
| April | 15 | 3,666 | 211 | | |
| April | 30 | 46,952 | 2,586 | | |
| | | 51,578 | 2,854 | 83,333 | 5,000 |
| May | 1 | 0 | | 83,333 | 4,575 |
| May | 15 | 32,205 | 1,694 | | |
| May | 31 | 51,131 | 2,555 | | |
| | | 83,336 | 4,249 | 83,333 | 4,575 |
| June | 1 | 0 | | 83,333 | 4,151 |
| June | 15 | 35,519 | 1,687 | | |
| June | 29 | 50,044 | 2,262 | | |
| | | 85,563 | 3,950 | 83,333 | 4,151 |
| July | 1 | | | 83,333 | 3,740 |
| July | 15 | 37,020 | 1,576 | | |
| July | 31 | 48,875 | 1,952 | | |
| | | 85,895 | 3,528 | 83,333 | 3,740 |
| Aug | 1 | | | 83,333 | 3,315 |
| Aug | 15 | 23,941 | 897 | | |
| Aug | 31 | 48,414 | 1,687 | | |
| | | 72,355 | 2,584 | 83,333 | 3,315 |
| Sept | 1 | | | 83,333 | 2,890 |
| Sept | 15 | 38,804 | 1,257 | | |
| Sept | 28 | 49,957 | 1,511 | | |
| | | 88,761 | 2,768 | 83,333 | 2,890 |
| Oct | 1 | | | 83,333 | 2,479 |
| Oct | 15 | 36,998 | 1,016 | | 0 |
| Oct | 31 | 50,807 | 1,261 | | |
| | | 87,805 | 2,277 | 83,333 | 2,479 |
| Nov | 1 | | | 83,333 | 2,055 |
| Nov | 15 | 43,039 | 962 | | |
| Nov | 30 | 50,106 | 997 | | |
| | | 93,145 | 1,959 | 83,333 | 2,055 |
| Dec | 1 | | | 83,333 | 1,644 |
| Dec | 15 | 35,013 | 610 | | |
| Dec | 22 | 51,711 | 842 | | |
| | | 86,724 | 1,452 | 83,333 | 1,644 |
| Jan | 1 | | | 83,333 | 1,219 |
| Jan | 15 | 26,038 | 321 | | |
| Jan | 31 | 50,547 | 490 | | |
| | | 76,585 | 811 | 83,333 | 1,219 |
| Feb | 1 | | | 83,333 | 795 |
| Feb | 15 | 39,630 | 287 | | |
| Feb | 28 | 52,895 | 270 | | |
| | | 92,525 | 556 | 83,333 | 795 |
| March | 1 | | | 83,333 | 411 |
| March | 15 | 23,053 | 61 | | |
| March | 29 | 72,675 | 24 | | |
| | | 95,728 | 85 | 83,333 | 411 |
| Total | | 1,000,000 | 27,073 | 999,996 | 32,274 |
| Additional cost | | | | | 5,201 |

3.4.1 Interest on late budget share payments

Where an instalment of budget share is paid later than specified in this scheme and this is due to an error made by the authority, then interest will be added on a daily basis. The interest rate payable will be 1% above the Base Rate as set by the Bank of England.

3.5 Budget shares for closing schools

Budget shares of schools for which approval for discontinuation has been secured, will be made available until closure on a monthly basis net of estimated employee costs, even where some different basis was previously used.

3.6 Bank and building society accounts

All schools may have an external bank account into which budget share instalments (as determined by other provisions in this scheme) will be paid. Additionally, if requested, the authority shall immediately transfer to the account an amount equal to the surplus balance agreed by both the school and the authority. Where this amount is originally estimated, if required a correction shall be processed when accounts for the relevant year are closed. Where schools have such accounts they shall retain all interest payable on the account and must pay any charges associated with the operation of the account. They must also pay all other expenses, including payments to employees and credit all income directly to the external bank account.

Schools can choose to continue operating the authority's "Super Imprest Account", whereby a level of deposit will be agreed, and schools will receive a monthly reimbursement at the value of submitted expenditure claims.

Unless written agreement is received from the authority, new bank account arrangements may only be made with effect from the beginning of each financial year, after providing the authority with four months written notice. Schools can only open an external bank account if their budget balance is in surplus, after adjusting for any budget advances or claw-backs due under the approved funding arrangements. This condition can be waived at the discretion of the Director of Children Young People and Learning and Borough Treasurer.

Therefore an external bank account can normally only be operated from the 1 April each year, provided sufficient notice is given to the authority.

3.6.1 Restrictions on external bank accounts

Upon request, the Borough Treasurer will confirm whether the bank or building society requested for the purpose of receiving budget share payments is appropriate. The determination will take account of the organisation's current financial status.

Schools that wish to operate external bank accounts for budget share purposes are allowed to have these created in the name of the school, rather than the authority. However, in such instances the account mandate must provide that the authority is the owner of the funding in the account; that it is entitled to receive statements; and that it can take control of the account if the school's right to a delegated budget is suspended by the authority. Where schools continue with the Super Imprest Accounts, there will be no change to account names.

3.7 Borrowing by schools

Governing bodies may borrow money from external organisations (which includes the use of finance leases) only with the written permission of the Secretary of State. If approval to borrow is received, the advice of Borough Treasurer must be sought and acted upon in relation to the most appropriate means of effecting the borrowing approval.

The Secretary of State may introduce limited schemes in order to meet broader policy objectives. Where appropriate, schools may use any scheme that the Secretary of State has said is available to schools without specific approval, currently including the Salix scheme, which is designed to support energy saving. However, schools are advised to seek advice from the Borough Treasurer before taking part in any such schemes to confirm their value for money.

This provision does not apply to loan schemes operated by the authority. See section 4.9 below for information on a loan scheme.

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

4.1 Right to carry forward surplus balances

Schools will carry forward from one financial year to the next any shortfall in expenditure relative to the school's budget share for the year plus/minus any balance brought forward from the previous year.

4.2 Control on excessive surplus balances

Where primary and special schools have a year end revenue balance greater than 8% of their annual budget, or secondary schools 5%, the excess above these thresholds is considered a significant surplus balance and will therefore be subject to claw-back and redistribution within the Schools Budget, unless it is being held for a valid reason. This is on the basis that annual funding should be spent on pupils in school that year and not held back unnecessarily.

Full details of the claw-back scheme are set out in Annex D, including a definition of valid reasons for holding significant surplus balances.

4.3 Interest on surplus balances

Surplus balances held by the authority on behalf of schools will attract interest only where schools have notified the authority of an amount on the budget plan, against code 0081 Reserve Account. Details on the operation of the Reserve Account are available from the Education Finance Section.

4.4 Obligation to carry forward deficit balances

Deficit balances will be carried forward at the end of each financial year and deducted as a first charge from the following year's budget share.

4.5 Planning for deficit budgets

Governing bodies may only plan for deficits with the agreement of the authority after complying with the conditions outlined in paragraph 4.9 below.

4.6 Charging of interest on deficit balances

The authority does not currently charge interest on deficit balances, but reserves the right to do so following consultation with schools. If a charge for interest is to be made, the calculation will be made on the basis of an interest rate at 1% above the Base Rate (now called Repo Rate) as set by the Bank of England. Where charged, interest will be payable until such time as the authority considers the deficit is fully repaid. Schools will be consulted as to how such a calculation will be made.

4.7 Writing off deficits

The authority cannot write off the deficit balance of any school, but will assist in the formulation of a budget plan to enable a school to move to at least a zero balance. Additional financial support through the Schools Budget may be available to help eliminate deficit balances if agreed by the Schools Forum and Executive Member for Children, Young People and Learning.

4.8 Balances of closing and replacement 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, a 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.

4.9 Licenced deficit arrangements

In exceptional circumstances, in agreement with the Schools Forum and Executive Member for Children, Young People and Learning, the authority will permit schools to over spend their budget allocation through a licensed deficit arrangement. The funding of such agreements would be through the collective surplus of school balances held by the authority on behalf of schools and any unspent funding in the Schools Budget Unallocated Reserve, and will be considered on an individual basis. General features of the scheme are detailed below:

Circumstances in which licensed deficit arrangements may be agreed:

1. if in the opinion of the Director of Children Young People and Learning a school could not otherwise achieve its improvement targets (there will still be a requirement of the governing body to demonstrate repayment).
2. if in the opinion of the Director of Children Young People and Learning and Borough Treasurer a school could not reasonably be expected to effect immediately the savings required as a result of a significant reduction in pupil numbers (there will still be a requirement of the governing body to demonstrate repayment).

Outline features of the scheme.

- the maximum length over which schools may repay the licensed deficit is 3 years (i.e. reach at least a zero balance).
- arrangement for a licensed deficit will only be agreed where the governing body produces a plan which demonstrates to the satisfaction of the Director of Children Young People and Learning and Borough Treasurer the savings or additional income required to repay the deficit within an agreed timescale.

In general the minimum size of loans which may be agreed will be the lesser of the following:

| | |
|-------------------|---------|
| Primary schools | £10,000 |
| Special schools | £20,000 |
| Secondary schools | £30,000 |

OR

For all types of school, 5% of the size of the budget share as determined by the authority.

In general the maximum size of loans which may be agreed will be the greater of the following:

| | |
|-------------------|----------|
| Primary schools | £50,000 |
| Special schools | £150,000 |
| Secondary schools | £250,000 |

OR

For all types of school, 15% of the size of the budget share as determined by the authority.

- interest will be charged at 1% above the Council's cost of borrowing on the date on which the licensed deficit is agreed unless the authority agrees for it to be waived. The requirement to pay interest will be assessed on the merits of each individual application, and in general, will not attract interest.

Outline controls on licensed deficits

- the maximum proportion of the collective balances held by the authority including any unspent funding in the Schools Budget Unallocated Reserve which will be used to support the arrangement shall not exceed 40%
- the Director of Children Young People and Learning and the Borough Treasurer of the authority will make recommendations to the Schools Forum and Executive Member for Children, Young People and Learning to agree any licensed deficits and the terms on which they are offered.

The authority may request those schools operating external bank accounts to allow some or all of those balances to support the above arrangements.

4.10 Loan arrangements

In exceptional circumstances, in agreement with the Schools Forum and Executive Member for Children, Young People and Learning, the authority will permit schools to receive a loan in advance of future budget allocations. The funding of such agreements would be through the collective surplus of school balances held by the authority on behalf of schools and any unspent funding in the Schools Budget Unallocated Reserve, and will be considered on an individual basis. General features of the scheme are detailed below:

Circumstances in which a loans may be agreed:

1. where major capital projects which would otherwise result in the project not being undertaken (there will be a requirement of the governing body to demonstrate repayment).
2. to finance invest to save schemes e.g. energy efficiency investments which result in net annual savings after making the required loan repayments.

Outline features of the scheme.

- ordinarily, the maximum length over which schools may repay the loan is 3 years (i.e. reach at least a zero balance), however, longer periods are available on a case by case basis, linked to the expected useful life of the asset and the ability of individual schools to repay any loan.
- arrangement for a loan will only be agreed where the governing body produces a plan

which demonstrates to the satisfaction of the Director of Children Young People and Learning and Borough Treasurer the savings or additional income required to repay the deficit within an agreed timescale,

- arrangement for a loan will only be agreed where the governing body agrees in writing that should the school convert to an academy, that the liability to fully repay any outstanding balance in accordance with the agreed loan schedule will be incorporated into the transfer arrangements to become the obligation of the new Academy body.

In general the minimum size of loans which may be agreed will be the lesser of the following:

| | |
|-------------------|---------|
| Primary schools | £10,000 |
| Special schools | £20,000 |
| Secondary schools | £30,000 |

OR

For all types of school, 5% of the size of the budget share as determined by the authority.

In general the maximum size of loans which may be agreed will be the greater of the following:

| | |
|-------------------|----------|
| Primary schools | £50,000 |
| Special schools | £150,000 |
| Secondary schools | £250,000 |

OR

For all types of school, 15% of the size of the budget share as determined by the authority.

- interest will be charged at 1% above the Council's cost of borrowing on the date on which the loan is advanced unless the authority agrees for it to be waived. The requirement to pay interest will be assessed on the merits of each individual application, with loans likely to attract interest.

Outline controls on loans

- the maximum proportion of the collective balances held by the authority including any unspent funding in the Schools Budget Unallocated Reserve which will be used to support the arrangement shall not exceed 40%
- the Director of Children Young People and Learning and the Borough Treasurer of the authority will make recommendations to the Schools Forum and Executive Member for Children, Young People and Learning to agree any loans and the terms on which they are offered.

The authority may request those schools operating external bank accounts to allow some or all of those balances to support the above arrangements.

4.11 Credit union approach to loans

Schools may wish to group together to utilise externally held balances for a credit union approach to loans. In such circumstances, the Executive Member for Children, Young People and Learning, on the advice of the Borough Treasurer and the Borough Solicitor must approve any such scheme before its implementation, and the scheme must be subject to annual audit by a suitably qualified and experienced person, and a copy of the certificate

sent to the authority. All costs associated with such schemes, including any losses, must be met by the parties of the credit union.

SECTION 5: INCOME

The basic principle of this scheme is that schools are able to retain income except in certain specified circumstances.

5.1 Income from lettings

Schools may retain income from lettings of the school premises which would otherwise accrue to the authority, subject to alternative provisions arising from any joint use or PFI/PPP agreements. Lettings for community and voluntary use may be cross-subsidised with income from other lettings, provided there is no net cost to the budget share. All income from lettings should be paid into the school budget, and not diverted into any voluntary or private funds. In allocating lettings at authority owned premises, schools must have regard to directions issued by the authority as to the use of the premises.

Where the authority is the owner of the premises, a governing body can not approve an agreement that allows for a substantial and/or long term interest in the premises to be assigned to another party without the prior written consent of the Principal Valuation Officer. This will assist the authority in the process of planning for school places.

Consent is required where it is proposed that a third party have exclusive possession of a part of a building, under an agreement or series of agreements, for a period totalling six months or more. Furthermore, all substantial lettings must be at best consideration under section 123 of the Local Government Act, and certified by a qualified valuer.

5.2 Income from fees and charges

Schools are required to implement any policy statements on charging produced by the authority when determining fees and charges, such as those contained in the Charging and Remissions Policy. All resultant income may be retained by schools, except where fees and charges are derived from a service provided by the authority from centrally retained funds. Schools are required to promptly bank all income receipts.

5.3 Income from fund-raising activities

Schools may retain all income raised from fund-raising activities.

5.4 Income from the sale of assets

Schools may retain the proceeds of the sale of assets purchased from delegated funds. Where the asset was purchased with non-delegated funds, the authority shall decide whether the school should receive part or all of the proceeds. Proceeds from the sale of land or buildings forming part of the school premises and which are owned by the authority will be retained by the authority, unless other specific agreements are reached with the school concerned. In the case of church schools, site areas need to be checked with the authority before any sale is considered to determine that conveyances to trustees of all the site are up to date.

5.5 Purposes for which income may be used

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

5.6 Income from caretakers accommodation

Schools may retain the proceeds from any income due from rental of caretakers' accommodation. This relates to both on-site and off-site accommodation.

SECTION 6: THE CHARGING OF SCHOOL BUDGET SHARES

6.1 General provision

The budget share of a school can be charged by the authority without the consent of the governing body only in circumstances expressly permitted by the scheme as detailed below, or within other sections of the scheme. However, the authority can not act unreasonably in the exercise of any power given by the scheme, or it may be the subject of a direction under Section 496 of the Education Act 1996. The Director of Children, Young People and Learning may waive any such charges if it is found that the authority has provided poor or inadequate advice to governing bodies.

Before any charges are made, the authority will consult schools as to the intention to so charge, and notify schools when it has been done. In the calculation of such charges, the authority will recover associated administrative costs in addition to direct expenditure incurred. The authority has in place a procedure for dispute resolution that includes head teacher representation.

For the avoidance of doubt, the authority 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.

6.1.1 Payments to school employees by the authority

Where the authority provides a payroll service to schools, payments to school employees will be charged to the school budget at actual cost.

6.2 Circumstances in which charges may be made

- i)** Where premature retirement costs have been incurred without the prior written agreement of the authority to bear such costs (the amount chargeable being only the excess over any amount agreed by the authority);
- ii)** Other expenditure incurred to secure resignations where the school had not sought or followed authority advice;
- iii)** Awards by courts and industrial tribunals, or settlements agreed on advice of the Borough Solicitor against the authority arising from action or inaction by the governing body contrary to or in the absence of seeking the authority's advice;
- iv)** 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 or earmarked to the governing body for such work, but the governing body has failed to carry out the required work;
- v)** Expenditure by the authority incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the authority or the school has voluntary controlled status;
- vi)** Expenditure incurred by the 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 authority;

- vii)** Recovery of monies due from a school for services provided to the school by the authority. Where a dispute over the monies due has been referred to a disputes procedure, a charge will only be made at its conclusion;
- viii)** Recovery of penalties or any other liabilities imposed on the authority by the Board of Inland Revenue, the Contributions Agency or HM Customs and Excise, Teachers Pensions, the Environment Agency or regulatory authorities as a result of school negligence;
- ix)** Correction of authority or school errors in calculating charges to a budget share (e.g. pension deductions) having regard to a reasonable time scale in consideration of the particular error;
- x)** Additional transport costs incurred by the authority arising from decisions by the governing body on the length of the school day, and failure to notify the authority of non-pupil days resulting in unnecessary transport costs;
- xi)** Legal costs which are incurred by the authority because the governing body did not accept the advice of the authority (see also section 11);
- xii)** Costs of necessary health and safety training for staff employed by the authority, where funding for training had been delegated but the necessary training not carried out;
- xiii)** 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;
- xiv)** Expenditure incurred by a school on an earmarked allocation in excess of the maximum amount approved by the authority.
- xv)** Expenditure incurred by the authority for compliance with requirements of individual school Asset Management Plans, where the governing body has failed to carry out work where the funding and responsibility have been delegated.
- xvi)** Cost of work done in respect of teacher pension remittance and records for schools using non-LA payroll contractors, the charge to be the minimum needed to meet the Authority's compliance with its statutory obligations;
- xvii)** Costs incurred by the LA in securing provision specified in an Education and Health Care 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 and / or specific funding for a pupil with High Needs;
- xviii)** Costs incurred by the LA due to submission by the school of incorrect data;
- xix)** Recovery of amounts spent from specific grants on ineligible purposes;
- xx)** Costs incurred by the LA as a result of the governing body being in breach of the terms of a contract.
- xxi)** Costs incurred by the 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.
- xxii)** Costs incurred by the LA in completing the academy conversion process, at the

average estimated amount, as reasonably assessed by the LA, subject to schools continuing to receive grant funding to assist the academy conversion process. In circumstances where costs are reasonably assessed to have exceeded the average cost by more than 50%, then the higher amount can be charged.

SECTION 7: TAXATION

7.1 VALUE ADDED TAX

All VAT incurred by schools when spending any funding made available by the authority is treated as non-business activity and as being incurred by the authority and therefore qualifies for reclaim from HM Customs and Excise. However, this does not include expenditure by the governors of a voluntary aided school when carrying out their statutory responsibilities to maintain the external fabric of their buildings.

When completing monthly expenditure returns in respect of either Super Imprest Accounts or external bank accounts, schools will separately identify an amount of expenditure (and an amount of income where appropriate) that relates to VAT. These must be supported by proper VAT invoices or receipts, and the VAT element will not be recorded against schools delegated budget shares following the processing of returns.

7.2 Construction Industry Scheme (CIS)

Schools are required to abide by the requirements of the Inland Revenue operated CIS, unless payments are made for construction operations by the governing body or head teacher on behalf of the authority, in which case the payments are outside the scope of CIS.

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

8.1 Provision of services from centrally retained budgets

The authority will determine on what basis services from centrally retained funds will be provided to schools, as well as the provision for any types of liabilities which remain the responsibility of the authority (such as elements of existing premature retirement costs and redundancy payments).

The authority will not discriminate in its provision of services on the basis of categories of schools except where (a) funding has been delegated to some schools only or (b) such discrimination is justified by differences in statutory duties.

8.2 Timescales for the provision of services bought back from the authority using delegated budgets

With the exception of premises and liability insurance services (see 8.2.1 below), the term of any new arrangement with a school to buy services or facilities from the authority shall be limited to a maximum of three years from the date of the agreement. With the exception of school meals catering, any subsequent agreement relating to the same services shall be for periods not exceeding five years. In respect of school meals catering, agreements will not exceed seven years.

8.2.1 Charging for the provision of services bought back from the authority using delegated budgets

Where a service is provided by the authority to schools for which expenditure is not retainable centrally by the authority under the Regulations made under section 46 of the School Standards and Framework Act, it will be offered at prices that in total are expected to cover the full cost of providing those services.

8.2.2 Timescales for the provision of insurance services provided by the authority from centrally retained funds

The length of term for premises and liability insurance services that are provided by the authority from centrally retained funds shall be determined by the Borough Treasurer. This shall have regard for current and predicted insurance market conditions, and the overall insurance needs of the authority, which may make it impracticable to comply with the criteria as set out in 8.2 above.

8.2.3 Packaging

Where funding has been delegated, and the authority determines to provide a service on a buyback basis, this will be offered in a way which does not unreasonably restrict schools' freedom of choice among the overall services available.

Where practicable, the authority will not only offer such services in packages, but on an individual service-by-service basis. It is possible that where services are purchased as packages, the authority will be able to provide a discount on charges due if the same services were purchased individually.

8.3 Service level agreements

The authority shall provide service level agreements in respect of all the services available for buy back from schools, ordinarily on a three year term, with an annual break period.

- 8.3.1** With the exception of premises and liability insurance (see 8.2.2 above), where services or facilities are provided under a service level agreement - whether free or on a buyback basis - the terms of any such agreement starting on or after the inception of the scheme will be reviewed at least every three years, even if the agreement lasts longer than that.
- 8.3.2** Services, if offered at all by the authority, may be available on an ad hoc basis, as well as part of an extended agreement, only where the service in question can be reasonably organised to respond to such requests.
- 8.3.3** Prices for services may be reviewed during the course of the year and offered at a different rate to schools that request the purchase of a service after the commencement of the financial year, or choose to purchase the service on an ad hoc basis, where this is available.

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

If the authority proposes any PFI/PPP projects, this scheme will be amended following consultation with schools.

SECTION 10: INSURANCE

10.1 Insurance cover

All schools have funds for premises and liability insurance included within their delegated budget. Where a school proposes to make their own arrangements for such services, the authority will require the school to demonstrate that cover relevant to the authority's insurable interests, under a policy arranged by the governing body, which must have this authority as joint names with the school, is at least as good as the relevant minimum cover determined by the authority, and is secured through an insurance company, of suitable repute and financial standing. This must be provided before the beginning of February prior to the commencement of each financial year in question. Where this is not provided, the authority will arrange for suitable cover and charge the delegated budget actual costs, including administration.

Details of relevant requirements are available on request from the Borough Treasurer.

SECTION 11: MISCELLANEOUS

11.1 Right of access to information

Governing bodies are required to supply all financial and other information which might reasonably be required to enable the authority to satisfy itself as to the school's management of its delegated budget share, or the use made of any central funding allocated by the authority (e.g. earmarked funds) to the school. When requested, this must be supplied within a reasonable timescale.

11.2 Liability of governors

The governing body is a corporate body, and as such, under the terms of Section 50(7) of the SSAF Act 1998, 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. For members of a governing body, acts which are in good faith include any relevant professional standards (eg accountancy, employment). To protect the school budget from actions which are not in good faith, such as carrying out fraudulent acts, under the terms of the authority's minimum insurance requirements, the governing body is required to purchase relevant insurance.

11.3 Governors' expenses

The authority shall have the power to delegate to the governing body of a school yet to receive a delegated budget, funds to meet governors' expenses. Rates for allowances will be determined by the authority and shall not be exceeded.

Only allowances in respect of the purposes specified in section 19 of the Education Act 2002 may be paid to governors from a school's delegated budget share. The payment of any other allowances is forbidden.

Schools are not permitted to pay expenses duplicating those paid by the Secretary of State to additional governors appointed by him to schools under special measures.

A guide to reasonable expenses for governors is available from the Governor Services Section.

11.4 Responsibility for legal costs

Where there is a conflict of interest between the governing body and the authority, the governing body may seek independent legal advice, but this must be charged to the school's budget share. Guidance on procedures to follow in obtaining independent legal advice will be provided on request from the Borough Solicitor.

Costs of legal action incurred by the governing body, although the responsibility of the 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 authority.

11.5 Health and Safety

In expending the school's budget share, governing bodies are required to have due regard to duties placed on the authority in relation to health and safety, and the authority's policy on health and safety matters in the management of the budget share.

Where the governing body fails to comply with the policies contained within the Health, Safety and Welfare Manual of Guidance document as issued from time to time to schools, the authority will arrange for inspections and work to be carried out itself and charge the school's budget with associated costs.

11.6 Personnel

In expending the school's budget share, governing bodies are required to have due regard to duties placed on the authority in relation to personnel, and the authority's policy on personnel matters in the management of the budget share.

Where the governing body fails to comply with the policies as issued from time to time to schools, or seek and act upon advice from the authority in the absence of a relevant policy, the authority reserves the right to charge the school's budget with costs, both direct and administrative, resulting from such actions.

11.7 Right of attendance for Borough Treasurer

Governing bodies are required to permit the Borough Treasurer, or his representative to attend meetings of the governing body at which any agenda items are relevant to the exercise of his responsibilities. Attendance would normally be limited to items which relate to issues of probity or overall financial management, and where such attendance is considered necessary, prior notice of such attendance will be given, unless it is impracticable to do so.

11.8 Delegation to new schools

The authority is permitted to delegate selectively and optionally to the governing bodies of schools which have yet to receive delegated budgets i.e. the temporary governing body. The circumstances of each school will be taken into account when determining what, if any items are to be delegated.

11.9 Provision of support to pupils with Special Educational Needs (SEN)

Within six months of the end of each financial year, the governing body may be required to demonstrate to the authority that any funds delegated or devolved to support the needs of children with SEN have been spent on appropriate purposes.

Where schools continue to make use of financial support services provided by the authority, appropriate coding systems will be set in place to assist governing bodies in this process. This will result in the production of a report by the authority. Schools will be required to confirm the detail as accurate, or provide details of any errors at the end of each financial year.

The Local Authority expects to conduct sample audits with individual schools to identify in more detail how resources are used to meet the needs of children with SEN and provide written feedback to the respective schools.

11.10 Charging for Education Activities

- 11.10.1 The cost of tuition and travel for GCSE and 'A' level field study trips has been delegated to all secondary schools as part of the school's budget share. For pupils whose parents are in receipt of Family Credit or Income Support a claim for remission of charges should be submitted to the school.
- 11.10.2 Charges may be made for individual or group (of up to four pupils) musical instrument tuition within school hours, unless it is a requirement of a prescribed syllabus or National Curriculum, with remission arrangements as described in 11.11.1.
- 11.10.3 Charges will be made for tuition and musical activities provided outside school hours in the Borough's Music Centre, with remission arrangements as described in 11.11.1.
- 11.10.4 Examination entry fees will be met from the school's formula derived budget in respect of prescribed examinations, apart from retakes undertaken without preparation by the school.

11.11 Interest on late payments

The Late Payment of Commercial Debts (Interest) Act 1998 provides for businesses to claim interest for late payment of debts. Where schools fail to achieve the required payment terms, they will be required to meet any additional charges arising from relevant legislation.

11.12 Whistleblowing

The authority has issued guidance to schools on procedures to be followed by persons working at a school or school governors who wish to complain about financial management or financial propriety at the school, and how such complaints will be dealt with. Schools should ensure that the documentation is known to staff and governors and readily accessible, e.g. displayed on the staff notice board.

11.13 Child protection

Schools are required to release relevant staff to attend child protection case conferences and other related events. Funding for costs associated with these activities was delegated to schools in April 1999, and therefore needs to be met from within the delegated budget.

11.14 School Meals Catering

Responsibility for provision of school meals catering is a delegated responsibility for all schools. To assist schools, the authority intends to issue guidance to governing bodies in discharging their duties in relation to school meals. Governing bodies should have regard to this document when formulating arrangements for their school.

11.15 Teachers 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 1997, 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 only apply to governing bodies of maintained schools that have not entered into an arrangement with the authority to 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 annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The 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. The authority will advise schools each year of the timing, format and specification of the information required from each school. A governing body shall also ensure 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.

11.16 Responsibilities for redundancies

The costs of new early retirements or redundancies will continue to be charged to the central part of the Schools Budget where the local authority can demonstrate that the revenue savings achieved by any termination of employment are equal to or greater than the costs incurred. This will be done on the basis that any redundancy situation the school finds itself will be treated as a staffing re-organisation. The Council's Redundancy procedures must be followed to enable the redundancy costs being met through this central schools budget. This includes early notification of the staffing re-organisation to ensure adequate time for consultation with staff and trade unions. Failure to follow these procedures could result in costs being charged against the delegated school budget.

The severance costs will be calculated under the local authority's policy. Where a school decides to offer more generous terms than the authority's policy, then the excess charge will be made to the delegated school budget.

The local authority can retain a central budget within the schools budget to fund the costs of new early retirements or redundancies by a deduction from maintained school budgets only, where the relevant maintained school members of the schools forum agree.

A de-delegated contingency could be provided, if Schools Forum agree, to support individual schools where "a governing body has incurred expenditure which it would be unreasonable to expect them to meet from the school's budget share".

The Schools Forum must agree to any increase in this budget over the previous financial year. The local authority will make a best estimate of what may be needed, based on past experience, local knowledge of the financial position of individual schools and the context of that year's funding settlement. To achieve best use of resources, the local authority will actively pursue a redeployment policy, to match staff at risk to vacancies.

Any costs incurred by the local education authority in respect of any premature retirement of a member of the staff of a maintained school shall be met from the school's budget share for one or more financial years except where the authority has agreed with the governing body in writing (whether before or after the retirement occurs) to meet these costs centrally.

SECTION 12: RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

12.1 Governing body responsibility

Responsibility for repairs and maintenance is delegated to governing bodies. This includes caretakers' accommodation and school meals kitchens. However, the authority retains responsibility for capital expenditure only to the extent where funding is not allocated directly to schools e.g. through Devolved Formula Capital. To assist in the determination of relevant capital works, the authority has set a de minimus level of £2,000 for expenditure to be classified as capital. Where a project of works is below this level, it will be deemed of revenue nature and, therefore, a school responsibility. Illustrative examples of the expected relevant divisions of responsibility are attached at Annex E.

12.2 Devolved Formula Capital Grant (DFC)

DFC grant is provided by the DfE and is in response to the continuing need for additional resources to be spent on improving the condition and suitability of school accommodation. Allocations are made directly to schools on the basis specified by the DfE.

DFC gives schools direct funding for the priority capital needs of their buildings, which can be capital repair, remodelling or new build and investment in ICT equipment. In prioritising DFC and school's other budgets for buildings, the school should establish immediate needs, taking account of local factors including:

- a) Planned Project Monitoring (PPM) needs identified by the schools' building surveys
- b) The premises development plans
- c) Post-Ofsted inspection action plan
- d) significant measurable impact on raising standards
- e) future savings on repairs or energy costs
- f) private and specific investment opportunities
- g) ICT development plan
- h) improvements to support the workforce
- i) Known and anticipated capital investment by the Authority

When prioritising DFC budgets, health and safety and compliance works should be given the highest priority, but condition/planned maintenance should be treated as the next highest priority, and schools should aim to address as many priority 1D items from the condition surveys as possible.

A summary of eligible capital criteria is listed below:

- a) DFC must not be used for general maintenance, redecoration or routine repairs;
- b) DFC must not be used for the purchase of books, ICT software or training materials/services;

- c) DFC is distinct from any element for routine repairs and maintenance that may be included in delegated Fair Funding budgets;
- d) DFC must not fund operating leases in respect of equipment or facilities. Finance leases are classed as borrowing, for which explicit approval from the Secretary of State must be sought;
- e) DFC may not be used for the hire of temporary accommodation, unless it is part of a larger project which has a short-term requirement to re-house classes.
- f) DFC cannot be used for expenditure where the amount falls below the LA's minimum capital spend threshold of £2,000.
- g) DFC cannot be used to fund the cost of salaries or wages.

Schools are required to submit details of works to be funded from DFC, on the relevant form to the Council for approval before any schemes commence.

The above DCF related paragraphs apply to community and voluntary controlled schools only. In accordance with DfE funding arrangements, allocations of DFC to Voluntary Aided Schools are not made through the LA and relevant school should therefore contact their diocesan authority for guidance in this area

12.3 Additional voluntary aided governor responsibility

Voluntary aided governors will continue to be eligible for grant from the DfE in respect of their statutory responsibilities and in addition they will have responsibility for other repair and maintenance items on the same basis as Community and Foundation schools. Voluntary aided governor responsibilities are included in the examples, although such responsibilities are ultimately determined by the DfEE Voluntary Aided School Determination of Financial Liabilities List.

12.4 Authority responsibility

In classifying different types of work, only those that fit the definition of capital determined by the local authority for financial accounting purposes in line with the CIPFA Code of Practice on local authority accounting have been retained as an authority responsibility.

Where there is any doubt, or items of work are not included on the illustrative Annex, it should be assumed that they are a school responsibility and will only be funded from capital if the work is undertaken after agreement has been received from the Chief Officer: Property Services. The authority will not reimburse schools retrospectively where it is found that capital related work has been funded from the school's delegated budget, unless in the opinion of the Borough Surveyor, it would ordinarily have formed part of that year's capital programme.

In undertaking capital maintenance, the authority will adopt the following approach, as agreed following consultation with schools and agreement from the Schools Forum:

- a. Building condition surveys will continue to be used to identify, prioritise and estimate the cost of planned maintenance works, and these will be regularly updated.
- b. The Council will target its resources on the most urgent items, giving priority to compliance, health & safety and those items that have been judged to carry significant risk of disruption to school operations or school closures.

- c. Where the Council undertakes works in a school the school will be expected to contribute 10% of the cost from its Devolved Capital Funding, up to a maximum ceiling of 75% of their Devolved Formula Capital allocation. The contribution will be paid in the year that the works are undertaken.
- d. The balance of schools Devolved Formula Capital funding will be for the individual school to prioritise. The LA will continue to advise schools to prioritise DFC firstly on Health & Safety/Compliance works, secondly on addressing as many outstanding Priority 1 items as possible.

SECTION 13: COMMUNITY FACILITIES

13.1 Introduction

13.1.1 The Education Act 2002 allows for schools to establish community facilities. Community facilities are defined in the Act as “any facilities or services whose provision furthers any charitable purpose for the benefit of:

- (a) pupils at the school or their families, or
- (b) people who live or work in the locality in which the school is situated.”

13.1.2 The DfE states that “such a school would act as a focal point for a range of services and activities for the family and the wider community such as childcare, sports or arts activities, adult and community learning, and health and social care services”.

13.1.3 Schools which choose to exercise the power conferred by s.27 (1) of the Education Act 2002 to provide community facilities will be subject to a range of controls. First, regulations made under s.28 (2), if made, can specify activities which may not be undertaken at all under the main enabling power. Secondly, the school is obliged to consult with the Council and have regard to the advice received. Thirdly, 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.

13.1.4 Schools wishing to develop services or facilities for the community are encouraged to discuss proposals with the Council in the first instance.

13.1.5 These powers do not extend to joint-use agreements; transfer of control agreements, or agreements between the Council and schools to secure the provision of adult and community learning.

13.2 Main Controls

The following areas constitute the main controls on this power:

13.2.1 Regulations made by the Secretary of State under s.28 (2), if any, which can specify activities which may not be undertaken at all under the main enabling power.

13.2.2 Schools’ legal obligations to consult the Council and have regard to advice from the authority.

13.2.3 Guidance issued by the Secretary of State to governing bodies about a range of issues connected with exercise of the power to which the school must have regard.

13.2.4 The requirements under s.28 (1), to act within the limitations and restrictions contained in a school’s own instruments of government.

13.2.5 Provisions in the Bracknell Forest Borough Council Scheme for Financing Schools (made under section 48 of the School Standards and Framework Act 1998 extended the powers of governing bodies to provide community facilities by paragraph 2 of Schedule 3 to the Education Act 2002).

13.2.6 Mismanagement of community facility funds may result in the suspension of the right to a delegated budget.

13.3 Relationship with existing community agreements

13.3.1 Where a school is already carrying out any of the activities covered by this power under the terms of an existing funding or management agreement with the Council, then the terms of that agreement continue to apply unless it is contrary to the Regulations made by the Secretary of State referred to under 13.2.2 above.

13.4 Consultation with the Council

13.4.1 Section 28 (4) of the Education Act 2002 requires that before exercising the community facilities power, governing bodies must consult the Council and have regard to the advice given to them.

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

13.4.3 Formal consultation with the Council will commence when the full consultation material has been submitted in writing and the response period will begin from receipt of the full material. Major uses of the power, i.e. where a school estimates that services will have an annual turnover in excess of £100,000 or capital schemes estimated by a school to cost more than £100,000 will lead to the Council providing formal advice in writing (which may be e-mail) within eight weeks. In the case of more minor uses, advice will be provided within six weeks. Subsequently the governing body should inform the Council of the action taken in response to this advice.

13.4.4 The school should provide the following information in the formal consultation document:

- a full business plan for the provision of the proposed community facilities or services covering the first three years of operation. If requested, full details of the costings should also be supplied;
- in the case of capital projects affecting the existing buildings on the school site and/or the construction of new buildings then the full plans and costing of the works proposed;
- details of any planning and environmental considerations and evidence of discussions with relevant regulatory agencies;
- expressions of support from potential user groups, other councils, local community groups, neighbouring schools, business representatives, as appropriate;
- details as to how the facility will be managed, by whom and how this relates to the management of the school;
- a statement that the proposed activities will not interfere with the overriding purpose of the school in achieving higher standards for pupils [section 26(3) of the Act];
- details of any proposed funding agreements with third parties;
- the insurance arrangements proposed;
- financial arrangements to be made to fund the cost of permanent closure of the facility.

13.4.5 The consultation document should be sent to the Director of Children Young People

and Learning.

13.5 Consultation with other bodies

13.5.1 School governing bodies should consult the planning and service provision bodies in their neighbourhoods which are currently involved with those sorts of facilities. For example; adult education providers, local colleges and the local learning and skills council, if adult education is involved. Often the relevant bodies will have plans which affect the activities proposed and may be interested in becoming a partner in the particular project.

13.5.2 Bodies with plans covering the community to be served by the facility or services should be consulted and the degree of fit with the relevant planning frameworks and policies assessed. In particular the following should be consulted if their work could be affected:

- The local Early Years and Child Care Partnership where any developments affecting early years education or child care are proposed – the Early Years and Child Care Development Plan as it covers the community served by the facility is an important document, it may also be advisable to consult existing local providers;
- The local parish councils (where they exist). These will have relevant physical planning policies. Community development plans and the priorities contained therein will be very important for community facility developments. There may also be specific plans for young people, area regeneration, leisure facilities and / or arts/sports plans and so on.
- Agencies such as Sports England and the Arts Council will have policies and strategies if not specific plans that will affect not only their funding attitudes but also set their priorities.
- All the schools within their cluster and neighbouring secondary schools.
- Local adult and community learning providers, if such provision is proposed. The school's proposals should be consistent with the Adult Learning Plan produced by the Council.

13.6 Funding Agreements with Third Parties

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

13.6.2 Any funding agreements with third parties (as opposed to funding agreements with the Council itself) should be submitted to the Council for its comments and advice. Such draft agreements should form part of the consultation with the Council, and should allow at least eight weeks for comments. Schools must have regard to the advice. The Council may wish to set conditions upon access, egress and use of other facilities on the site.

13.6.3 Should the Council determine that a proposed project carries significant financial risk, the Council may require the governing body to form a limited company for the purpose of carrying out the activity or obtain indemnity insurance. Any indemnity insurance would need to cover the risks associated with the project, as determined by the Council.

13.6.4 Funding agreements with third parties should contain adequate provision for access by the Council to the records and other property of those parties which are held on the school premises in order for the Council to satisfy itself as to the propriety of

expenditure on the facilities in question.

- 13.6.5 However, schools are reminded that if an agreement has been, or is to be concluded, against the wishes of the Council or has been concluded without informing the Council and is judged to be seriously prejudicial to the interests of the school or the Council, that may constitute grounds for suspension of the right to a delegated budget.

13.7 Financial accounts and information

- 13.7.1 Best practice in respect of these community facilities, is to use the same accounting and reporting systems as are used for the school's main budget share but with the activities separately identified on a full cost basis. However, it is for each school to decide appropriate accounting arrangements.

- 13.7.2 Whatever accounting systems a school chooses to use in respect of community facilities, schools will be required to regularly submit to the Council financial information. The form and content of these statements will be notified to schools and the forms will need to be returned to Education Finance. The required timing of provision of such information is as follows:

| | |
|-------------------------------|---|
| Turnover below £25,000 | Annual statement of actual income and expenditure. Annual statement of estimated income and expenditure for the next year. |
| Turnover at £25,000 and above | Six monthly statement of actual income and expenditure. Six monthly statement of estimated income and expenditure for the next six months. |

Actual statements of income and expenditure must be verified by a suitably independent and qualified auditor within six months of the end of the relevant financial year.

- 13.7.3 If the Council believes there to be cause for concern as to the school's management of the financial consequences of the exercise of the community facilities power then it may, after giving 30 days notice to the school, require financial statements to be supplied more frequently. Should the Council determine that the facility is not operating over a 2 to 3 year period on a sound financial basis, then that may constitute grounds for suspension of the right to a delegated budget.
- 13.7.4 Financial information relating to community facilities also has to be included in returns made by schools under the Consistent Financial Reporting Framework.
- 13.7.5 Schools are required to grant access to the school's records connected with exercise of the community facilities power, in order to facilitate internal and external audit of relevant income and expenditure.

13.8 Treatment of Income and Surpluses

- 13.8.1 Schools may retain all income derived from community facilities except where otherwise agreed with a funding provider. When a surplus has been derived after a proper charging of all costs including relevant overheads then the surplus may be carried over from one financial year to the next. Best practice would be to account for this as a separate community facilities surplus.
- 13.8.2 The school must ensure that no deficit arises from the operation of the community facility.
- 13.8.3 The school's budget share will not include the rates or floor area relating to the community facilities so provided.
- 13.8.4 The full costs of maintaining any facility used for these purposes needs to be covered by the income. Full costs must be calculated in accordance with the CIPFA definition, and therefore need to include reasonable overheads, such as school staff management time, and a reasonable apportionment of any costs from any facilities shared between the school and the community facility.
- 13.8.5 When a school ceases to be maintained by the Council, any accumulated retained income obtained from exercise of the community facilities power reverts to the Council unless there is some other agreement with a funding provider.
- 13.8.6 Liabilities to third parties incurred in the exercise of this power are a charge on all the income retained by the school from these activities.

13.9 Taxation

- 13.9.1 As with existing community activities, schools may only reclaim VAT for expenditure on community facilities where this is funded from local authority funds. Expenditure from funds obtained direct by schools from private (or indeed, central government) sources are not covered by the VAT reclaim procedures. Schools should seek advice from the Council and local VAT office on issues relating to VAT.
- 13.9.2 Schools should follow the Council's guidance set out in paragraph 7.2 of the main text of the Scheme for Financing Schools in relation to the Construction Industry Scheme, where this is relevant to the facility.
- 13.9.3 If any member of staff employed by the school or authority in connection with community facilities at the school is paid from funds held in a school's own bank account (whether a separate account is used for community facilities or not) the school is likely to be held liable for payment of income tax and National Insurance, in line with HM Revenue and Customs rules.
- 13.9.4 Schools are required to follow authority advice in relation to the Construction Industry Scheme where this is relevant to the exercise of the community facilities power and should contact Education Finance if in doubt.

13.10 Banking and Borrowing

13.10.1 These are covered by paragraphs 3.6 and 3.7 of the main text of the Scheme for Financing Schools which also apply to the use of the community facilities power. The Financial Management Handbook provides detailed rules and guidance in respect of banking arrangements.

13.11 Health and safety

13.11.1 The health and safety provisions of the main scheme, as set out in paragraph 11.5 apply also to the community facilities power. Additionally, the Health, Safety and Welfare Manual of Guidance applies to these facilities.

13.11.2 The governing body is responsible for the costs of securing Criminal Records Bureau clearance for all adults involved in community activities taking place during the school day. Governing bodies would be entitled to pass on such costs to a funding partner as part of an agreement with that partner.

13.12 Service Level Agreements (SLAs)

13.12.1 The community facilities powers are not covered by schools' existing SLAs with the Council. This means local authority services like payroll, buildings maintenance, ICT support, personnel and so on, in respect of staff employed or expenditure incurred in the exercise of these powers, will only be provided at an extra cost beyond the SLA subscription rate. When making these arrangements with the Council or other providers schools will need to ensure the issues surrounding Criminal Records Bureau clearance for all adults in community activities, National Insurance and taxation of employees have all been fully dealt with.

13.13 Insurance

13.13.1 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. Details of these arrangements should be included in the formal consultation material sent to the Council. Such insurance should not be funded from the school budget share. The Council is not able to offer this insurance under a SLA arrangement.

13.13.2 A school proposing to provide community facilities should, as an integral part of its plans, undertake an assessment of the insurance implications and costs, seeking professional advice if necessary.

13.13.3 The Council will undertake its own assessment of the insurance arrangements made by a school in respect of community facilities, and if it judges those arrangements to be inadequate, make arrangements itself and charge the resultant cost to the school. This is particularly to safeguard the Council against possible third party claims.

13.14 Closure of the facility

13.14.1 Should the facility close, any relevant staff redundancy costs and re-instatement or demolition works required would need to be funded from accumulated reserves of the community facility.

Annex A

ALPHABETICAL LIST OF SCHOOLS TO WHICH THIS SCHEME FOR FINANCING SCHOOLS APPLIES

Ascot Heath Infant School
Ascot Heath Junior CE School
Binfield CE Primary School
Birch Hill Primary School
Brakenhale School
College Hall Pupil Referral Unit
College Town Infant School
College Town Junior School
Cranbourne Primary School
Crown Wood Primary School
Crowthorne CE Primary School
Easthampstead Park School
Edgbarrow School
Fox Hill Primary School
Garth Hill College
Great Hollands Primary School
Harmans Water Primary School
Holly Spring Infant School
Holly Spring Junior School
Jennett's Park CE Primary School
Kennel Lane Special School
Meadow Vale Primary School
New Scotland Hill Primary School
Owlsmoor Primary School
Sandhurst School
Sandy Lane Primary School
St Joseph's RC Primary School
St Margaret Clitherow RC Primary School
St Mary's CE Primary School
St Michael's CE Primary School
St Michael's Primary School
The Pines Primary
Uplands Primary School
Warfield CE Primary School
Whitegrove Primary School
Wildmoor Health Primary School
Wildridings Primary School
Wooden Hill Primary School

Annex B

OUTLINE CRITERIA FOR SUSPENSION OF DELEGATED POWERS FROM A SCHOOL

Finance Related

1. Serious fraud or deception
2. Consistent failure to set a balanced budget
3. Consistent failure to keep spending within budget, without prior LA approval
4. Accumulation of high budget deficit or failure to make repayments on approved budget deficits
5. Accumulation of unreasonably high under spendings, without prior LA approval.
6. Mismanagement of community facility funds
7. Failure to comply with Financial Regulations, Contract Standing Orders or the Procurement Manual (especially relating to the award of contracts)
8. Serious instances of false accounting
9. Serious failure to achieve value for money
10. Continual failure to deal with serious weaknesses in internal control as identified by Internal Audit or LA
11. Continual contravention of UK legislation
12. Persistent failure to comply with requirements of the Scheme for Financing Schools, especially:
 - i. Spending only for the general purposes of the school
 - ii. Persistent failure to supply financial and other information which might reasonably be required by the LA e.g. timely submission of budget plans and bank account returns
 - iii. Persistent disregard of LA advice where this could place additional expenditure burden on the school or LA e.g. in respect of premature retirement or securing resignations, or any other legal matters

Other Reasons

1. Appointment of headteacher without taking account of the professional advice of the Director of Children Young People and Learning/Diocesan Director of Children Young People and Learning or his representative
2. Failure to manage the leadership of the school in accordance with the recommendations of the LA/School Code of Practice and School Improvement Policy
3. Failure to develop and implement a School Development Plan which aligns priorities with available resources
4. Failure to adhere to advice and guidance to Personnel matters
5. Failure to meet the needs of pupils with SEN where funding has been delegated for that purpose
6. Failure to meet responsibilities in respect of delegated Health and Safety
7. Failure to meet responsibilities in respect of delegated repair and maintenance of buildings as set out in individual Asset Management Plans

A decision to withdraw delegated power from a school will be taken by the Executive Member for Children, Young People and Learning who may refer the matter to the full Executive, following recommendation from the Director of Children, Young People and Learning.

Annex C

BEST VALUE AND SCHOOLS

1. This statement is intended to assist schools in considering the relevance of best value principles to the expenditure of funds from their delegated budget share. There is no obligation to take account of this statement in meeting the duty to secure efficiency and value for money.
2. Best value is a statutory duty to deliver services to clear standards, covering both cost and quality, the most effective, economic and efficient means available. Legislation places a duty on local authorities to secure best value in respect of the way in which they exercise their functions. The duty is not intended to apply to those functions which are exercised by the governing bodies of LA maintained schools. However, schools will be encouraged to adopt the best value performance management framework.
3. In relation to schools and expenditure from delegated budgets, the main features of best value can be summarised as a need for the governing body of a school to ensure:
 - a) the existence of a programme of performance review which will aim for continual improvement. Existing mechanisms such as school development plans and post-OFSTED inspection plans can be developed to satisfy the requirements for review. The reviews should include:
 - challenging how and why a service is provided (including consideration of alternative providers);
 - comparison of performance against other schools taking into account the views of parents and pupils;
 - mechanisms to consult stakeholders, especially parents and pupils;
 - embracing competition as a means of securing efficient and effective services;
 - b) the development of a framework of performance indicators and targets which will provide a clear practical expression of a school's performance, taking national requirements into account;
 - c) that the following are included in school development plans:
 - a summary of objectives and strategy for the future;
 - forward targets on an annual and longer-term basis;
 - description of the means by which performance targets will be achieved;
 - a report on current performance
 - d) that internal and external audit takes place ensuring that performance information is scrutinised. LA oversight of school finances provides external review.
4. The independent inspection and intervention elements of the best value framework will be the responsibility of other bodies and, therefore, not relevant to demonstration by a governing body of adherence to best value principles.

Control on surplus school balances

Normal text indicates the wording for the BFC Scheme. Words in *italics* are offered as an explanation to the Scheme text and are not part of the Scheme.

Controls on surplus balances

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

- a. the Authority shall calculate by 30 June each year the surplus balance, if any, held by each school as at the preceding 31 March. For this purpose the balance will be the recurrent balance as defined in the Consistent Financial Reporting Framework;

Balances on Devolved Formula Capital and any other specific grant funded activities are excluded, unless allowed for in the relevant grant conditions.

- b. the Authority shall deduct from the calculated balance any amounts for which the school has a prior year commitment to pay from the surplus balance from the previous financial year;

In this context, a prior year commitment is defined as a project previously agreed with the Authority to be excluded from the claw-back calculation, for example, capital building and construction projects – see c.i to viii below for full criteria to be used to establish a valid commitment against a surplus balance.

- c. the Authority shall then deduct from the resulting sum any amounts which the governing body of the school has declared to be assigned for specific purposes permitted by the authority, and which the authority is satisfied are properly assigned. To count as properly assigned, amounts must not be retained beyond the period stipulated for the purpose in question, without the consent of the Authority. In considering whether any sums are properly assigned the Authority may also take into account any previously declared assignment of such sums but may not take any change in planned assignments to be the sole reason for considering that a sum is not properly assigned. Schools will be required to provide relevant information to support funds assigned for a specific purpose, in a format prescribed by the authority.

The criteria to consider whether sums are properly assigned are as follows:

- i. Capital building and construction projects
- ii. Furniture, IT and other one-off expenditure of a capital nature
- iii. Infrastructure, maintenance and refurbishment
- iv. Staffing remodelling and restructuring
- v. Specific curriculum resources
- vi. Balances held in respect of pupil focused extended activities
- vii. Money held to fund budget deductions known to be occurring in the next financial year e.g. fall in pupil numbers.
- viii. Other high cost activities, of a long term nature, agreed in advance with the Director of Children, Young People and Learning and the Schools Forum.

The conditions outlined here are intended to ensure schools can build up reserves towards particular projects but cannot defer implementation indefinitely. A change in the plans of a

school is not allowed to be the only criterion by which a sum can be considered to be properly assigned or not. After the accounts are closed each year, the Authority will contact schools with significant surplus balances to agree whether any of the balance has been properly assigned for a specific purpose and can therefore be deducted from the claw-back calculation.

The above specified criteria have previously been approved by the Schools Forum following consultation with schools where they were supported by the vast majority of respondents.

- d. The maximum surplus that can be retained by a secondary school is 10% of the annual budget. For primary, special and Pupil Referral Units (PRUs), it is the greater of 16% or £150,000.
- e. if the result of steps a-c is a sum greater than the maximum amount specified in d, above, then the Authority shall deduct from the current year's budget share an amount equal to the excess.
- f. the calculation will be made against the final budget for the year in question i.e. after any contingency funding, significant in-year pupil growth allocation etc. The deduction will be made annually in arrears i.e. the final balance at 2011-12 calculated against the final budget for 2011-12 (known around June 2012) will be deducted at the start of the 2013-14 financial year.

This paragraph has been added to make clear that the calculation will be made against final and not initial budgets. It is also proposed to delay any claw-back for one year to allow relevant schools time to plan for the change when setting subsequent budgets.

- g. Should any school wish to retain a higher surplus than permitted in steps d-f above, the Schools Forum will consider each referral on a case by case basis, taking account of the merits of each individual proposal based upon the submission made by the school.
- h. An appeal against a decision by the Forum in step g. can be made to the relevant Director. The Director's determination will be final.
- i. Where, at 31 March 2014, a school holds a surplus balance in excess of steps d-f, this can be retained until 31 March 2017 without specific approval of the Forum.

Funds deriving from sources other than the Authority will be taken into account in this calculation if paid into the budget share account of the school, whether under provisions in this scheme or otherwise.

The total of any amounts deducted from schools' budget shares by the Authority under this provision are to be applied to the Schools Budget of the Authority

LIABILITY FOR REPAIRS AND MAINTENANCE

The following pages detail the Borough Council definition of capital items for which the authority retains responsibility and revenue which is the responsibility of all schools.

Please note that the narrative shows illustrative examples of interpretation of the CIPFA Code of Practice only, and that in the event of doubt as to responsibility, the Chief Officer: Property Services will advise.

| ELEMENT | CAPITAL: BFBC INTERPRETATION OF CIPFA CODE OF PRACTICE | REVENUE: REPAIRS & MAINTENANCE |
|-----------------------------|---|--|
| Roofs <u>Flat</u> | Structure. New (not replacement) structure | Repair/replacement of small parts of an existing structure |
| | Structure. Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure | Replace small areas of rotten or defective timber, make good minor areas of spalling concrete where reinforcing bars exposed |
| | Screed / insulation in a new building/extension | Repair/replacement of screed/insulation where defective. |
| | Screed / insulation. Replacement/repair of substantially all. Improve effectiveness of insulation | Work to improve insulation standards, during work to repair/replace small areas of roof. |
| | Finish on new build. Replacement of all/ substantially all on existing roof | Replacement of roof finish on existing building. Re-coating chippings to improve life expectancy |
| | Edge Trim/ Fascia on new build | Repairs/ replacement. (uPVC) Repainting. |
| | Edge Trim/ Fascia, Replacement of all/ substantially all on existing roof | Repairs/ replacement. (uPVC) Repainting. |
| | Drainage on new build | Clearing out gutters and downpipes. Replacement/repair/repainting of individual gutters/pipes |

| ELEMENT | CAPITAL: BFBC INTERPRETATION OF CIPFA CODE OF PRACTICE | REVENUE: REPAIRS & MAINTENANCE |
|----------------------------------|---|--|
| Roofs <u>Flat cont</u> | Other e.g. Flashings, Rooflights on new build Replacement of all/substantially all on existing roof | Repair/ Replacement/ cleaning of individual items |
| <u>Pitched</u> | Structure. New (not replacement) structure | Repair/replacement of small parts of an existing structure |
| | Structure. Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure | Replace/ repair small areas of rotten/ defective joists, rafters, purlins etc. Not complete trusses |
| | Insulation in a new building/extension | Repair/replacement/ increasing thickness of insulation in an existing roof |
| | Insulation. Replacement /repair of substantially all. Improve insulation to current standards | |
| | Roof finish in a new building/extension, replacement of all/substantially all on existing roof | Replace missing/ damaged |
| | Bargeboards/ Fascias in a new building/ extension, replacement of all/substantially all on existing roof | Repairs/ replacement/ Repainting |
| | Drainage in a new building/extension | Clearing out gutters and downpipes. Replacement/ repairs of individual pipes/gutters |

| ELEMENT | CAPITAL: BFBC INTERPRETATION OF CIPFA CODE OF PRACTICE | REVENUE: REPAIRS & MAINTENANCE |
|--------------------------------------|--|--|
| Roofs <u>Pitched</u> cont | Drainage. Replacement of all/substantially all on existing roof | |
| | Other e.g. Flashings, Roof windows in a new building/extension, replacement of all/substantially all on existing roof | Repair/ Replacement /cleaning |
| <u>Other</u> | Provide new covered link etc. between existing buildings | Minor repairs, maintenance to existing covered link |
| | Rebuild or substantially repair structure of existing covered link | |
| | Add porch etc. to existing building | Minor repairs, maintenance to existing |
| | Rebuild or substantially repair structure of existing porch | |
| Floors <u>Ground Floor</u> | Structure and dpc in new building | Repair/replacement of small parts of an existing structure |
| | Structure and dpc – Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure | |
| | Screed and finish in new build, replacement of all/substantially all on existing floor - e.g. replacement of most carpets/ tiles in a room | Replacement and repair of screed and finishes/ Replacement of mats/ matwells. Maintenance e.g. revarnishing wooden floors. |
| <u>Upper Floor</u> | Structure - as ground floor | As ground floor |
| | Screed and Finish – as ground floor | Repairs of finishes/ Replacement - as ground floor |

| ELEMENT | CAPITAL: BFBC INTERPRETATION OF CIPFA CODE OF PRACTICE | REVENUE: REPAIRS & MAINTENANCE |
|---|---|--|
| Ceilings <u>Top/ only storey</u> | Suspension | Repair/ replacement incl. From water damage, & necessary decoration |
| | Membrane | |
| | Fixed | Repair/ replacement inc. from water damage |
| | Access panels | Repair/ replacement |
| <u>Lower storeys</u> | Suspension | Repair/ replacement |
| | Membrane | |
| | Fixed | Repair/replacement |
| <u>All</u> | Specialist removal/ replacement of damaged/ disturbed Asbestos based materials, planned or emergency | Inspection/ air testing Applying sealant coats to asbestos surfaces for protection |
| External walls <u>Masonry/ cladding</u> | Structure Underpinning/ propping for new build | Repairs Preventive measures e.g. tree removal |
| | External Finish on new build | Repair/replacement of small parts of an existing structure. e.g. repointing/ recladding a proportion of a wall where failure has occurred. |
| | External Finish on existing build where needed to prevent imminent or correct actual major failure of the structure. e.g. repointing/recladding work affecting most of a building /replacement build | |

| ELEMENT | CAPITAL: BFBC INTERPRETATION OF CIPFA CODE OF PRACTICE | REVENUE: REPAIRS & MAINTENANCE |
|---|---|--|
| <u>Windows and Doors</u> | Framing - new build | Repair/ replacement of individual frames. Repainting frames |
| External walls <u>Windows and Doors</u> cont | Framing - structural replacement programme | Repair/ replacement of individual windows. Repainting frames |
| | Glazing - new build | Replacing broken glass |
| | Glazing Upgrading existing glazing | |
| | Ironmongery Improved security | Repair/ replacement, upgrading locks etc. |
| | Jointing including mastic joints | |
| | Internal and external decorations to new build | Internal and external decoration to include cleaning down and preparation. |
| <u>Masonry chimneys</u> | Structure | |
| | Jointing including expansion and mortar joints/ pointing/ DPC | Repair/ re-pointing |
| Internal walls <u>Solid</u> | Complete including various internal finishes, linings and decorations | Repairs and redecoration to internal plaster/ linings tiles, pin boards etc. |
| | Refurbishment and alterations | Minor alterations |
| <u>Partitions</u> | Complete structure including linings, framing, glazing, decoration etc. | Repairs and redecoration. |
| | Refurbishment and alterations | Minor alterations |

| ELEMENT | CAPITAL: BFBC INTERPRETATION OF CIPFA CODE OF PRACTICE | REVENUE: REPAIRS & MAINTENANCE |
|---|--|--|
| <u>Doors & Screens</u> | Framing/ Screens/ Doors to new buildings including glazing, ironmongery, jointing and internal decorations | Internal maintenance and redecoration. Repair/ replacement of defective doors and screens |
| <u>All</u> | Glazing to meet statutory Health & Safety requirements | Replacement of broken glass |
| Sanitary Services <u>Lavatories</u> | In new buildings provision of all toilet fittings, waste plumbing and internal drainage. | Repair/ replacement of damaged sanitary ware, fittings, waste plumbing etc. |
| | Large scale toilet refurbishment | Small areas of refurbishment |
| | Provision of disabled facilities, and specialist facilities related to pupils with statements | Repair/ replacement of damaged fittings, waste plumbing etc. |
| <u>Kitchens</u> | Kitchens in new buildings, complete with fittings, equipment, waste plumbing and internal drainage. Internal finishes and decorations. | Maintain kitchen to requirements of LA Cleaning out drainage systems Redecoration Repairs |
| | | Repairs/ replacement parts General refurbishment Large and costly items of equipment |

| ELEMENT | CAPITAL: BFBC INTERPRETATION OF CIPFA CODE OF PRACTICE | REVENUE: REPAIRS & MAINTENANCE |
|---|---|---|
| Mechanical services <u>Heating/ hot water</u> | <p>Complete heating and hot water systems to new projects, including fuel, storage, controls, distribution, flues etc.</p> <p>Safe removal of old/ damaged asbestos boiler and pipework insulation, where risk to Health & Safety.</p> <p>Planned replacement of old boiler/ controls systems past the end of their useful life</p> <p>Emergency replacement of boiler plant/ systems</p> | <p>General maintenance of all boiler house plant including replacement of defective parts. Regular cleaning. Energy saving projects</p> <p>Monitoring systems</p> <p>Health & safety issues</p> <p>Replacement of defective parts</p> |
| <u>Cold water</u> | Provision of cold water services, storage tanks, distribution, boosters, hose reels etc. in major projects | Maintenance and repair/ replacement of defective parts such as servicing pipes. Annual servicing of cold water tanks. |
| <u>Gas</u> | Distribution on new and major refurbishment's, terminal units | Repairs, maintenance and gas safety All servicing |
| <u>Ventilation</u> | Mechanical ventilation/ air conditioning to major projects | Provision of local ventilation. Repair/ replacement of defective systems and units |
| <u>Other</u> | Swimming pool plant and its complete installation, including heat recovery systems | Repair/ replacement of parts to plant, pumps and controls. Water treatment equipment and all distribution pipework. Simple heat recovery systems. Solar heating plant and equipment. |

| ELEMENT | CAPITAL: BFBC INTERPRETATION OF CIPFA CODE OF PRACTICE | REVENUE: REPAIRS & MAINTENANCE |
|--|---|---|
| Electrical services <u>General</u> | Main switchgear and distribution in major projects. | Testing/ replacement of distribution boards. The repair and maintenance of all switchgear and interconnecting cables including that in temporary buildings. |
| | Replacement of obsolete and dangerous wiring systems, including distribution boards | All testing, earthing and bonding to meet Health & Safety. All servicing. |
| <u>Power</u> | Control gear, distribution, fixed equipment, protection etc. | All testing, repair and replacement of small items of equipment |
| <u>Lighting</u> | Provision of luminaires and emergency | Replacement of luminaires, all testing, adjustments and improvements to emergency |
| <u>Other</u> | Lightning protection in new build | Repair/ replacement |
| | Alarm systems, CCTV, lifts/ hoists etc., | Repair and maintenance |
| | New installation of communication systems, radio/ TV, call, telephone, data transmission, IT etc. and provision in new build. | Repair/ replacement/ maintenance, including all door access systems |
| External Works <u>Pavings</u> | Provision of new roads, car parks, paths, court, terraces, play pitches, steps and handrails, as part of major project, including disabled access | Maintenance and repair Car park and playground markings. |
| <u>Miscellaneous</u> | Provision of walls, fencing, gates and ancillary buildings as part of major project | Maintenance and repair of all perimeter/ boundary/ retaining walls, fencing and gates. |
| <u>Drainage</u> | Drains, soakaways, inspection chambers and sewage plant as part of new projects | Maintenance and repair of drains, gullies, grease traps and manholes between buildings and main sewers. Cleaning of the above and unblocking as necessary. |

| ELEMENT | CAPITAL: BFBC INTERPRETATION OF CIPFA CODE OF PRACTICE | REVENUE: REPAIRS & MAINTENANCE |
|------------------------------|--|---|
| <u>Open air pools</u> | Structure, Hygiene/ safety in new build | Hygiene, cleaning, maintenance and repairs, including replacement parts. Simple energy saving systems. |
| <u>Services distribution</u> | Heating mains gas mains water mains electricity mains, renewal of any above. | Annual servicing |