



Shropshire
Council

**Scheme for the
Financing of Schools**

effective from

1st April 1999

Amended 1st April 2011

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THE OUTLINE SCHEME

References throughout this statutory guidance to:

“the Act” are to the School Standards and Framework Act 1998;

“the authority” means the local authority; and

“the Regulations” are to the School Finance (England) Regulations 2011 made under the Act.

The Regulations state that schemes must deal with the following matters:

- 1. The carrying forward from one funding period to another of surpluses and deficits arising in relation to schools’ budget shares.**
- 2. Amounts which may be charged against schools’ budget shares.**
- 3. Amounts received by schools which may be retained by their governing bodies and the purposes for which such amounts may be used.**
- 4. The imposition, by or under the scheme, of conditions which must be complied with by schools in relation to the management of their delegated budgets and of sums made available to governing bodies by the authority which do not form part of delegated budgets, including conditions prescribing financial controls and procedures.**
- 5. Terms on which services and facilities are provided by the authority for schools maintained by them.**
- 6. The payment of interest by or to the authority.**
- 7. The times at which amounts equal in total to the school’s budget share are to be made available to governing bodies and the proportion of the budget share to be made available at each such time.**
- 8. The virement between budget heads within the delegated budget.**
- 9. Circumstances in which a local authority may delegate to the governing body the power to spend any part of the authority’s non-schools education budget or schools budget in addition to those set out in section 49(4)(a) to (c) of the 1998 Act.**
- 10. The use of delegated budgets and of sums made available to a governing body by the local authority which do not form part of delegated budgets.**

- 11. Borrowing by governing bodies**
- 12. The banking arrangements that may be made by governing bodies.**
- 13. A statement as to the personal liability of governors in respect of schools' budget shares having regard to section 50(7) of the 1998 Act.**
- 14. A statement as to the allowances payable to governors of a school which does not have a delegated budget in accordance with the scheme made by the authority for the purposes of section 519 of the 1996 Act.**
- 15. The keeping of a register of any business interests of the governors and the head teacher.**
- 16. The provision of information by and to the governing body.**
- 17. The maintenance of inventories of assets.**
- 18. Plans of a governing body's expenditure.**
- 19. A statement as to the taxation of sums paid or received by a governing body.**
- 20. Insurance.**
- 21. The use of delegated budgets by governing bodies so as to satisfy the authority's duties imposed by or under the Health and Safety at Work etc Act 1974.**
- 22. The provision of legal advice to a governing body.**
- 23. Funding for child protection issues.**
- 24. How complaints by persons working at a school or by school governors about financial management or financial propriety at the school will be dealt with and to whom such complaints should be made.**
- 25. Expenditure incurred by a governing body in the exercise of the power conferred by section 27 of the 2002 Act.**

SECTION 1: INTRODUCTION

1.1 The Funding Framework

Annex A describes the main features of the current funding framework.

1.2 The role of the scheme

Following from the above the scheme has the function of setting out the financial relationship between the Authority and the schools which it funds. The scheme contains requirements relating to financial management and associated issues that are binding on both the Authority and schools.

1.2.1 Application of the scheme to the Authority and maintained schools

The scheme covers all community, nursery, special, voluntary, foundation (including trust) and foundation special schools in the area of the authority, together with any maintained by the Authority but situated elsewhere; it would not cover those in the Authority's area which are maintained by another authority. **Nor does it apply to academies.** Because PRUs are not maintained schools within the meaning of s.20(7) of the Act, the scheme's coverage excludes them.

1.3 Publication of the scheme

A copy of the scheme will be available on the Shropshire Council website. Any approved revisions to the scheme will be published by the date the revisions come into force, together with a statement that the revised scheme comes into force on that date.

1.4 Revision of the scheme

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 their approval.**

1.5 Delegation of powers to the head teacher

The governing body of any school covered by the scheme is required to consider the extent to which it wishes to delegate its financial powers to the head teacher. These decisions and any revisions must be recorded in the minutes of the governing body. The Authority suggests that a suitable level of delegation would be £10,000.

Within these decisions on delegated powers, the first formal budget plan of each financial year must be drawn up. This plan must then be approved by the whole governing body, normally after full consideration by the Finance Committee.

1.6 Maintenance of schools

The Local Authority is responsible for maintaining the schools covered by the scheme, and this includes the duty of defraying all the expenses of maintaining them (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 and 53 of the School Standards and Framework Act 1998.

SECTION 2: FINANCIAL CONTROLS

2.1.1. Application of financial controls to schools

In the process of the management of their delegated budget, schools must abide by the Authority's requirements on financial controls and monitoring, not only those in the scheme but also those requirements to be contained in more detailed publications referred to in the scheme but outside and compatible with it.

2.1.2 Provision of financial information and reports

Schools are required to provide the Authority with details of both planned and actual expenditure and income, in a form and at times determined by the Authority. These specific requirements will vary for schools that choose to operate within the LA financial reporting system for its schools and those that choose to operate alternative systems.

The Authority may not normally require this information to be submitted more often than once every three months except for submissions connected with tax or banking reconciliation. Exceptions to this clause can be required if the LA has notified the school in writing that in its view the schools financial position requires more frequent submission or the school is in the first year of operation. Additionally the restriction to a minimum 3 month interval does not apply to schools which are part of an on-line financial accounting system operated by the LA.

2.1.3 Payment of salaries; payment of bills

The specific requirements will vary depending on schools decisions relating to buyback of services. The specific requirements will be detailed in separately published administrative procedures.

2.1.4 Control of assets

Each school is required to maintain an inventory of its movable non-capital assets. The authority has issued guidance to schools as to an appropriate format. For assets worth less than £1,000 the school must keep a register but it may be in any form it considers fit for the purpose.

2.1.5 Accounting Policies (including year end procedures)

Schools are required to abide by the procedures issued by the LA and published separately to schools.

2.1.6 Writing off of debts

Governing bodies may write off debts up to £1,000 and procedures will be issued by the LA on the writing off of larger debts. Any cost and loss of income incurred in writing off debts will be a cost to the individual schools' budget.

2.2 Basis of accounting

Reports and accounts furnished to the LA should be on an accruals basis. Schools are free to determine how they keep their own accounts but will be responsible for meeting any costs involved in producing outputs to meet the LA requirement.

2.3 Submission of Budget Plans

Each school is required to submit a plan to the Authority, not earlier than 1 May or later than 30 June, showing its intentions for expenditure in the current financial year and the assumptions underpinning the budget plan. Revised plans may be required throughout the year, but no more than four times in a financial year.

The LA must supply to schools all relevant income and expenditure data which is necessary to allow efficient planning by schools. Schools will be notified as to when this information will be made available.

A school may take full account of estimated deficits or surpluses at the previous 31 March within their Budget Plan.

The school's formal annual budget plan must be approved by the governing body or a committee of the governing body.

2.3.1 Submission of Financial Forecasts

The authority may require schools to submit a financial forecast covering each year of a multi-year period for which schools have been notified of budget shares beyond the current year.

The authority may use these forecasts in conjunction with the LA's balance control mechanism.

2.4 Best Value

Schools should seek to achieve value for money and efficiencies, taking into account the purchasing, tendering and contracting requirements outlined in section 2.10.

2.5 Virement

Schools may vire freely between budget heads. Guidance, if required, can be obtained from the LA on procedures for virement authorisation and any delegation of such powers to either a Governors Committee or the Headteacher.

2.6 Audit: General

Schools will be placed within an audit regime determined by the LA as regards internal audit, and the LA external audit regime as determined by the Audit Commission. Schools are required to co-operate with this audit regime. Schools must give access to relevant records for both internal and external auditors.

2.7 Separate external audits

Governing bodies may if they so wish spend funds from their budget share to obtain external audit certification of their accounts, separate from any LA internal or external audit process, where such accounts are based upon the school's own bank account.

2.8 Audit of voluntary and private funds

Schools are required to provide audit certificates in respect of voluntary and private funds held by schools and of the accounts of any trading organisations controlled by the school and to report such audits to the full Governing Body.

2.9 Register of business interests

The governing body is required to maintain a register which lists for each member of the governing body and the head teacher any business interests they or any member of their immediate family have; to keep the register up to date with notification of changes and through annual review of entries, and to make the register available for inspection by governors, staff, parents and the authority.

The Authority has issued guidance to governing bodies as to a suitable format and what would be considered as good practice in relation to the operation of such a register.

2.10 Purchasing, tendering and contracting requirements

Schools are required to abide by the Authority's financial regulations and standing orders in purchasing, tendering and contracting matters. This includes the requirement to assess in advance, where relevant, the health and safety competence of contractors, taking account of the LA's policies and procedures. These regulations do not apply where any section of those financial regulations and standing orders would require schools:

- a. to do anything incompatible with any of the provisions of the scheme, or any statutory provision, or any EU Procurement Directive;
- b. to seek LA officer countersignature for any contracts for goods or services for a value below £60,000 in any one year;
- c. to select suppliers only from an approved list;
- d. to seek fewer than three tenders in respect of any contract with a value exceeding **£50,000** in any one year, subject to specific listed exceptions.

There will remain a requirement on schools to demonstrate compliance with Best Value principles at all times. Where the value of goods or services does not require a tendering process alternative evidence as to how Best Value is being achieved is required.

2.11 Application of contracts to schools

Schools have the right to opt out of LA-arranged contracts.

Although governing bodies are empowered under paragraph 3 of schedule 10 to the School Standards and Framework Act 1998 to enter into contracts, in most cases they do so on behalf of the LA as maintainer of the school and the owner of the funds in the budget share. Other contracts may be made solely on behalf of the governing body, when the governing body has clear statutory obligations. Examples would be contracts made by aided or foundation schools for the employment of staff.

2.12 Central funds and earmarking

The LA will 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: and while these conditions need not preclude virement (except where the funding is supported by a specific grant which the LA itself is not permitted to vire), this should not be carried to the point of assimilating the allocations into the school's budget share.

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

Earmarked funding must be returned to the LA if not spent in-year, or within the period over which schools are allowed to use the funding if different from the financial year.

The LA may not make any deduction, in respect of interest costs to the LA, from payments to schools of devolved specific or special grant.

2.13 Spending for the purposes of the school

Governing bodies may spend the budget shares for the purposes of the school as allowed under s.50(3) of the SSAF Act. Amounts spent by governing bodies on community facilities or services under section 27 of the Education Act 2002 will be treated as if spent for any purposes of the school. School Budget Shares (Prescribed Purposes) (England) Regulations 2002 which have been amended by the School Budget Shares (Prescribed Purposes) (England) (Amendment) Regulations 2004 also allow schools to spend their budgets on pupils who are on the roll of other maintained schools.

2.14 Capital spending from budget shares

Governing bodies may use their budget shares to meet the cost of capital expenditure on the school premises. This includes expenditure by the governing body of a voluntary aided school on work which is their responsibility under paragraph 3 of Schedule 3 of the School Standards and Framework Act 1998. If the expected capital expenditure from the budget share in any one year exceeds £15,000 the governing body must notify the LA and take into account any advice from the CEO as to the merits of the proposed expenditure. If the premises are owned by the LA, or the school has voluntary controlled status the governing body should seek the consent of the LA to the proposed works. Such consent can only be withheld on health and safety grounds.

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 Chief Finance Officer and the Director of Children's Services, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of the Local Authority or the school.

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

These may include:

- 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 local authority;
- insisting on regular financial monitoring meetings at the school attended by Local Authority officers;
- requiring a governing body to buy into a Local 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.

SECTION 3: INSTALMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS

3.1 Frequency of instalments

A school that does not operate a bank account can draw on all its budget share from the start of the financial year.

For schools that opt to operate their own bank account, the budget share instalments will be made available on a monthly basis

3.2 Proportion of budget share payable at each instalment.

For schools not operating a separate bank account their budget share will be allocated to them in full at the start of the year.

For schools with their own bank accounts a standard profile of one twelfth per month will apply for all months other than April and March. In April there will be an additional payment at the start of the month to recognise non-payroll spending requirements, inclusive of Value Added Tax. There will be a corresponding reduction to the payment made in March.

Schools will be able to opt for instalments of their total budget share to be made available to them by payment into a school bank account, although budget shares net of estimated pay costs can also be applied for. The initial estimate of pay costs upon which to base net budget instalments will be calculated according to average payroll costs during the previous financial year, updated by in-year information as to pay award increases and personnel changes.

The precise dates of monthly instalments will be based on the LA's current month-end payment of salaries, and will attempt to replicate existing cash flow in order to minimise the need for interest claw-back.

3.3 Interest clawback

There will be two options made available to schools:

Option 1: Schools operating separate bank accounts within the Council's current banking arrangements

These will be "umbrella bank accounts" which form sub-accounts within the Council's overall banking arrangements. Current accounts would enable schools to operate all normal bank account facilities with agreed branches, but without interest earning or claw-back arrangements unless payroll payments are made from this account earlier than the date upon which the LA would pay through its own arrangement. This is on the basis that under this option there would be no loss of interest earned by the Council.

Option 2: External bank accounts outside the Council's current banking arrangements.

On the assumption that an instalment schedule is drawn up replicating current spending profiles in schools, particularly payroll dates, there would be minimal interest claw-back necessary. If schools wished to vary from the standard schedule, interest at the Base Rate applicable at the time of the transaction would

be charged for the number of days each month that the instalment was made in advance of the standard schedule.

Any standard bank and overdraft charges incurred on external bank accounts would be met from the individual school's budget share.

3.3.1 Interest on late budget share payments

In the event of an error by the LA resulting in a late payment of budget share instalments, interest will be added on the basis described in 3.3 above.

3.4 Budget shares for closing schools

For a school for which approval for discontinuation has been secured, budget shares will be made available on a monthly basis, net of estimated pay costs, even where some different basis was previously used.

3.5 Bank and building society accounts

All maintained schools are permitted to have external bank accounts into which their budget share instalments (as determined by other provisions) are paid. Where schools operate such accounts they shall be allowed to retain all interest payments on the account.

New bank account arrangements may only be made with effect from the start of the financial year. Schools without bank accounts at the start of the scheme cannot have one until any deficit balance is cleared. Any school requesting a bank account at a later date shall not be able to have one until any deficit is cleared.

If a school opens an external bank account the LA must, if the school desires, transfer immediately to the account an amount agreed by both the school and the LA as the estimated surplus balance held by the LA in respect of the school's budget share, on the basis that there is a correction when accounts for the relevant year are closed.

3.5.1 Restrictions on accounts

Accounts may be held in any of those banks or building societies specified in the Authority's guidance on Cheque Book Accounts. Schools having bank accounts with other banks prior to 1 April 2001 are allowed to retain those accounts.

Any school closing an account used to receive its budget share and opening another must select the new bank or building society from the list below even if the closed account was not with an institution on that list.

Schools may have accounts for budget share purposes that are in the name of the school rather than the LA but the LA will also offer accounts in the name of the LA but specific to each school.

Where a school has an account in the name of the school the account mandate must provide that the LA is the owner of the funds 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 LA.

Under the scheme the following financial institutions are approved (as at April 2009):

BANKS

Barclays Bank	Royal Bank of Scotland
Clydesdale Bank	Girobank
Lloyds TSB Bank	Northern Rock
HSBC	Abbey
National Westminster Bank	

BUILDING SOCIETIES

Coventry	Nationwide
Leeds	

Schools wishing to open an external account must confirm with the LA that the financial institution continues to be on the approved list before the account is opened.

3.6 Borrowing by schools

Governing bodies may borrow money only with the written permission of the Secretary of State. Schools may not use credit cards as this involves borrowing, **but are encouraged to use procurement cards as these cards can be a useful means of facilitating electronic purchases.**

3.7 Other provisions

The LA publishes separate detailed rules and guidance in respect of aspects of banking arrangements. These shall apply to bank accounts operated by schools under the provisions of the scheme.

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

4.1 The right to carry forward surplus balances

Schools may 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.

For a school requesting an external bank account from April 1st, the level of balance transferred to that account would be based on a projected end of year position agreed between the LA and school. The LA will take full notice of any evidence of committed expenditure in reaching such an agreed position. Transfer would occur at the time of the first monthly payment into the new account. A final reconciliation would occur at the payment date following the publication of actual outturn statements.

4.2 Controls on surplus balances

The local authority will apply a control on school balances mechanism as follows:

- **Threshold levels will be calculated at 5% of revenue funding for secondary schools and 8% of revenue funding for primary and special schools.**
- **Claw-back will focus only on schools that have held surplus revenue balances above the threshold levels for three consecutive years or can give no reasonable planned use for their balance.**
- **Exceptional circumstances such as delayed or overrun building projects will be taken into account before claw-back is applied. Schools must contact the local authority before the end of the financial year to agree any exceptional circumstances.**
- **Balances clawed back will be recycled within the overall Schools Budget according to priorities agreed with Schools Forum.**

4.3 Interest on surplus balances

Interest will not be payable on balances held by the Authority on behalf of individual schools.

It is acknowledged, however, that there will be occasions when schools wish to set aside sums to meet significant future costs. When such a sum is identified by a governing body and their decision notified to the Council no later than the 30 September, interest will be payable from the 1st April of the next year and continue until payment is made. Interest would be payable at the Local Authority seven day rate and would be applied to sums of no less than 1% of the establishment's budget, or £1000 for primary schools and £5000 for secondary and special schools, whichever is lower.

4.4 Obligation to carry forward deficit balances

A deficit balance, existing at the end of a financial year, will be carried forward by the deduction of that deficit from the following year's budget share. (section 4.9 of the scheme may apply)

4.5 Planning for deficit budgets

A governing body may only plan for a deficit budget under the conditions of 4.9 Licensed deficits of the scheme

4.6 Charging of interest on deficit balances

There will be no interest charged on deficit balances agreed under section 4.9 of the scheme. The LA may charge interest on any unauthorised deficit balance, except for schools operating their own bank accounts. Interest will be determined in accordance with the Local Authority seven day rate and be calculated on the deficit balance accruing at the end of the financial year.

4.7 Writing off deficits

The Authority cannot write off the deficit of any school which it maintains.

4.8 Balances of closing and replacement schools

When a school closes, any balance, surplus or deficit, reverts to the LA. Such a balance cannot be transferred as of right to any other school, even where the school is a successor to the closing school, **except that a surplus transfers to an academy where a school converts to academy status under section 4(1)(a) of the Academies Act 2010.**

However the LA may make available allocations to new schools which have the effect of giving them the benefit of additional sums which are equal to or less than the balances of relevant closing schools.

In the case of negative balances, these may be deducted from any additional funding that would otherwise be available to the new school at the discretion of the LA.

4.9 Licensed deficits

The scheme makes provision for schools that have no deficit at the end of any financial year to plan for such a deficit under the conditions set out below. Such arrangements are funded by the collective surplus of school balances held by the Authority on behalf of schools. The Authority publishes full guidance on the operating of such deficit arrangements that build on the following;

- a) The maximum length over which schools may repay the deficit shall be **3** years. A school operating a licensed deficit will be required to report to the Authority on an annual basis as to the position in relation to the agreed staging for repaying the deficit. Failure to keep to the agreed plan, or negotiate variations to it with the Authority, may lead to the withdrawal of delegation.
- b) Deficit arrangements may be agreed to allow a school; - to plan for an uneven pattern of pupil numbers; - to spread a purchase of major items across more than one year; - to fund building projects across more than one year
- c) A licensed deficit may be up to a maximum of 10% of the budget share of the school for the first year of the agreement.
- d) The LA will agree licensed deficits within an overall level that shall not exceed 35% of the collective school balances that are available to back the arrangements.

- e) Any school wishing to operate a licensed deficit shall notify the Authority of its intent by 1st February preceding the start of the first financial year to which the deficit would apply. The Director of Children's Services, the Chief Finance Officer or their representative will meet with the finance committee of the governing body, to agree the basis of the licensed deficit.

Where a school holds balances in an external bank account the LA will extend the arrangements by inviting such schools to use some or all of those balances to back the arrangements. Equally should a school operating a separate bank account request a licensed deficit it would be in the form of an advance of future budget shares to avoid an overdraft in relation to its actual bank account.

4.10 Loan schemes

The LA does not include within its scheme arrangements for loans other than through licensed deficits as detailed in 4.9.

4.10.1 Credit Union Approach

Considering the availability of Licensed Deficits the LA does not consider such an approach necessary.

SECTION 5: INCOME

5.1 Income from lettings

Schools may retain income from lettings of the school premises, which would otherwise accrue to the LA, except where there are alternative arrangements under joint use or PFI agreements. Schools may cross subsidise lettings for community and voluntary use with income from other lettings. Schools must have regard to directions issued by the LA as to the use of school premises, as permitted under the Schools Standards and Framework Act 1998 for various categories of schools.

5.2 Income from fees and charges

Schools may retain income from fees and charges except where a service is provided by the LA from centrally held funds. Schools must however have regard to the law and the LA policy statement on charging for curriculum provision.

5.3 Income from fund raising events

Schools may retain any income from fund raising activities.

5.4 Income from the sale of assets

Schools may retain income from the proceeds of sale of assets except in cases where the asset was purchased with non-delegated funds (in which cases it shall be for the LA to decide whether the school retains the proceeds), or the asset concerned is land or buildings forming part of the school premises and is owned by the LA.

5.5 Administrative procedures for the collection of income

For income which accrues to the LA (e.g. for centrally provided meals) schools must have regard to the separate rules, published by the Authority and sent to all schools, relating to these procedures.

5.6 Purposes for which income may be used

Income from the sale of assets purchased with delegated funds (5.4 of the scheme) may only be spent for the purposes of the school.

SECTION 6: THE CHARGING OF SCHOOL BUDGET SHARES

6.1 General provision

The budget share of a school may be charged by the LA, without the consent of the governing body, only in those circumstances expressly permitted by the scheme and laid out below. The LA must consult schools as to the intention to so charge, and notify schools when it has been done.

The LA will only impose charges where it can be shown that the Authority has incurred expenditure now charged to the school budget share. This means that where the Authority cannot incur a liability because the statutory responsibility lies elsewhere, no charging is possible.

The LA shall make arrangements for a disputes procedure where such charges are questioned.

6.1.1 Charging of salaries at actual cost

The authority will charge salaries of school-based staff to school budget shares at actual costs.

6.2 Circumstances in which charges may be made

Where premature retirement costs have been incurred without the prior written agreement of the LA to bear such costs (the amount chargeable being only the excess over any amount agreed by the LA)

Other expenditure incurred in securing resignations where the school has not followed LA advice

Awards by courts and industrial tribunals against the LA, or out of court settlements, arising from action or inaction by the governing body contrary to the LA's advice

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

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

Expenditure incurred by the LA in insuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the LA

See also 10.1

Recovery of money due from a school for services provided to the school, where a dispute over the moneys due has been referred to a disputes procedure set out in a service level agreement, and the result is that moneys are owed by the school to the LA.

Recovery of penalties imposed on the LA by the Board of Inland Revenue, the contributions Agency, HM Customs and Excise, Teachers Pensions, **the Environment Agency** or regulatory authorities as a result of school negligence

Correction of LA errors in calculating charges to a budget share (e.g. pension deductions)

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

Legal costs which are incurred by the LA because the governing body did not accept the advice of the LA (see also section 11)

Costs of necessary health and safety training for staff employed by the LA, where the funding for training has been delegated but the necessary training has not been carried out

Compensation paid to a lender where a school enters into a contract for borrowing beyond its legal powers, and the contract is of no effect

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

Costs incurred by the LA in securing provision specified in a statement of SEN where the governing body of a school fails to secure such provision despite the delegation of funds in respect of that statement.

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

Recovery of amounts spent from specific grants on ineligible purposes

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

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.

6.3 General Teaching Council (GTC)

Fees to be deducted from teachers' salaries and remitted to the General Teaching Council of England

The General Teaching Council for England (Deduction of Fees) Regulations 2001 ("the Regulations", S.I. 2001 No. 3993) came into force on 10 January 2002. The Regulations apply to teachers at maintained schools registered with the General Teaching Council for England (the "GTC") or required to be so registered by the Teachers (Compulsory Registration) (England) Regulations 2001 (S.I. 2001 No. 1266). The Regulations place a duty on the employer of such teachers to deduct and remit the GTC fee in respect of a teacher who has not already paid the fee to the GTC where the GTC has notified the employer to deduct and remit the fee of that teacher. This includes teachers who have indicated to the GTC that they wish to pay the fee by a deduction from salary as well as teachers who have not indicated how they wish to pay the fee.

In order to ensure the performance of the duties to deduct and remit the fee imposed on employers by the Regulations 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.

(1) The costs of payroll administration for teachers in the authority's maintained schools fall to be met from the budget shares which are allocated to governing bodies pursuant to section 47 of the Act, and which are delegated to them pursuant to sections 49-50. Accordingly, by virtue of Chapter IV of Part II of that Act and this Scheme, governing bodies of maintained schools are responsible for making suitable arrangements (or ensuring that such arrangements are made) for the administration of payroll services in respect of their teachers.

(2) A governing body of a community school, community special school or a voluntary controlled school, though not the employer of the teachers at such a school, shall:-

- a) Where the governing body has entered into any arrangement or agreement with the Authority to provide payroll services, ensure that such arrangement or agreement is amended to allow for the deduction and remittance of fees by the Authority to the GTC, The governing body shall meet any consequential costs from the school's budget share;
- b) Where the governing body has entered into any arrangement or agreement with a person other than the Authority to provide payroll services, ensure that such arrangement or agreement is amended to allow for the deduction and remittance of fees by that person to the Authority or directly to the GTC where this has been agreed by the GTC and the Authority. The governing body shall meet any consequential costs from the school's budget share; and
- c) Where the governing body directly administers the payroll, deduct and remit the fees to the Authority or directly to the GTC where this has been agreed between the GTC and the Authority. The governing body shall meet any consequential costs from the school's budget share.

(3) A governing body of a foundation school, a foundation special school or a voluntary aided school, as the employer of its teachers, is by virtue of the Regulations under a duty to deduct (or arrange for the deduction of) the fee and to remit the fee to the GTC. Accordingly, a governing body shall:-

- a) Where the governing body has entered into any arrangement or agreement with the Authority to provide payroll services, ensure that such arrangement or agreement is amended to allow for the deduction and remittance of fees by the Authority to the GTC on the governing body's behalf. The Authority shall agree to any such amendment. The governing body shall meet any consequential costs from the school's budget share;
- b) Where the governing body has entered into any arrangement or agreement with a person other than the Authority to provide payroll services, ensure that such arrangement or agreement is amended to allow for the deduction and remittance of fees by that person to the GTC or to the governing body for onward transmission to the GTC. The governing body shall meet any consequential costs from the school's budget share; and
- c) Where the governing body directly administers the payroll, deduct and remit the fees to the GTC. The governing body shall meet any consequential costs from the school's budget share.

(4) All this shall be done whether the funding for the salary payment is paid to the Authority by the school from budget share instalments which have been held in an independent bank account, or the salary costs are directly charged by the Authority to the school's budget share account.

SECTION 7: TAXATION

7.1 Value Added Tax

The Authority offers guidance to schools on the procedures to be followed to utilise the Authority's ability to reclaim VAT. The standard pro-forma contained in the guidance should be used ensuring that the submission dates, also specified on the form, are met. Amounts reclaimed through this procedure will be reimbursed to the school making the claim by the end of the following month.

7.2 CIS (Construction Industry Scheme)

Schools are required to abide by procedures issued by the Authority in connection with CIS.

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

8.1 Provision of services from centrally retained budgets

It is for the LA to determine on what basis services from centrally retained funds will be provided to schools. This provision also relates to Premature Retirement Costs and Redundancy payments.

The Authority may 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
- b) such discrimination is justified by differences in statutory duty

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

The term of any agreement with a school starting on or after 1st April 1999, to buy services or facilities from the LA, shall be limited to a maximum of 3 years from the inception of the scheme or the date of the agreement, whichever is the later. Subsequent agreements relating to the same services shall not exceed 5 years. This period is extended to 7 years for contracts for the supply of catering services.

When a service is provided for which expenditure is not retainable centrally by the LA under the regulations made under section 46 of the Act, it must be offered at a price which will generate income which is no less than the cost of providing those services. The total cost of the service must be met by total income, even though schools may be charged differentially.

8.2.1 Packaging

Any service that the LA is providing on a buyback basis must be offered in a way which does not reasonably restrict schools freedom of choice among the services available, and where practicable, this will include provision on a service by service basis as well as in packages of services.

8.3 Service level agreements

Service Level Agreements must be in place by March 1st to be effective for the following financial year. Prior to that schools must have a minimum period of a month to consider the terms of agreement.

If services or facilities are provided under a service level agreement, whether free or on a buy back basis, the terms of any such agreement starting on or after the inception of the scheme, will be reviewed at least every 3 years if the agreement lasts longer than that.

Services offered by the LA will be available on a basis which is not related to an extended agreement, as well as on the basis of such agreements. This condition shall not apply to centrally arranged premises and liability insurance.

8.4 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 who 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 pension 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 that 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. 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.

SECTION 9: PFI/PPP CLAUSES

The LA shall have the power to issue regulations from time to time relating to PFI/PPP projects. Amongst other issues these may deal with the reaching of agreements with the Governing Bodies of schools as to the basis of charges relating to such schemes; and the treatment of monies withheld from contractors due to poor performance.

SECTION 10; INSURANCE

10.1 Where funds for insurance are delegated to any school, the LA may require the school to demonstrate that cover relevant to an LA's insurable interests, under a policy arranged by the governing body, is at least as good as the minimum cover arranged by the LA, either paid for from central funds or from contributions from schools' delegated budgets.

In operating this requirement the LA must have regard to the actual risks that may reasonably be expected to arise at the school in question.

SECTION 11: MISCELLANEOUS

11.1 Right of access to information

As well as specific requirements listed in the scheme, 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 expenditure by the Authority (e.g. earmarked funds) on the school.

11.2 Liability of governors

The governing body of a school is a corporate body and therefore because of the terms of s.50(7) of the School Standards and Framework Act, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share provided they act in good faith.

11.3 Governors' expenses

The LA may delegate to the governing body of a school yet to receive a delegated budget, funds to meet the governors' expenses.

Governing bodies shall not pay any governors expenses or allowances, other than those specified under schedule.11 of the SSAF Act 1998 as eligible spend from a school's delegated budget share. Schools may not make any payment of expenses that duplicate those paid by the Secretary of State to additional governors appointed by him to schools under special measures.

11.4 Responsibility for legal costs

Any legal costs incurred by the governing body, although the responsibility of the LA as part of the cost of maintaining the school (unless they relate to the statutory responsibility of aided school governors for building) may be charged to the school's budget share unless the governing body acts in accordance with the advice of the Authority.

Where there is a conflict of interest between a school and the LA, the school may seek advice from independent bodies such as the National Governors Council, or even local solicitors. When buying in advice, other than from the LA, governing bodies may have to pay from their budget share.

11.5 Health and safety

In expending the school's budget share, the governing body should have regard to duties placed on the LA in relation to health and safety, and the Authority's policy on health and safety matters.

11.6 Right of attendance for the Chief Finance Officer

The governing body of a school must permit the Chief Finance Officer of the Authority, or any officer of the Authority nominated by the Chief Finance Officer, to attend meetings of the governing body at which any agenda items are relevant to the exercise of her or his responsibilities. The LA will give prior notice of such attendance unless it is impracticable to do so.

11.7 Optional delegated funding

Where a school exercises an option to receive delegated or devolved funding for an item (e.g. insurance, school meals or admissions funding) that option may only be exercised once a year and must be notified to the Authority by 31st December, preceding the start of the financial year.

11.8 Special Educational Needs

Governing bodies are required to use their best endeavours, when spending the budget share, to secure appropriate provision for SEN within the school.

11.9 Interest on late payments

11.10 "Whistleblowing"

The scheme is required to set out the procedure to be followed by any person working at a school, or a school governor who wish to complain about financial management or financial propriety at the school. All schools have adopted the policy statement "Speaking up about Wrongdoing" as part of the School Personnel Handbook. Copies of this are available in schools.

For completeness the document is reproduced as Annex D to this scheme. Any person who is unable to access the policy statement or is uncertain how to proceed should contact either;

Corporate Director – People
Head of Audit and Consultancy Services

01743 252407
01743 252027

who will offer full advice on how to proceed.

Beyond that the complaint will be dealt with following the process laid down in the policy statement.

11.11 Child protection

Schools must be aware of the need to release staff to attend child protection case conferences and other related events. As this is not part of any agreement with schools on centrally retained funding, the cost of such release falls to the school budget.

11.12 Redundancy/early retirement costs

The 2002 Education Act sets out how premature retirement and redundancy costs should normally be funded. Further guidance will be made available in Annex B, to follow shortly.

SECTION 12: RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

The full description of categories of work which are the responsibility of a governing body from their delegated budget will follow as an Annex shortly. For information, a schedule of costs deemed to be Capital and costs deemed to be Revenue is detailed in Annex C.

All funding for repair and maintenance is delegated to schools. Only capital expenditure is to be retained by the local authority.

For Voluntary Aided Schools there is no distinction from other schools in relation to the LA responsibility, albeit this is met by delegation of funds through the budget share. VA governors are eligible for grant from the DfE in respect of their statutory responsibilities.

The Authority will retain monies centrally for the repair and maintenance of kitchens and kitchen equipment in schools which have not had school meals delegated. Delegation of maintenance for these items of expenditure will be to secondary schools and primary schools requesting delegation from 1st April 2000.

SECTION 13 : COMMUNITY FACILITIES

13.1 Introduction

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

However, under s.28(1), the main limitations and restrictions on the power will be those contained in the maintaining Authority's scheme for financing schools made under section 48 of the School Standards and Framework Act 1998. Paragraph 2 of Schedule 3 to the Education Act 2002 extends the coverage of schemes to the powers of governing bodies to provide community facilities.

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

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

The budget share of the school may not be used to fund community facilities. This restriction applies to start up costs, ongoing expenditure and to meeting any deficits arising from such activities.

Schools should be aware that mismanagement of community facilities funds can be grounds for the suspension of a right to a delegated budget.

13.2 Consultation with the LA – Financial Aspects

Section 28(4) of the Education Act 2002 requires that before exercising the community facilities power, governing bodies must consult the local education authority, and have regard to advice given to them by their LA.

Schools are reminded of the requirement to seek advice from the LA. Schools will be notified of a point of contact through which information on which to base the advice should be submitted. Different types of proposal will necessarily require different lead in times. As a minimum information should be supplied so that a period of a full school term exists between receipt of the information and the proposed introduction of the facility. i.e December for a summer term start, March for the autumn term and July for the spring term. The information supplied to the LA will need to consist of a detailed outline description of the proposal and an initial business plan.

The LA will provide the advice within 6 working weeks of the receipt of information. Following that the school must inform the LA, through the same contact point, of the action they intend to take having received the LA advice.

13.3 Funding Agreements – LA Powers

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

Where any such funding agreement will exist, it must be submitted to the LA for its comments. If this is supplied at the same time as the information required in 2.2, then the same minimum time will apply. If it is to be supplied following receipt of advice back from the LA (2.3) then a further 4 week period must be allowed for comments to be made. The LA has no power of veto on such agreements. Should a third party require LA consent to the agreement for it to proceed, the requirement and the method by which LA consent is to be signified is a matter for that third party. Schools are reminded that if an agreement has been or is concluded without informing the LA or against the wishes of the LA, and that in the view of the LA is seriously prejudicial to the interests of the school or the Authority, that may constitute grounds for suspension of the right to a delegated budget.

13.4 Other Prohibitions, Restrictions and Limitations

13.5 Supply of Financial Information

Schools exercising the community facilities power will need to provide financial information to the Authority. While Consistent Financial Reporting will provide the main source of this information, interim summary reports are required. The Authority will provide a format for the return of information at 6 monthly periods. This will show income and expenditure arising from the community facility for the previous six months and an estimated position for the next 6 months.

The Authority may, on giving notice to the school that it 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, require interim financial statements to be provided every three months. Further, if the Authority sees fit, it may require the submission of a recovery plan for the activity in question.

13.6 Audit

A school is 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.

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

13.7 Treatment of Income and Surpluses

Schools will retain all net income derived from community facilities except where otherwise agreed with a funding provider, whether that be the LA or some other person.

Schools are able to carry over any such retained net income from one financial year to the next as a separate community facilities surplus. Alternatively, and subject to the agreement of the Authority at the end of each financial year, they may transfer all or part of it to the budget share balance.

Where a school is a community or community special school, and the Authority ceases to maintain the school, any accumulated retained income obtained from exercise of the community facilities power reverts to the Authority, unless otherwise agreed with a funding provider.

13.8 Health and Safety Matters

All provisions relating to Health and Safety within the main scheme are extended to cover the community facilities power.

Governing bodies are responsible for meeting the cost of securing Criminal Records Bureau clearance for all adults involved in community activities taking place in the school day. Governing bodies may pass these costs to a funding partner as part of an agreement with that partner.

13.9 Insurance

Governing bodies must ensure that adequate arrangements are made for insurance risks arising from the exercise of community facilities powers, taking professional advice as necessary. Such insurance may not be funded from the school budget share. A school must seek the Authority's advice before finalising any insurance arrangement for community facilities.

The LA may undertake its own assessment of the insurance arrangements made by a school in respect of community facilities, and if it judges those facilities to be inadequate, make arrangements itself and charge the resultant cost to the school. Such costs could not be charged to the school's budget share.

13.10 Taxation

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

Schools must be aware that if any member of staff employed by the school or LA 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 – see Section 11), the school is likely to be held liable for payment of income tax and National Insurance, in line with Inland Revenue rules.

Schools must follow LA advice in relation to the Construction Industry Scheme where this is relevant to the community facilities power.

13.11 Banking

Schools must be able to ensure that they can fully account for income and expenditure on community powers facilities separate from the school budget share. This requirement can be met by a school using the LA accounting and banking system which would ensure adequate separation of such funds from school budget share and other LA funds. Schools not wishing to use the LA facility must either maintain separate bank accounts for budget share and community facilities or have one account with adequate internal accounting controls to maintain separation of funds.

Section 3.5 of the main scheme is also applied to the exercise of community facilities powers.

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

Annex A-THE FUNDING FRAMEWORK: MAIN FEATURES

The funding framework which replaces Local Management of Schools is based on 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 LA Budget – although at a minimum a Local 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. Local Authorities may centrally retain funding in the Schools Budget for purposes defined in regulations made by the Secretary of State under s.45A of the Act. The amounts to be retained centrally 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 centrally retained funds is termed the Individual Schools Budget (ISB). Expenditure items in the LA budget must be retained centrally (although earmarked allocations may be made to schools).

Local Authorities must distribute the ISB amongst their maintained schools using a formula which accords with regulations made by the Secretary of State, and enables the calculation of a budget share for each maintained school. 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 approved by the Secretary of State. All revisions to the scheme must also be approved by the Secretary of State, who has power to modify schemes or impose one.

Subject to provisions of the scheme, governing bodies of schools may spend budget shares for the purposes of their school. They may also spend budget shares on any additional purposes prescribed by the Secretary of State in regulations made under s.50.

An Authority may suspend a school's right to a delegated budget if the provisions of the school financing scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. There is a right of appeal to the Secretary of State. A school's right to a delegated budget share may also be suspended for other reasons (s.17 of the SSAF Act 1998) but in that case there is no right of appeal.

Each Authority is obliged to publish each year a statement setting out details of its planned Schools Budget and LA Budget, showing the amounts to be centrally retained, the budget share for each school, the formula used to calculate those budget shares, and the detailed calculation for each school. 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 regulations, 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 amendments 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.

Annex B

Responsibility of Redundancy and Early Retirement Costs

To follow

Annex C**1999 SCHEME FOR THE FINANCING OF SCHOOLS****CAPITAL/REVENUE SPLIT****ILLUSTRATIVE EXAMPLES IN LINE WITH DfE INTERPRETATION OF THE CIPFA CODE OF PRACTICE****NB ACTUAL INTERPRETATION OF CIPFA CODE OF PRACTICE FOR THESE PURPOSES WILL BE FOR EACH LOCAL AUTHORITY**

ELEMENT	CAPITAL: AS 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
	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 small parts

	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
	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 structure
	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
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
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External walls

<u>Masonry/ cladding</u>	Structure Underpinning/ propping for new build External Finish on new build	Repairs Preventive measures e.g. tree removal Repair/replacement of small parts of an existing structure. e.g. repointing/ recladding a proportion of a wall where failure has occurred.
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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

<u>Windows and Doors</u>	Framing - new build	Repair/ replacement of individual frames. Repainting frames
	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	Internal and external

	decorations to new build	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
<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
	General refurbishment	Repairs
	Large and costly items of equipment	Repairs/ replacement parts
Mechanical services		
<u>Heating/ hot water</u>	Complete heating and hot water systems to new projects, including fuel, storage, controls, distribution, flues etc.	General maintenance of all boiler house plant including replacement of defective parts. Regular cleaning. Energy saving projects
	Safe removal of old/ damaged asbestos boiler and pipework insulation, where risk to Health & Safety.	Monitoring systems Health & safety issues
	Planned replacement of old boiler/ controls systems past the end of	Replacement of defective parts

	their useful life	
	Emergency replacement of boiler plant/ systems	
<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.
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.
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<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.
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<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.
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<u>Open air pools</u>	Structure, Hygiene/ safety in new build	Hygiene, cleaning, maintenance and repairs, including replacement parts. Simple energy saving systems.
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<u>Services distribution</u>	Heating mains gas mains water mains electricity mains, renewal of any above.	Annual servicing
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Notes

This illustrative list is the DCSF interpretation of the CIPFA Code of Practice and Local Authorities should refer to the Code when defining capital and revenue.

Where Local Authorities use de minimis limits for defining capital and revenue in their financial accounts, the same de minimis limits must be used in defining what is

delegated. The application of a de minimis limit may change the examples given in the first two columns of the illustrative list.

ANNEX D

SPEAKING UP ABOUT WRONGDOING

Whistleblowing Policy and Procedure:

Staff Working in Schools

See All, Hear All, Say Something - February 2007

1. Introduction

- 1.1 The Public Interest Disclosure Act 1999 provided employees with protection when raising genuine concerns about malpractice in the workplace. It encourages disclosures to be made internally in the first instance but also allows for certain protected disclosures to be made to specific external bodies.
- 1.2 Shropshire Council is committed to open and honest communication and the highest possible standards of integrity. Part of meeting that commitment is to encourage employees and others who have serious concerns about wrongdoing to speak up. This may need to be on a confidential basis and the Council wishes to emphasise that if someone does “speak up” they can do so without fear of reprisals. Such policies are termed “blowing the whistle” and this phrase is used through this statement but should be viewed as a positive action of speaking up.
- 1.3 This policy applies to principles and practices operating within the Council for staff working in schools. Like the Council's policy, it also warns against complaints made maliciously.
- 1.4 For staff working in schools, this policy provides a line of reporting to the Corporate Director of Children and Young People's Services.
- 1.5 Disclosures made under this procedure are monitored for statistical purposes as required under the Public Interest Disclosure Act. Details of any disclosure remain confidential.
- 1.6 It is recommended that the policy and procedure is reviewed in the light of any further relevant legislation

Remember

**IF YOU HAVE SERIOUS CONCERNS IT IS YOUR DUTY TO TELL US
AND OUR DUTY TO PROTECT AND SUPPORT YOU, IF YOU DO.**

2. Aims and Scope of this Policy

- 2.1 This policy aims to:
 - provide avenues for staff to raise concerns and receive feed back on any action taken;
 - allow staff to take the matter further if they are dissatisfied with the response and;
 - reassure staff that they will be protected from reprisals or victimisation for whistleblowing in good faith
- 2.2 Employees may be the first to see that something is seriously wrong within the school. Such wrongdoings may relate to:

- fraud and corruption;
- discrimination (i.e. a witnessing discrimination as a third party);
- abuse of vulnerable people
- damage to the environment.
- Health & safety
- Failure to comply with legal proceedings

2.4 It is the duty of employees to speak up when they have serious concerns and it is the duty of the school and Shropshire Council to act on those concerns and protect and support employees when they do. A failure to report serious concerns could be construed as collusion. Difficult as it may be to speak up, employees should be aware of their special position and of their duty to make their concerns known.

2.5 This Policy is issued to employees to advise specifically on blowing the whistle on wrongdoing. It should not be confused with the complaints procedure (where the public can complain about the school or Council's services), the grievance procedure (where you complain about your own treatment as an employee) or the Child Protection procedure (specifically relating to work in Children and Young People's).

2.6 This Policy is also available as a Shropshire Council leaflet to provide to business partners, contractors, voluntary agencies, partnerships, and any others who the school has dealings with for distribution for their employees. Copies of the leaflet are available free of charge. Please contact 01743 252808 to request supplies.

3. Serious Concerns

3.1 Serious concern may be related to something that:

- is unlawful;
- is against the school's or Shropshire Council's Constitution, financial rules, contract rules or other policies;
- does not meet established standards or working practices;
- amounts to improper conduct.

3.2 Theft, bribery and corruption, the abuse of children or vulnerable adults, service users or staff and environmental misuse are all the type of things which would fall into these categories.

3.3 Concerns in schools may relate to the treatment of children and young people.

This could mean, for example, that a person or persons are:

- deliberately ignoring the best interests of the child or young person;
- teasing, harassing or touching a child or young person inappropriately;
- threatening a child, young person or a parent or distressing them in some way;
- neglecting a child by not giving them the support they need, including medical attention or care;
- hitting or restraining a child inappropriately;
- using a child or young person's money or possessions in an inappropriate way.

3.4 Procedures for dealing with allegations or concerns about child abuse already exist and each school has a named member of staff to whom such issues can be referred. There are also specific procedures for dealing with allegations of child

abuse against school staff which are contained in the Human Resources Handbook for schools. The Whistleblowing Procedure supplements these arrangements.

- 3.5 For school based staff, there are existing procedures to enable you to lodge a grievance relating to your own employment.

4. Safeguards

4.1 Harassment or Victimisation

The school and Shropshire Council recognise that deciding to report a concern can be difficult, not least because of the fear or reprisal from those responsible for the malpractice.

- 4.2 The school will not tolerate harassment or victimisation and will take action to protect you when you raise a concern in good faith. However, if you are already the subject of disciplinary or redundancy procedures, those procedures will not be halted as a result of your whistleblowing.

4.3 Confidentiality

The school and Shropshire Council will do their best to protect your identity when you raise a concern and do not want your name to be disclosed. It must, however, be appreciated that the investigation process may reveal the source of the information and a statement by you may be required as part of the evidence.

4.4 Anonymous Allegations

As a rule we do encourage you to put your name to your allegation. Concerns expressed anonymously are much less powerful, but they will be considered at the discretion of the headteacher, in conjunction with the Governing Body of the School and the Corporate Director of Children and Young People's Services. In exercising this discretion, the factors to be taken into account would include:

- the seriousness of the issues raised;
- the validity of the concern;
- the likelihood of confirming the allegation from other sources.

Allegations which do not appear to be motivated by personal animosity and which if true, would have serious implications for the school, are more likely to be considered, even though made anonymously.

4.5 Untrue Allegations

If you make allegations in good faith, but it is not confirmed by the investigation, no action will be taken against you. In such circumstances employees will be supported. If, however, you make malicious or vexatious allegations, disciplinary action may be taken against you, but the matter would be referred to an appropriate school governor before any action is taken.

4.6 Support to You

Throughout and after this difficult process you will be given full support from senior management, your concerns will be taken seriously and the school and Shropshire Council will do all it can to help you.

5. How to raise a concern

- 5.1 As a first step you should normally raise concerns with your immediate line manager or the headteacher. This will depend, however, on the seriousness and sensitivity of the issues involved and who is thought to be involved in the wrongdoing. If your line manager, the headteacher or other school management is involved, you should approach where appropriate:
- the Corporate Director of Children and Young People's Services (see list at the end of this document) - if the wrongdoing is about standards of behaviour or about the abuse of children or vulnerable adults;
 - the Monitoring Officer: Head of Legal and Democratic Services - Tel 01743 252763 - if the wrongdoing is thought to be illegal;
 - the Chief Finance Officer: Director of Resources - Tel 01743 252007 - if the wrongdoing is about improper payments;
 - the Head of Audit and Consultancy Services - Tel 10743 252027 - if the wrongdoing is a fraud;
 - the Head of Sustainability - Tel 01743 252526 - if the wrongdoing is an environmental issue.
- 5.2 Shropshire County Council operates a Standards Hotline where confidential disclosures can be made. The contact number is 01743 252627.
- 5.3 Alternatively, you can invite your trade union or professional association to raise the matter on your behalf.
- 5.4 The earlier you express your concern the better and the easier it will be to take action. Concerns are better raised in writing and you should try to set out:
- the background and history to your concern;
 - dates and places where possible;
 - the reasons for your concern.
- 5.5 In order to ensure the confidentiality of your expression of concern it is suggested that you send your letter/written note in a sealed envelope addressed to the appropriate person and clearly mark it "Strictly Private and Confidential - To be opened by the addressee only". You need not sign or give your name although addressee may exercise her/his discretion not to investigate an anonymous complaint.
- 5.6 It is a serious disciplinary offence for any person to seek to prevent a communication of concern reaching the Corporate Director of Children and Young People's Services or to impede any investigation which he/she or anyone on her/his behalf may make.
- 5.7 Although you are not expected to prove the truth of an allegation, you will need to demonstrate to those appointed to investigate the matter, that there are sufficient grounds for your concern. You may invite your trade union or professional association or a third party to raise a matter on your behalf.
- 5.8 Further advice and guidance on what to do can be found in the:
- guidance on how to deal with fraud and corruption;
 - guidance note on the abuse of children or vulnerable adults;
 - guidance note on environmental issues;
 - Harassment – Policy and Procedure for staff employed in schools.

All of the above can be found on the Shropshire Council website.

6. How the school and/or Shropshire Council will respond

- 6.1 The action taken will depend on the nature of the concern. The matters raised may:
- be investigated internally by the school;
 - be investigated internally within the Council but independently of those directly involved;
 - be referred to the Police;
 - be referred to the external Auditor;
 - form the subject of an independent inquiry.
- 6.2 In order to protect individuals, the school and Shropshire Council, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. These will be made confidentially and every attempt made to protect the employee. Concerns or allegations which fall within the scope of specific procedures (for example, child protection issues) will normally be referred for consideration under those procedures. Some concerns may be resolved by agreed action without the need for investigation.
- 6.3 Within ten working days of a concern being received, the school and/or Shropshire Council will write to you:
- acknowledging that the concern has been received;
 - indicating how we propose to deal with the matter;
 - giving an estimate of how long it will take to provide a final response;
 - telling you whether any initial enquiries have been made;
 - telling you whether further investigations will take place and, if not, why not.
- 6.4 The amount of contact between those officers considering the issues and yourself will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from you.
- 6.5 When any meeting is arranged, you have the right, if you so wish, to be accompanied by a trade union or professional association representative or a friend who is not involved in the area of work to which the concern relates.
- 6.6 If you should become involved in further investigations or procedures (eg disciplinary proceedings or a criminal trial) as a result of using this procedure, you will be given every proper support and assistance. The school and Shropshire Council are concerned with ensuring that no-one using this procedure is disadvantaged or unfairly treated.
- 6.7 The school and Shropshire Council accept that you need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, you will receive information about the outcomes of any investigations.

7. How the matter can be taken further

- 7.1 This policy is intended to provide you with avenues to raise concerns within the school or Shropshire Council. The Council hopes you will find the procedure a satisfactory way of dealing with concerns. If not, and you feel it is right to take the

matter outside the school or Shropshire Council, the following are possible contact points:

- the external auditor;
- relevant professional bodies who regulate organisations (including the Ombudsman);
- your solicitor;
- the police;
- Public Concern at Work.

7.2 The disclosure of confidential information would normally constitute a grave disciplinary offence which could result in dismissal or other disciplinary action. Accordingly, if you do take the matter outside the school or Shropshire Council you need to ensure that either no confidential information is disclosed or that there are wholly exceptional circumstances which the school or Shropshire Council would consider justified a disclosure.

8. Standards of Conduct

8.1 All staff working within schools are bound by Codes of Conduct. These could be the schools own standards or standards of Shropshire Council. Professional bodies such as the General Teaching Council also have Professional Standards of Conduct which their members must adhere to. All staff should ensure they make themselves aware of any such standards of conduct and follow them at all times.

9. Follow Proper Procedures

9.1 One of the best ways of guarding against corruption is to ensure that proper procedures are followed - in the way decisions are taken, in the way contracts are awarded and in the way employees conduct themselves.

9.2 The most important of these procedures are described in the following procedural documents:

1. Constitution which includes:
 - Financial Rules
 - Contract Rules
2. Code of Conduct
 - Members
 - Officers
3. Computer Code of Practice
4. Delegations (of decision-making powers)
5. Recruitment and Selection Code of Practice
6. Gifts and Hospitality
7. Harassment and Bullying Procedure

9.3 Copies of the above documents are available via the Shropshire Council website (www.shropshire.gov.uk)

9.4 Actions which breach these procedures are not only unauthorised but will lead to loss of public confidence and even to corruption.

9.5 As with any other concerns on standards, you should report breaches of these procedures.

Remember -

**IF YOU HAVE SERIOUS CONCERNS IT IS YOUR DUTY TO TELL US
AND OUR DUTY TO PROTECT AND SUPPORT YOU, IF YOU DO.**

Chief Executive and Chief Officer Contacts

Chief Executive -
Kim Riley
01743 252701

Corporate Director - Places -
Tom McCabe
01743 255002

Corporate Director- People -
David Taylor
01743 252402

Director of Health and Care
Val Beint
01743 253705

Corporate Head of Finance and Commence
Rachel Musson
01743 252018

Corporate Head of Legal and Democratic Services (Monitoring Officer) -
Claire Porter
01743 252733