

THE WORCESTERSHIRE COUNTY COUNCIL
FAIR FUNDING SCHEME FOR FINANCING SCHOOLS

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THE WORCESTERSHIRE COUNTY COUNCIL
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SECTION ONE – INTRODUCTION

1.1 The Funding Framework

1.1.1 General Provisions

Since April 1989 the Local Authority (LA) has delegated funding to its schools in accordance with its Local Management of Schools (LMS) scheme as approved by the Secretary of State. Under the terms of the School Standards and Framework Act (SSFA) 1998, LA's were required to draw up a new Fair Funding Scheme for Financing Schools to replace the old LMS scheme. The funding framework, which replaced LMS, is based on the legislative provisions in sections 45-53 of the SSFA 1998.

Under this legislation, LA's determine for themselves the size of their School Budget and LA Budget – although at a minimum a LA must appropriate its entire Dedicated Schools Grant (DSG) 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.

LA's may centrally retain funding in the Schools Budget for purposes defined in regulations made by the Secretary of State under s45A of the SSFA 1998. The amounts to be retained centrally are decided by the authority concerned, subject to any limits or conditions (including gaining the approval of their Schools Forum or the Secretary of State in certain instances) as prescribed by the Secretary of State. The balance of the Schools Budget left after deduction of centrally retained funds is termed the Individual Schools Budget (ISB). Expenditure items in the LA Budget must be centrally retained (although earmarked allocations may be made to schools).

LA's 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 s51 of the SSFA1998.

The financial controls within which delegation works to be set out in a scheme made by the LA in accordance with s48 of the SSFA and approved by the Secretary of State. The Secretary of State, who has power to modify schemes or impose one. Amendments to schemes are locally approved by the Worcestershire Schools Forum (WSF).

Subject to provisions of this 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 s50 of the SSFA.

1.1.2 Withdrawal of Delegation

An LA may issue a notice of concern or fully 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 (s17 of the SSFA 1998) but in that case there is no right of appeal.

1.1.4 Budget and Outturn Statements

The LA 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;
- 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. Out-turn statements are subject to audit certification by the Audit Commission. Information may be collated and published by the Secretary of State.

The detailed publication requirements for financial statements and schemes are set out in DCSF 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 LA to publish their scheme and any amendments to it in a manner they determine.

1.2 The Role Of The Scheme

This scheme sets out the financial relationship between the Authority and the maintained schools, which it funds. It contains requirements relating to financial management and associated issues, which are binding on both the LA and on the schools.

1.2.1 Application Of The Scheme To The Authority And Maintained Schools

This scheme applies to all community, voluntary, foundation, community special, foundation special schools and nurseries in the area of the LA. (as listed in Annex A). The scheme will also apply to any new maintained schools, which open after 1 April 2004. Because PRU's are not maintained schools within the meaning of s.20(7) of the SSFA, the scheme's coverage excludes them.

1.3 Publication of the Scheme

A copy of the scheme will be supplied to the governing body and the Headteacher of each school covered by the scheme, or placed on a publicly accessible website and any approved revisions will be notified to each such school.

1.4 Revision of the Scheme

Any proposed revisions to the scheme will be the subject of consultation with all schools and will require approval by the Worcestershire Schools Forum.

1.5 Delegation of Powers to the Headteacher

Each Governing body is asked to consider the extent to which it wishes to delegate its financial powers to the Headteacher, and to record its decision (and any revisions) in the minutes of the governing body. The LA has no wish to impose uniformity on schools but considers that the level of delegation to Headteachers, which is desirable, is as set out in guidance to governors.

The first formal budget plan of each financial year must be approved by the governing body or by a committee of the governing body.

1.6 Maintenance of Schools

The LA is responsible for maintaining the schools covered by the scheme, and this includes the duty of defraying all the expenses of maintaining them (except in the case of a voluntary aided school where some of the expenses are, by statute, payable by the governing body). Part of the way an authority maintains schools is through the funding system put in place under sections 45 to 53 of the SSFA 1998.

SECTION TWO – FINANCIAL CONTROLS

2.1.1 Application of Financial Controls to Schools

In managing their delegated budgets schools must abide by the LA's requirements on financial controls and monitoring.

Certain of these are directly referred to in this scheme while others are included in the following documents already sent to schools:

- Financial Regulations;
- Financial Procedures and Accounting Instructions.

2.1.2 Provision of Financial Information and Reports

Schools are required to provide the LA with details of expected and actual expenditure and income, in a form and at times determined by the LA. Such details will not be required more often than once every three months, except for those connected with tax or bank reconciliation. The LA may, however, notify the school in writing if in its view the school's financial position requires more frequent submission or the school is in its first year of operation. This restriction would not apply if a school were to be part of an on-line financial accounting system operated by the LA.

The details of these requirements are set out in the following documents already sent to schools:

- Financial Procedures and Accounting Instructions.

2.1.3 Payment of Salaries; Payment of Bills

The procedures for these will vary according to the choices schools make about the holding of bank accounts and the buying back of the authority's payroll system.

The procedures, which apply to the different choices made by schools, are as set out in the following documents already sent to schools:

- Financial Procedures and Accounting Instructions;
- Service Level Agreements.

2.1.4 Control of Assets

Each school must maintain an inventory of its moveable non-capital assets, in a form determined by the LA, and setting out the basic authorisation procedures for disposal of assets.

The format of the required inventory and the basic authorisation procedures for disposal of assets is as set out in the following documents already sent to schools:

- Financial Procedures and Accounting Instructions

- Schools may determine their own arrangements for keeping a register of assets worth less than £1000. However, they must keep a register in some form.

2.1.5 Accounting Policies (Including Year-End Procedures)

Schools must abide by procedures issued by the authority in relation to accounting policies and year-end procedures.

These procedures are as set out in the following documents already sent to schools:

- Financial Procedures and Accounting Instructions

2.1.6 Writing Off Of Debts

Where a school has its own bank account the governing body is authorised to write off debts up to a level stipulated by the Chief Finance Officer, but must notify the LA of any debts approved for write off.

- the current limit is set at debts up to and including £250

In the case of larger debts and for schools who do not have their own bank account, the school must carry out the following procedures as set out in:

- Financial Regulations
- Financial Procedures and Accounting Instructions

It is important that whenever possible schools should obtain payment in advance

2.2 Basis of Accounting

Reports and accounts furnished to the LA must be on an accruals basis. Schools may use what financial software they wish, provided they meet the costs of any modification to provide output required by the LA.

2.3 Submission of Budget Plans

Each school is required to submit a budget plan to the LA by the following date each year:

- 1 May

The budget plan must show the school's intentions for expenditure in the current financial year and the assumptions underpinning the budget plan. The school may take account of estimated deficits/surpluses at 31st March in their budget plan. The format of the budget plan should be as set out in the following documents sent to schools:

- School Budget Planning Summary

The LA may also require the submission of revised plans where the LA deems it necessary. Such revised plans shall not be required at intervals of less than three months.

The LA will supply schools with all income and expenditure data that it holds and which is necessary for efficient planning by schools. An annual statement of this information will be available at times through the year.

As stated below the full governing body or a committee of the governing body of a school, as outlined in their regulations must agree the initial school budget plan approval.

Regulation 17(1)(c) of the School Governance (Procedures)(England) Regulations 2003 requires the governing body or a committee of the governing body to give their approval to the first formal budget plan of the financial year.

2.3.1 Submission of Financial Forecasts

The LA may also 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.

2.4 Best Value

The statutory duty of 'best value' will not apply to the governing bodies of schools. However, given the very high proportion of local LA spending which flows through delegated budgets, the government considers it desirable that schools should demonstrate that they are following best value principles in their expenditure. To meet this intention, when submitting the annual budget plan, the governing body of each school shall submit a statement setting out what steps it will be taking in the course of the year to ensure that expenditure, particularly in respect of large service contracts, will reflect the principles of the best value regime. To assist schools in doing this the principles of 'best value' are set out in Annex C.

2.5 Virement

Schools are free to vire between budget heads in the expenditure of their budget shares but governors are advised to establish criteria for virements and financial limits above which the approval of the governors is required.

2.6 Audit: General

Schools are required to provide access to the school's records and to co-operate both with auditors employed by the LA (**internal audit**) and auditors appointed by the Audit Commission to audit the local LA itself (**external audit**).

In regard to **internal audit**, all schools come within the audit regime determined by the LA.

Details of this are set out in the following separate document distributed to schools:

- Financial Regulations

Specific requirements will be issued for bank account schools. Where additional audits are required as a result of a school operating its own bank account there will be a charge for this service.

In relation to **external audit** all schools come within the LA external audit regime as determined by the Audit Commission.

2.7 Separate External Audits

In instances where a school wishes to seek an additional source of assurance at its own expense, a governing body is permitted to spend funds from its budget share to obtain external audit certification of its accounts, separate from any LA internal or external audit process. Where a school chooses to seek such an additional audit it does not remove the requirement that the school must also co-operate with the LA's internal and external auditors.

2.8 Audit of Voluntary and Private Funds

In addition to the normal internal and external audits, schools must provide audit certificates in respect of any voluntary and private funds they hold and of the accounts of any trading organisations controlled by the school.

The procedures for furnishing these audit certificates and advice on the handling of such voluntary and private funds is set out in the following documents previously distributed to schools:

- Financial Regulations

2.9 Register of Business Interests

The governing body of each school is required to establish a register which lists for each member of the governing body and the Headteacher, 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 the LA, school governors, staff and parents.

More detailed guidance on the maintenance of such a register is set out in the following documents already sent to schools:

- OFSTED document - "Keeping your Balance"

2.10 Purchasing, Tendering And Contracting Requirements

Schools are required to abide by the LA's financial regulations and standing orders in purchasing, tendering and contracting matters other than where the scheme would require schools:

- To do anything incompatible with any of the provisions of the scheme, or any statutory provision, or any EV Procurement Directive.

- To seek LA Officer counter signature for any contracts for goods or services for a value below £60,000 in any one year.

Schools are required to assess in advance, where relevant, the health and safety competence of contractors, taking account of the LA's policies and procedures.

Schools may nominate suppliers for inclusion on the LA's list of approved suppliers.

Individual school governing bodies together with the Headteacher must determine their own arrangements for handling contracts. They must abide by the LA's Standing Orders for contracts in excess of the equivalent value of £200,000 Special Drawing Rights (SDR's, Value approximately £144,000 at February 2001). A minimum of three tenders must be sought for any contract with a value exceeding £10,000 in any one year.

2.11 Application Of Contracts To Schools

Schools have the right to opt out of LA-arranged contracts except where they have lost that right for particular contracts (whenever started) in accordance with a specified written procedure: in which case they will be bound into the contract for its length (although the contract might contain clauses allowing variance of its terms and conditions).

Although governing bodies are empowered under paragraph 3 of schedule 1 to the Education Act 2002 to enter into contracts, in most cases they do so on behalf of the LA as maintainer of the school and 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, e.g. contracts made by aided or foundation schools for the employment of staff.

2.12 Central Funds And Earmarking

The LA is authorised to make sums available to schools from central funds, in the form of allocations, which are additional to and separate from the schools' budget shares (the Standards Fund regulations will require LA's to do this with many grants). Such allocations shall 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, of course, where the funding is supported by a specific grant which the LA itself is not permitted to vire), this should not be carried to the point of assimilating the allocations into the school's budget share.

Such earmarked funding from centrally retained funds is to be spent only on the purposes for which it is given, or on other budget heads for which earmarked funding is given, and is not to be vired into the school's budget share. Any unspent balance of earmarked funds must be returned to the LA if not spent during the year or within the period over which schools are allowed to use the funding if different.

In order that schools may demonstrate compliance with this requirement, the procedure as set out in the following documents already sent to schools shall be used:

- Standards Fund Allocation Sheets
- Earmarked Funding Allocation Sheets

The LA will not make any deduction in respect of interest costs to the LA from payments to school of devolved specific or special grants.

2.13 Spending For The Purposes Of The School

Governing bodies are free to spend budget shares for the purposes of the school', subject to any provisions of this scheme. This includes where a school has a budget share in relation to a pupil or pupils registered at other schools.

The following restrictions shall apply to school budget share expenditure. School budget shares shall not be used to pay for:

- Gifts to staff, governors, pupils and volunteers
- Transport of pupils from home to school

2.14 Capital Spending From Budget Shares

Governing bodies are permitted to use their budget shares to meet the cost of capital expenditure on the school premises. The governing body must notify the LA of any proposals to undertake capital works, in advance of making any commitment. Where the LA owns the premises or the school has voluntary controlled status, the governing body shall also seek the consent of the LA to the proposed works, consent will only be withheld on health and safety grounds.

For all premises where the expected capital expenditure from the budget share in any one-year will exceed £15,000, the governing body must notify the LA and take into account any advice from the Director of Children's Services as to the merits of the proposed expenditure. The governing body should not enter into any capital scheme that impacts on the LA's statutory responsibilities regarding the planning and supply of school places.

2.15 Financial Management Standard in Schools (FMSiS)

All maintained schools must demonstrate compliance with the DCSF' Financial Management Standard in Schools (FMSiS) in line with the timetable determined by the LA and at any time thereafter.

The LA may require schools to demonstrate compliance through the submission of evidence showing that the school has undergone an external assessment. The LA must carry out external assessment or by a third party that has been approved to carry out such assessment by either the DCSF or the LA.

2.1.6 Notice of Concern

The LA 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 LA or the school.

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

- insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;
- insisting that an appropriately trained/qualified person chairs the finance committee of the governing body;
- placing more stringent restrictions or conditions on the day to day financial management of a school than the scheme requires for all schools – such as the provision of monthly accounts to the authority or the withdrawal of local banking arrangements;
- insisting on regular financial monitoring meetings at the school attended by LA officers;
- requiring a governing body to buy into a LA'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 THREE – INSTALMENTS OF BUDGET SHARE; BANKING ARRANGEMENTS

3.1 Frequency Of Instalments

The budget share for schools operating their own bank accounts will be made available to governing bodies on a monthly basis. Non-bank accounts schools may draw on all of its budget share from the start of the year (although in practice this would not happen because of pay commitments).

3.2 Proportion Of Budget Share Payable At Each Instalment

The proportion of the budget share to be made available to schools shall be calculated as set out in Annex D.

3.3 Interest Clawback

The LA may deduct from budget share instalments an amount equal to the estimated interest lost by the LA in making available the budget share in advance. When payments are made on the basis set out in Annex D there is no significant loss of interest to the LA and, therefore, no interest will be charged to schools.

3.4 Interest On The Budget Share Payments

Where budget share payments are made the as a result of LA error, interest will be paid on the instalment, at Bank of England base rate.

3.5 Budget Shares For Closing Schools

Budget shares of schools for which approval for discontinuation has been secured, will be made in respect of the proportion of the year for which the school will remain open.

3.6 Bank And Building Society Accounts

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

Any school funded under this scheme wishing to opt for its own bank account may only do so after giving 3 months notice. New bank account arrangements will only be made with effect from the beginning of each financial year.

Schools without bank accounts at the start of the scheme cannot have one until any deficit balance is cleared; and any school requesting a bank account at a later date shall not be able to have one until any deficit is cleared.

When a school opens a new bank account in line with the provisions above, the LA will transfer 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. This will be subject to correction when the accounts for the relevant year are closed.

Interest will be charged\paid on any adjustments made. The interest rate will be that used for interest on school balances (see Paragraph 4.3)

3.7 Restrictions On Accounts

Accounts may only be held for the purpose of receiving budget share payments, at the following banks or building societies

Banks:

Abbey National Plc	Alliance and Leicester Plc
Bank of Scotland Plc	Barclays Bank Plc
Co-operative Bank Plc	HSBC Plc
Lloyds TSB Bank Plc	National Westminster Bank Plc
Northern Rock Plc	The Royal Bank of Scotland Plc

Building Societies:

Britannia	Nationwide
Portman	Yorkshire

Schools having bank accounts with other banks prior to 1st April 2001 will be 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 approved list, even if the closed account was not with an institution on that list.

Schools are allowed to have accounts for budget share purposes, which are in the name of the school. These accounts must only be used for the purposes of the school budget under the terms of this scheme. Money paid by the LA and held in such accounts remains LA property until spent (S.49(5)of the SSFA 1998).

Where a school has such an account the account mandate should provide that the LA is the owner of the funds in the account and can take control of the account if the LA that is entitled to receive statements suspends the school's right to a delegated budget.

3.8 Borrowing By Schools

Governing bodies may borrow money only with the written permission of the Secretary of State.

The types of financing arrangements, which would normally be classed as borrowing, are:

- Loans in the broadest sense, whereby lenders make available to the school a sum of money, which the school uses for specific aims. The school repays the sum of money usually at a price, over the term of the loan.
- Finance leases, whereby the school requires the use of an asset from the supplier or lender over a specified period. At the end of the period, the school has paid the lender for the underlying cost and the asset plus interest charges.
- Certain types of Public Private Partnerships where the asset is deemed to be 'on the balance sheet'.

See school borrowing guidance for further information.

3.9 Other Provisions

The LA has formulated separate detailed rules and guidance in respect of other aspects of banking arrangements, which are as set out in the following documents already sent to schools:

- Financial Procedures and Accounting Instructions

SECTION FOUR – 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 surplus/deficit in net expenditure relative to the school's budget share for the year plus/minus any balance brought forward from the previous year. A surplus balance at 1st April will be equal to that of 31st March.

4.1.1 Calculation Of Balances

The amount of the balance to be transferred to a new bank account school will be based on discussions between the school and the LA as to what their estimated year-end balance will be. The amount will be subject to correction when the accounts for the relevant year are closed. The balance will be paid to the school along with the first instalment for the financial year, i.e. on 1st April or nearest bank working day.

4.2 Controls On Surplus Balances

This provision is included in conjunction with provisions for Multi Year Budgets in section 4.14 of this Scheme.

Surplus balances held by schools are permitted under this scheme but will be subject to the following restrictions with effect from 1st April 2006 as subsequently revised from 1st October 2009. The specific provisions are as follows: -

- i) The LA shall calculate by 31st May in each year the surplus balances, if any, held by each school as at the preceding 31st March. For this purpose the balance will be recurrent balance category [BO1] as defined in the Consistent Financial Reporting Framework (CFR) (n.b. this will include the delegated budget share balance and any Standards Fund/Schools Standards Grant balances, following the redefinition of recurrent balances within CFR).
- ii) The LA shall then deduct from the resulting sum any amounts which the governing body of the schools has declared to be assigned for specific purposes permitted by the LA and which the authority is satisfied are properly assigned. To count as properly assigned, amounts must not be retained beyond the period stipulated for the purpose in question, without the consent of the LA. The last provision is intended to ensure schools can build up reserves towards particular projects but cannot defer implementation indefinitely.
- iii) The criteria to be assigned for specific purposes permitted by the LA as an allowable use of balances are detailed in Annex E to this scheme.
- iv) If the result of the above three steps is a sum greater than whichever is the greater of 5% of the current year's budget share (secondary schools) or 8% (nursery, primary and special schools) with a minimum equivalent to the

cost of a 1FT teacher and excluding schools being reorganised, then the LA shall deduct from the current year's budget share an amount equal to the excess.

- v) The LA will prescribe a process and timetable for the provisions in this part of the scheme. Individual schools will be required to submit details to the LA on a pro-forma and in a time determined by the LA on their projected year end balance for the following March on their planned use of their surplus balance as at the end of the financial year. This analysis, which must be endorsed by the Governing Body, will then be used by the LA to determine whether in accordance with the scheme provisions an amount be deducted from individual schools, and be available for re-distribution. This process will be reviewed by the LA in conjunction with individual schools as required on the finalisation of year end balances by 31st May following the end of the financial year.
- vi) For schools not submitting a return by the prescribed dates it will be assumed none of the excess surplus balance has been assigned and therefore any excess above the permitted percentage level is available for re-distribution.
- vii) In operating this scheme the LA reserves the right in future years to re-distribute balances assigned against the criteria in Annex E for which, on monitoring, it is clear the Governing Body has not been able to justify why they have been unable to proceed with their planned spending. In exercising this provision the LA will inform in writing any school prior to the re-distribution of balances.

Funds derived from sources other than the LA will not be taken into account in this calculation if paid into the budget share account of the school, whether under provisions in this scheme or otherwise.

Funds held in relation to a school's exercise of powers under s.27 of the Education Act 2002 (community facilities) will not be taken into account unless added to the budget share surplus by the school in accordance with DCSF regulations.

The total of any amounts deducted from school's budget share by the LA under this provision are to be applied to the "School Budget" of the LA for redistribution to schools on criteria and in a timescale to be determined by the LA in consultation with the Schools Forum.

This scheme change will be modified to fit with any regulations the DCSF issues from time to time.

The decision to make a deduction from a schools budget share will be made by the Director of Children's Services or their representative. If a school feels that the scheme has been unfairly applied to them they can appeal to the Director of Financial Services via the Schools Forum.

4.3 Reporting On The Intended Use Of Surplus Balances

In order to allow the LA to monitor excessive balances, Governing bodies may from time to time be required to report to the LA on the use which the school intends to make of surplus balances (in excess of 5% of budget share), after taking account of any retrospective adjustments.

4.4 Interest On Surplus Balances

Balances held by the Authority on behalf of schools will attract interest on the following basis:

- The balance for interest purposes will be taken as the average between the brought forward figure at the beginning of the financial year and the cumulative balance carried forward at the end of the financial year.
- The rate of interest paid will be 1% below the Bank Base Rate, based on a weighted average rate to take into account base rate changes during the year.

4.5 Obligation To Carry Forward Deficit Balances

Deficit balances will be carried forward by the deduction of the relevant amounts from the following year's budget share (see also 4.9). A deficit balance at 1st April will be equal to that of 31st March.

4.6 Planning For Deficit Budgets

Schools may only plan for a deficit budget in accordance with the terms of paragraph 4.9 below.

4.7 Charging Of Interest On Deficit Balances

The LA will charge interest on any deficit balance. The basis of the calculation of interest will be the same as for interest on surplus balances (para. 4.3). This excludes any deficits that may have been accumulated by former Grant Maintained Schools prior to 1st April 1999.

4.8 Writing Off Deficits

The LA has no power to write off the deficit balance of any school.

4.9 Balances Of Closing And Replacement Schools

When a school closes any balance (whether surplus or deficit) shall revert to the LA; it cannot be transferred as a balance to any other school, even where the school is a successor to the closing school. The schools' funding formula makes provision for funding arrangements for closing and replacement schools.

4.10 Borrowing For Agreed Purposes

The general provision in paragraph 3.6 above forbidding Governing bodies to borrow money shall not apply to schemes run by the Authority as set out in the following sections:

- **4.11 and 4.12**

4.11 Licensed Deficits

The LA will permit a school, which has no deficit at 31 March 1999 to plan for a deficit budget only in exceptional circumstances. Such circumstances might include where a governing body wishes to overcome a demonstrably short-term difficulty. The funding to allow such a deficit budget shall be provided from the collective surplus of school balances held by the authority on behalf of schools

The detailed arrangements applying to this scheme are set out below:

- In exceptional circumstances, with the prior approval of the Director of Children's Services and the Director of Financial Services, a school may plan to spend in anticipation of the following years budget.
- Such spending would not normally be allowed to exceed 2% of the school's own budget allocation.
- Approved deficits will be reviewed regularly with a view to the deficit being repaid over a maximum of 2 years, or in exceptional circumstances over a maximum of 5 years.

4.12 Loan Schemes

The LA shall provide a form of loan arrangement for schools, which does not operate by way of a licensed deficit, but rather by way of actual payments to schools or expenditure by the LA in respect of a particular school on condition that a corresponding sum is repaid from the budget share.

The detailed arrangements applying to this scheme are set out in:

- Utilisation of School Balances - Loan Scheme for Achievement Related Capital Projects

4.13 Former GM Schools' Balances

See Section 12.

4.14 Multi Year Budgets

This provision is included in conjunction with provisions for the Management of Surplus Balances in section 4.2 of this Scheme.

At the same time as issuing its budget statement as required by section 52 of the SSFA 1998, the LA will inform each maintained school of its estimate of the school's budget and central government grant income paid by the LA for the

relevant number of years and periods as specified within the Fair Funding regulations. This will be provided in a format determined by the LA. The estimates will use information available to the LA at the time of preparation, will be subject to change in the future as permitted within the Fair Funding regulations and be provisional in nature implying no commitment on the part of the LA to fund schools at the level shown in the estimate. The detailed methodology for calculation will be included in the information given to schools on these amounts.

SECTION FIVE – INCOME

Schools shall be able to retain income except in certain specified circumstances.

5.1 Income From Lettings

Schools may retain income from lettings of the school premises, which would otherwise accrue to the LA, subject to alternative provisions arising from any joint use or PFI agreements. Schools are permitted to cross-subsidise lettings for community and voluntary use with income from other lettings, **provided there is no net cost to the budget share**. However, schools whose premises are owned by the LA shall be required to have regard to directions issued by the LA as to the use of school premises, as permitted under the SSFA 1998 for various categories of schools.

Income from lettings of school premises may not be paid into voluntary or private funds held by the school.

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 retained funds. However, schools are required to have regard to any policy statements on charging produced by the LA.

5.3 Income From Fund-Raising Activities

Schools may retain income from fund-raising activities.

5.4 Income From The Sale Of Assets

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

Any sale of land or buildings requires consultation with the LA and in the case of County schools, or where it effects the statutory provision, the LA's consent.

5.5 Administrative Procedures For The Collection Of Income

Because of the potential VAT implications of providing services, which lead to fees and charges, fund raising activities and the sale of assets, the LA has established administrative procedures for the collection of income, which are set out in the following documents:

- Financial Procedures and Accounting Instructions

5.6 Purposes For Which Income May Be Used

Income from the sale of assets purchased with delegated funds may only be spent for the purposes of the school. (See paragraph. 2.13)

SECTION SIX – THE CHARGING OF SCHOOL BUDGET SHARES

6.1 General Provision

The LA must charge the salaries of school based staff to the budget share of a school at actual cost. Otherwise the budget share of a school may be charged by the LA without the consent of the governing body only in circumstances set out in 6.2 below.

The LA shall consult a school as to the intention to so charge, and shall notify a school when it has been done.

Schools are reminded that the LA cannot act unreasonably in the exercise of any power given by this scheme, or it may be the subject of a direction under s.496 of the Education Act 1996. The LA shall make arrangements for a disputes procedure for such charges.

6.2 Circumstances In Which Charges May Be Made

- 6.2.1 Where premature retirement costs have been incurred without the prior written agreement of the LA to bear such costs (the amount chargeable being only the excess over any amount agreed by the LA).
- 6.2.2 Other expenditure incurred to secure resignations where the school had not followed LA advice.
- 6.2.3 Awards by courts and employment tribunals against the LA, or out of court settlements arising from action or inaction by the governing body contrary to the LA's advice.
- 6.2.4 Expenditure by the LA in carrying out health and safety work or capital expenditure for which the LA is liable where funds have been delegated to the governing body for such work, but the governing body has failed to carry out the required work.
- 6.2.5 Expenditure by the LA incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the Local Education Authority, or the school has voluntary controlled status.
- 6.2.6 Expenditure incurred by the LA in insuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the LA. See also 10.1.
- 6.2.7 Recovery of monies due from a school for services provided to the school, where a dispute over the monies due has been referred to a disputes procedure set out in a service level agreement, and the result is that monies are owed by the school to the LA.

- 6.2.8 Recovery of penalties imposed on the LA by the Board of Inland Revenue, the Contributions Agency, HM Customs and Excise, Teachers' Pensions or regulatory Authority's as a result of school negligence.
- 6.2.9 Correction of LA errors in calculating charges to a budget share (e.g. pension deductions).
- 6.2.10 Additional transport costs incurred by the LA arising from decisions by the governing body on the length of the school day, and failure to notify the LA of non-pupil days resulting in unnecessary transport costs.
- 6.2.11 Legal costs which are incurred by the LA because the governing body did not accept the advice of the LA (see also section 11).
- 6.2.12 Costs of necessary health and safety training for staff employed by the LA, where funding for training has been delegated but the necessary training not carried out.
- 6.2.13 Compensation paid to a lender where a school enters into a contract for borrowing beyond its legal powers, and the contract is of no effect.
- 6.2.14 Cost of work done in respect of teacher pension remittance and records for schools not purchasing LA payroll services. The charge will be the minimum needed to meet the cost of the Authority's compliance with its statutory obligations.
- 6.2.15 Costs incurred by the LA in securing provision specified in a statement of SEN, where the governing body or a school fails to secure such provision despite the delegation of funds in respect of that statement.
- 6.2.16 Costs incurred by the LA due to submission by the school of incorrect data.
- 6.2.17 Recovery of amounts spent from specific grants on ineligible purposes.
- 6.2.18 Costs incurred by the LA as a result of the governing body being in breach of the terms of a contract.
- 6.2.19 Costs arising from failure to follow Financial Regulations and Audit advice.
- 6.2.20 Costs of any additional audit required as a result of schools operating their own bank accounts (2.6)
- 6.2.21 In the case of pupils still enrolled at a school but receiving tuition at a Pupil Referral Unit or elsewhere, the schools will be charged in defined circumstances for the service received from the LA.
- 6.2.22 If any school does not wish to comply with the provisions of the FMSiS the LA will invoke the scheme provisions under section 2.15 and will charge the schools delegated budget accordingly for the relevant costs of the external assessment.

6.3 General Teaching Council (GTC)

Fees to be deducted from teachers' salaries and remitted to the GTC for 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 salary deduction 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) By virtue of section 46 of the SSFA 1998 and the regulations made under that section (at present the Financing of Maintained Schools (England) Regulations 2001 (S.I. 2001 No.475, Part II and Schedule 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 LA to provide payroll services, ensure that any 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 LA to provide payroll services, ensure that any 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 between the GTC and the LA. 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 LA. 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 LA to provide payroll services, ensure that any such arrangement or agreement is amended to allow for the deduction and remittance of the fees by the LA to the GTC on the governing body's behalf. The LA 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 LA to provide payroll services, ensure that any such arrangement or agreement is amended to allow for the deduction and remittance of the fees by that person to the GTC or to the governing body for onward transmission to 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 payments is paid to the Authority by the school from budget share instalments which have been held by the school in an independent bank account, or the salary costs are directly charged by the LA to the school's budget share account.

SECTION SEVEN – TAXATION

7.1 Value Added Tax (VAT)

The LA has established procedures to enable schools to utilise the Authority's ability to reclaim VAT on expenditure relating to non-business activity.

These are set out in separate guidance in the following document:

- Guidelines on VAT, Handbook for Schools
- Financial Procedures and Accounting Instructions

Amounts reclaimed through these procedures will be passed back to the school.

7.2 Construction Industry Taxation Scheme (CITS)

Schools are required to abide by procedures issued by the LA in connection with CITS. These procedures are as set out in the following documents already sent to schools:

- Financial Procedures and Accounting Instructions
- Guidance on CITS produced by the Revenue Officer, Financial Services Directorate

SECTION EIGHT – THE PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITY

8.1 Provision Of Services From Centrally Retained Budgets

The LA shall determine on what basis services from centrally retained funds will be provided to schools, but the LA is debarred from discriminating in its provision of services on the basis of categories of schools except where (a) funding has been delegated to some schools only or (b) such discrimination is justified by differences in statutory duties. The term services in this paragraph includes Premature Retirement Costs (PRC) and redundancy payments but excludes centrally funded premises and liability insurance.

8.2 Timescales For The Provision Of Services Bought Back From The LA Using Delegated Budgets

The term of any arrangement with a school starting on or after 1 April 1999 to buy services or facilities from the LA shall be limited to a maximum of three years from the inception of the scheme or the date of the agreement, whichever is the later, and periods not exceeding five years for any subsequent agreement relating to the same services. In the case of contracts for the supply of catering services, these may be extended to five and seven years respectively.

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 is intended to generate income, which is no less than the cost of providing those services. **The total cost of the service must be met by the total income even if schools are charged differentially.**

8.2.1 Packaging

The purchasing of services will be offered in such a way which does not unreasonably restrict schools' freedom of choice among the services available, and where practicable, this will include purchasing provision on a service-by-service basis as well as in packages of services.

8.3 Service Level Agreements (SLA's)

8.3.1 If services or facilities are provided under a SLA - whether free or on a buyback basis - the terms of any such agreement starting on or after the inception of the scheme will be reviewed at least every three years if the agreement lasts longer than that.

8.3.2 Services, if offered at all by the LA, shall be available on a basis, which is not related to an extended agreement, as well as on the basis of such agreements.

8.3.3 SLA's must be in place by mid February to be effective for the following financial year. Schools will have a maximum of one month from the date of issue to consider the terms of agreement, before signing up for the service for the financial year. The only exception to this would be where a service level

agreement is drawn up for new services bought on an 'as and when' basis. These may be issued during a financial year.

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 that have not entered into an arrangement with the Authority to provide payroll services.

A governing body of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or agreement with a person other than the LA to provide payroll services, shall ensure that any such arrangement or agreement is varied to require that person to supply salary, service and pensions data to the LA which the LA requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The LA will advise schools each year of the timing, format and specification of the information required. A governing body shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions (AVC's) be passed to the Authority within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

A governing body of any maintained school which directly administers its payroll shall supply salary, service and pensions data to the LA which the LA requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The LA will advise schools each year of the timing, format and specification of the information required from each school. A governing body shall also ensure that Additional Voluntary Contributions (AVC's) 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 NINE – PRIVATE FINANCE INITIATIVES/PUBLIC PRIVATE PARTNERSHIPS

The LA shall have the power to issue regulations from time to time relating to Private Finance Initiatives/Public Private Partnerships.

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;
- the treatment of monies withheld from contractors due to poor performance, and
- the power of the LA to charge to the school's budget share amounts agreed under a PFI/PPP entered into by the governing body of the school.

SECTION TEN – INSURANCE

10.1 Insurance Cover

If funds for insurance are delegated to any school, the LA will 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 relevant minimum cover arranged by the LA if the LA makes such arrangements, either paid for from central funds or from contributions from schools' delegated budgets.

The LA will have regard to the actual risks, which might reasonably be expected to arise at a school. Guidance on the minimum level of cover required for all schools is available from the County's Insurance Officer.

SECTION ELEVEN – MISCELLANEOUS

11.1 Right Of Access To Information

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

11.2 Liability Of Governors

Because the governing body is a corporate body and because of the terms of S.50 (7) of the SSFA 1998, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share provided they act in good faith.

11.3 Governors' Expenses

The LA shall have the power to delegate to the governing body of a school yet to receive a delegated budget, funds to meet governors' expenses. Only allowances in respect of purposes specified in regulations (Schedule 11 of the SSFA 1998), may be paid to governors from a school's delegated budget share. Schools are expressly forbidden from paying any other allowances to governors. Schools are also barred from payment of expenses duplicating those paid by the Secretary of State to additional governors appointed by him to schools under special measures.

11.4 Responsibility For Legal Costs

Legal costs 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 buildings) may be charged to the school's budget share unless the governing body acts in accordance with the advice of the Authority. As at present, where a conflict of interest is perceived by our Legal Department, they can make available a list of alternative sources of advice. Schools may also seek completely independently advice from other sources other than from the LA.

11.5 Health and Safety

Governing bodies are required, in expending the school's budget share, to have due 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 Director Of Financial Services

Governing bodies are required to permit the Director of Financial Services of the Authority, or any officer of the authority nominated by the Director of Financial Services, to attend meetings of the governing body at which any agenda items are relevant to the exercise of her or his responsibilities. This attendance shall normally be limited to items, which relate to issues of probity or overall financial management and shall not be regarded as routine.

11.7 Delegation To New Schools

The LA is empowered to delegate selectively and optionally to the governing bodies of schools that have yet to receive delegated budgets.

11.8 Optional Delegated Funding

Where a school exercises an option to receive delegated or devolved funding for an item, that option can only be exercised once a year, three months prior to the start of the financial year.

11.9 Delegated Budgets And Educational Inclusion

Schools are expected to use their budget share to:

- Promote high quality learning and high achievement for all
- Provide for Special Educational Needs
- secure equal opportunities and equal access in Education
- Promote lifelong learning opportunities
- Meet and exceed agreed educational targets

11.10 Whistle Blowing

The LA is committed to the highest possible standards of openness, probity and accountability. In line with this commitment schools have received a model whistle blowing policy that sets out the procedures to be followed by persons working at a school or school governors who wish to complain about financial management or financial propriety at the school and how such complaints will be dealt with.

11.11 Child Protection

Schools shall ensure that they meet their duty to assist LA Children's Services Departments activity on behalf of children in need or enquiries into allegations of child abuse.

Funding to support this duty is contained within existing budget allocations to schools.

11.12 School Meals

The LA does not produce a school meals policy.

SECTION TWELVE – GM AND GM SPECIAL SCHOOLS

12.1 Former GM And GM Special Schools' Balances

Such schools continue to have the right to spend any surplus balances, which they bring with them from the period during which the FAS funded them. Where a deficit balance exists at the end of FAS funding, that is also carried forward. Any schedule for eliminating the deficit agreed with the FAS (or the LA in the case of deficits incurred when the school was previously maintained by the LA, and carried over into the change of status under the former GM Finance Regulations) will continue to be adhered to.

LA's may charge amounts due for repayment of such loans against schools' budget shares, where payments are not made to the Secretary of State.

SECTION 13 – RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

The attached Annexe B sets out the categories of work which governing bodies must finance from their budget shares.

The LA will in future delegate all funding for repairs and maintenance to schools. Only capital expenditure is to be retained by the LA. For these purposes, expenditure may be treated as capital only if it fits the definition of capital used by the LA for financial accounting purposes in line with the CIPFA Code of Practice on LA accounting. The actual interpretation of the Code is a matter for the LA.

Voluntary Aided governor responsibilities are included in the Annex. VA governors will continue to be eligible for grant from the DCSF in respect of their statutory responsibilities and in addition they will have responsibility for other repair and maintenance items on the same basis as Community and Foundation schools.

The LA does not use a fixed “de minimis” limit to define capital and revenue repairs and maintenance. The division between capital and revenue repairs and maintenance has been set at £1,000 or 10% of the relevant amount delegated to an individual school, whichever is the highest. This mechanism was agreed by Councillors following extensive discussion and consultation with schools, The DCSF determination of financial liabilities list will continue to be used to establish the responsibility of VA Governors for the payment of liabilities.

SECTION 14 – COMMUNITY FACILITIES

14.1 Introduction

Schools which choose to exercise the power conferred by s.27 (1) of the Education Act 2002 to provide community facilities will be subject to a range of controls. First, regulations made under s.28 (2), if made, can specify activities which may not be undertaken at all under the main enabling power. Secondly, the school is obliged to consult its LA 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 LA's scheme for financing schools made under section 48 of the SSFA 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 a school may not be used to fund community facilities – either start-up costs or ongoing expenditure – or to meet deficits arising from such activities.

Mismanagement of community facilities funds can be grounds for suspension of the right to be a delegate budget.

14.2 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 should inform the LA of their intention to set up a company for the purposes of exercising the community facilities at least 3 months before commencement of any agreement.

The information a school should provide to the LA should include:

- The purpose for which the company is being established
- Details of any third party who will be part of an agreement establishing a company for the purposes of exercising community facility powers

The LA may request further details from the governing body of the school in relation to the company being established.

The LA will provide the governing body with comments on the proposed establishment of the company within 15 working days of receipt of information from a governing body.

The LA will require schools to inform it of any action that has been taken following LA advice.

14.3 Funding Agreements

The provision of community facilities in schools may depend on the conclusion of a funding agreement with a third party which will either be supplying funding and/or taking part in the provision. The LA requires any such proposed agreement to be submitted to the LA for comments at least 1 month before the start of any such agreement.

The LA does not retain a general power of veto over such agreements, however if an agreement has been or is to be concluded against the wishes of the LA or has been concluded without informing the LA, which in the view of the LA is seriously prejudicial to the interests of the school or the Authority, it may constitute grounds for suspension of the right to a delegated budget.

14.4 Other Prohibitions, Restrictions And Limitations

The LA may, in the specific instance of use of the community facility power by a governing body, require the governing body concerned to make arrangements to protect the financial interests of the LA by either carrying out the activity concerned through the vehicle of a limited company formed for the purpose, or by obtaining indemnity insurance for risks associated with the project in question as specified by the LA.

Section 28 of the Education Act 2002 provides that the exercise of the community facilities power is subject to prohibitions, restrictions and limitations in the scheme for financing schools (see 14.1).

14.5 Supply Of Financial Information

The LA may require schools which exercise the community facilities power to provide the Authority every six months with a summary statement, in a form determined by the authority, showing the income and expenditure for the school arising from the facilities in question for the previous six months and, on an estimated basis, for the next six months.

The LA, 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, may require such financial statements to be supplied every three months and if the Authority sees fit, to require the submission of a recovery plan for the activity in question.

14.6 Audit

The school is required to grant access to its records connected with the exercise of the community facilities power, in order to facilitate internal and external audit of relevant income and expenditure.

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

14.7 Treatment Of Income And Surpluses

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

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

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

14.8 Health And Safety Matters

The health and safety provisions of the main scheme extend to the community facilities power.

The governing body of a school exercising the community facilities power are responsible of the costs of securing Criminal Records Bureau clearances for all adults involved in community activities taking place during the school day. Governing bodies are free to pass such costs to a funding partner as part of an agreement with the partner.

14.9 Insurance

It is the responsibility of the governing body to ensure adequate arrangements are made for insurance against risks arising from the exercise of the community facilities power taking professional advice as necessary. Such insurance should not be funded from the school budget share.

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

14.10 Taxation

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

For any member of staff employed by the school or LA in connection with community facilities at the school paid from funds held in a school's own bank account (whether a separate bank account is used for community facilities or not), the school is likely to be held liable for payment of income tax and National Insurance, in line with Inland Revenue rules.

Schools are required to follow LA advice in relation to the Construction Industry Scheme where this is relevant to the exercise of the community facilities power.

14.11 Banking

Schools should either maintain a separate bank account for funds relating to community facilities or, if one account is held for the school, adequate internal accounting controls should maintain a separation of funds.

Banks that can be used are set out in the main scheme under section 3. The provisions outlined in section 3 apply equally to the exercise of the community facilities power, except that a mandate showing the LA as owner of the funds in the account should exempt the community facilities funds if they are in the same account as the budget share.

The provision of the main scheme relating to loans (see section 3) applies equally to the exercise of community facilities power.

ANNEX A

LIST OF SCHOOLS TO WHICH THIS SCHEME APPLIES **(AS AT 1ST SEPTEMBER 2009 – 237)**

NURSERY SCHOOLS (1)	DCSF No
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EVESHAM NURSERY	1001
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PRIMARY SCHOOLS (177)	DCSF No
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ABBERLEY PAROCHIAL PRIMARY	3000
ALVECHURCH, CROWN MEADOW FIRST	2002
ARELEY KINGS, ST. BARTHOLOMEW'S C.E. PRIMARY	3012
ASHTON-UNDER-HILL FIRST	2006
ASTLEY C.E. PRIMARY	3300
BADSEY FIRST	2007
BARNT GREEN ST. ANDREW'S C.E. FIRST	3302
BAYTON C.E. PRIMARY	3001
BELBROUGHTON C.E. PRIMARY & NURSERY	3002
BEOLEY FIRST	2008
BEWDLEY, ST. ANNE'S C.E. PRIMARY	3011
BEWDLEY, PRIMARY	3397
BLAKEDOWN C.E. PRIMARY	3005
BREDON HANCOCK'S ENDOWED FIRST	3306
BRETFORTON FIRST	2012
BROADHEATH C.E. PRIMARY	3008
BROADWAS C.E. PRIMARY	3308
BROADWAY FIRST	2013
BROADWAY, ST. MARY'S R.C. PRIMARY	3309
BROMSGROVE, BLACKWELL FIRST	2022
BROMSGROVE, CATSHILL FIRST & NURSERY	2015
BROMSGROVE, CHARFORD FIRST	2016
BROMSGROVE, FINSTALL FIRST	2017
BROMSGROVE, LICKEY END FIRST	2018
BROMSGROVE, MEADOWS FIRST	2019
BROMSGROVE, MILLFIELDS FIRST	2020
BROMSGROVE, ST.PETER'S R.C. FIRST	3310
BROMSGROVE, SIDEMOOR FIRST & NURSERY	2021
CALLOW END C.E. PRIMARY	3014
CASTLEMORTON C.E. PRIMARY	3017
CHADDESLEY CORBETT ENDOWED PRIMARY	3330
CHURCH LENCH C.E. FIRST	3018
CLAINES C.E. PRIMARY	3019
CLEEVE PRIOR C.E. FIRST	3020
CLENT PAROCHIAL PRIMARY	3022
CLIFTON-UPON-TEME PRIMARY	2032
COOKLEY SEBRIGHT PRIMARY	3016
CROPTHORNE WITH CHARLTON C.E. FIRST	3027
CROWLE C.E. FIRST	3028
CUTNALL GREEN C.E. FIRST	3316
DEFFORD-CUM-BESFORD C.E. FIRST	3029
DODFORD FIRST	2034
DROITWICH, CHAWSON COMMUNITY FIRST	2036
DROITWICH, ST. JOSEPH'S R.C. PRIMARY	3317

DROITWICH, ST.PETER'S C.E. FIRST	3318
DROITWICH, WESTLANDS FIRST	2035
ECKINGTON C.E. FIRST	3038
ELDERSFIELD LAWN C.E. PRIMARY	3039
ELMLEY CASTLE C.E. FIRST	3040
EVESHAM, BENGEWORTH C.E. FIRST	3041
EVESHAM, ST RICHARD'S C.E. FIRST	3042
EVESHAM, ST ANDREWS C.E. FIRST	3043
EVESHAM, ST. MARY'S R.C. PRIMARY	3322
EVESHAM, SWAN LANE FIRST	2041
FAIRFIELD FIRST	2047
FAR FOREST LEA MEMORIAL C.E. PRIMARY	3010
FLADBURY C.E. FIRST	3324
FLYFORD FLAVELL FIRST	5201
GREAT MALVERN PRIMARY	2105
GREAT WITLEY C.E. PRIMARY	3328
GRIMLEY & HOLT C.E. PRIMARY	3048
HAGLEY PRIMARY	2055
HALLOW C.E. PRIMARY	3329
HANBURY C.E. FIRST	3049
HANLEY SWAN, ST.GABRIEL'S WITH ST.MARYS C.E.PRIMARY	3051
HARTLEBURY C.E. PRIMARY	3013
HARVINGTON C.E. FIRST	3053
HIMBLETON C.E. FIRST	3056
HINDLIP C.E. FIRST	3057
HOLLYWOOD, THE COPPICE PRIMARY	2915
HONEYBOURNE FIRST	2078
INKBERROW FIRST	2079
KEMPSEY PRIMARY	2080
KIDDERMINSTER, BIRCHEN COPPICE PRIMARY	2905
KIDDERMINSTER, COMBERTON PRIMARY	2907
KIDDERMINSTER, FOLEY PARK COMMUNITY PRIMARY	2908
KIDDERMINSTER, FRANCHE PRIMARY	2910
KIDDERMINSTER, HERONSWOOD PRIMARY	2912
KIDDERMINSTER, OFFMORE PRIMARY	2911
KIDDERMINSTER, ST. AMBROSE RC PRIMARY	3393
KIDDERMINSTER, ST. CATHERINE'S C.E. PRIMARY	3021
KIDDERMINSTER, ST. GEORGE'S C.E. PRIMARY AND NURSERY	3023
KIDDERMINSTER, ST. JOHN'S C.E. PRIMARY	3024
KIDDERMINSTER, ST. MARY'S C.E. PRIMARY	3331
KIDDERMINSTER, ST. OSWALD'S C.E. PRIMARY	3026
KIDDERMINSTER, SUTTON PARK COMMUNITY PRIMARY	3369
LEIGH AND BRANSFORD PRIMARY	2914
LINDRIDGE ST LAWRENCE'S C.E. PRIMARY	3350
LONGDON, ST. MARY'S C.E. PRIMARY	3352
MADRESFIELD C.E. PRIMARY	3353
MALVERN PARISH C.E. PRIMARY	3357
MALVERN WELLS C.E. PRIMARY	3359
MALVERN, NORTHLEIGH C.E. PRIMARY	3210
MALVERN, SOMERS PARK PRIMARY	2204
MALVERN, ST. JOSEPH'S R.C. PRIMARY	3358
MALVERN, ST. MATTHIAS C.E. PRIMARY	3354

MALVERN, THE GROVE PRIMARY	3400
MALVERN, WYCHE C.E. PRIMARY	3074
MARTLEY C.E. PRIMARY	3077
NORTON JUXTA KEMPSEY C.E. FIRST	3081
OFFENHAM C.E. FIRST	3082
OMBERSLEY ENDOWED FIRST	3365
OVERBURY C.E. FIRST	3084
PEBworth FIRST	2118
PENDOCK C.E. PRIMARY	3085
PERSHORE, ABBEY PARK FIRST & NURSERY	2119
PERSHORE, CHERRY ORCHARD FIRST	2121
PERSHORE, HOLY REDEEMER R.C. PRIMARY	3368
PINVIN C.E. FIRST	3088
POWICK C.E. PRIMARY	3089
REDDITCH, ABBEYWOOD FIRST	3398
REDDITCH, ASTWOOD BANK FIRST	2127
REDDITCH, BATCHLEY FIRST	2128
REDDITCH, FECKENHAM C.E. FIRST	3091
REDDITCH, HOLYOAKES FIELD FIRST	2131
REDDITCH, MATCHBOROUGH FIRST	2919
REDDITCH, MOON'S MOAT FIRST	2192
REDDITCH, OAK HILL FIRST	2920
REDDITCH, OUR LADY OF MOUNT CARMEL R.C. FIRST	5200
REDDITCH, ROMAN WAY FIRST	2141
REDDITCH, ST. GEORGE'S C.E. FIRST	3092
REDDITCH, ST. LUKE'S C.E. FIRST	3093
REDDITCH, ST. STEPHEN'S C.E. FIRST	3094
REDDITCH, ST.THOMAS MORE R.C. FIRST	5202
REDDITCH, TENACRES FIRST	2136
REDDITCH, THE HARRY TAYLOR FIRST	2130
REDDITCH, THE VAYNOR FIRST	2134
REDDITCH, WEBHEATH FIRST	2135
REDDITCH, WOODROW FIRST	2137
ROMSLEY, ST. KENELM'S C.E. PRIMARY	3097
RUBERY, BEACONSIDE PRIMARY & NURSERY	2197
RUBERY, HOLYWELL PRIMARY & NURSERY	2921
RUBERY, LICKEY HILLS PRIMARY	2901
RUSHWICK C.E. PRIMARY	3098
SEDGEBERROW C.E. FIRST	3099
STOKE PRIOR FIRST	2147
STOURPORT-ON-SEVERN PRIMARY	2902
STOURPORT-ON-SEVERN, BURLISH PARK PRIMARY	2903
STOURPORT-ON-SEVERN, LICKHILL COMMUNITY PRIMARY	2904
STOURPORT-ON-SEVERN, ST.WULSTAN'S R.C.	3380
SUCKLEY PRIMARY	2153
SYTCHAMPTON ENDOWED FIRST	3381
TARDEBIGGE C.E. FIRST	3382
TENBURY C.E. PRIMARY	3104
THE LITTLETONS C.E. FIRST	3072
TIBBERTON C.E. FIRST	3105
UPPER ARLEY C.E. PRIMARY	3109
UPTON SNODSBURY C.E. FIRST	3108

UPTON UPON SEVERN C.E. PRIMARY	3107
WELLAND PRIMARY	2156
WEST MALVERN ST.JAMES C.E. PRIMARY	3360
WHITTINGTON C.E. PRIMARY	3110
WILDEN, ALL SAINTS' C.E. PRIMARY	3015
WOLVERLEY SEBRIGHT PRIMARY	3332
WORCESTER, CHERRY ORCHARD PRIMARY	2161
WORCESTER, CRANHAM PRIMARY	2162
WORCESTER, DINES GREEN PRIMARY	2163
WORCESTER, GORSE HILL COMMUNITY PRIMARY	2167
WORCESTER, NORTHWICK MANOR PRIMARY	3401
WORCESTER, NUNNERY WOOD PRIMARY	2172
WORCESTER, OLDBURY PARK PRIMARY	2202
WORCESTER, OUR LADY QUEEN OF PEACE R.C. PRIMARY	3387
WORCESTER, PERDISWELL PRIMARY	2173
WORCESTER, PERRY WOOD PRIMARY & NURSERY	3395
WORCESTER, PITMASTON PRIMARY	2200
WORCESTER, RED HILL C.E. PRIMARY	3116
WORCESTER, ST BARNABAS' C.E. PRIMARY	3114
WORCESTER, ST CLEMENT'S C.E. PRIMARY	3388
WORCESTER, ST GEORGE'S C.E. PRIMARY	3389
WORCESTER, ST GEORGE'S R.C. PRIMARY	3390
WORCESTER, ST JOSEPH'S R.C. PRIMARY	3391
WORCESTER, STANLEY ROAD PRIMARY	2179
WORCESTER, THE FAIRFIELD COMMUNITY PRIMARY	3394
WORCESTER, THE LYPPARD GRANGE PRIMARY	2918
WORCESTER, WARNDON PRIMARY	3399
WYCHBOLD FIRST & NURSERY	2187
WYTHALL, MEADOW GREEN PRIMARY	2188

MIDDLE-DEEMED-PRIMARY (5)

DRAKES BROUGHTON ST.BARNABAS C.E.FIRST AND MIDDLE	3208
DROITWICH, WESTACRE MIDDLE	2916
DROITWICH, WITTON MIDDLE	2917
PERSHORE, ABBEY PARK MIDDLE	2906
PINVIN, ST. NICHOLAS' C.E. MIDDLE	3205

MIDDLE DEEMED SECONDARY SCHOOLS (16)

ALVECHURCH C.E. MIDDLE	4575
BREDON HILL MIDDLE	4400
BROMSGROVE, ASTON FIELDS MIDDLE	4401
BROMSGROVE, CATSHILL MIDDLE	4402
BROMSGROVE, PARKSIDE MIDDLE	4403
BROMSGROVE ST. JOHN'S C.E. FOUNDATION MIDDLE	5404
EVESHAM, BLACKMINSTER MIDDLE	4408
EVESHAM, SIMON DE MONTFORT MIDDLE	4409
EVESHAM, ST. EGWIN'S C.E. MIDDLE	4576
REDDITCH, BIRCHENSALE MIDDLE	4418
REDDITCH, CHURCH HILL MIDDLE	4427
REDDITCH, IPSLEY C.E. MIDDLE	4583
REDDITCH, RIDGEWAY MIDDLE	4422
REDDITCH, ST. BEDE'S R.C. MIDDLE	5401
REDDITCH, WALKWOOD C.E. MIDDLE	4579
REDDITCH, WOODFIELD MIDDLE	4436

HIGH SCHOOLS (28)

BROMSGROVE, NORTH BROMSGROVE HIGH	4002
BROMSGROVE, SOUTH BROMSGROVE HIGH	4003
DROITWICH SPA HIGH	4005
EVESHAM HIGH	4006
EVESHAM, PRINCE HENRY'S HIGH	5403
HAGLEY R.C. HIGH	4800
HANLEY CASTLE HIGH	4500
HAYBRIDGE HIGH & SIXTH FORM	4010
HOLLYWOOD, WOODRUSH COMMUNITY HIGH	4017
KIDDERMINSTER, BAXTER COMMUNITY SECONDARY	4007
KIDDERMINSTER, KING CHARLES I SECONDARY	4501
MALVERN, DYSON PERRINS C.E. HIGH	4801
MALVERN, THE CHASE TECHNOLOGY COLLEGE	4028
MARTLEY, THE CHANTRY HIGH	4435
PERSHORE HIGH	4030
REDDITCH, ARROW VALE COMMUNITY HIGH	4034
REDDITCH, KINGSLEY COLLEGE	4438
REDDITCH, ST AUGUSTINE'S R.C. HIGH	5400
REDDITCH, TRINITY HIGH & SIXTH FORM	4437
STOURPORT COMMUNITY SECONDARY AND SIXTH FORM	4004
TENBURY HIGH	4041
THE BEWDLEY COMMUNITY SECONDARY	4001
WASELEY HILLS HIGH & SIXTH FORM	4044
WOLVERLEY C.E. SECONDARY	4503
WORCESTER, BISHOP PEROWNE C.E. COLLEGE	4754
WORCESTER, BLESSED EDWARD OLD CORNE R.C. COLLEGE	5402
WORCESTER, CHRISTOPHER WHITEHEAD HIGH	4432
WORCESTER, NUNNERY WOOD HIGH	4434

SPECIAL SCHOOLS (10)

BROMSGROVE, CHADSGROVE	7015
BROMSGROVE, RIGBY HALL	7001
EVESHAM, THE VALE OF EVESHAM	7011
FORT ROYAL COMMUNITY PRIMARY	7025
KIDDERMINSTER, BLAKEBROOK	7005
KIDDERMINSTER, STOURMINSTER	7010
REDDITCH, PITCHEROAK	7009
REGENCY HIGH	7024
RIVERSIDES	7022
THE KINGFISHER	7023

**SCHEME OF DELEGATION FOR PROPERTY MAINTENANCE
UNDER FAIRER FUNDING**

Definition of Capital and Revenue

Capital Major maintenance works to the structure, components and services of the building that significantly enhance the life of the building or the facilities available.

Revenue Emergency repairs, servicing, small scale structural repairs to the building and services and non-structural repairs and maintenance including all external works. Any exceptions are defined in the scheme of delegation that follows.

Capital Limit For purposes of this agreement, Capital Works i.e. major repairs and maintenance to the structure of the buildings and building services, are defined as those that have a value exceeding 33% of the schools delegated repair and maintenance budget or £3,000 if the 33% level was less than £3,000.

Emergency Repairs For purposes of this agreement, shall be urgent repairs carried out to remove immediate danger to occupiers, visitors or the public, works to keep the premises in operation and/or works to ensure that the structure or services do not deteriorate due to lack of urgent maintenance. The limit of responsibility for each and every repair shall be:
a) For Capital Works the Capital Limit Value.
b) For Revenue Works the cost without limit.

Failure to carry out such emergency repairs may result in the L.A. implementing the repairs and recharging the school.

Preplanned Works Capital Works which are funded from the L.A.'s Planned Maintenance Budget.

Consequential Works Works to elements of the property that are necessary following repairs to another element (e.g. replacement ceiling tiles after the recovering of a roof) or works required as a result of a service visit.

Minor Improvements Works to improve the building or services up to a value of £20,000.

SCHEDULE OF MAINTENANCE RESPONSIBILITIES FOR COUNTY SCHOOLS

This does not apply to Aided schools.

INDEX

<u>ITEM</u>	<u>CLAUSE NUMBER</u>
Access controls	20.2
Alarms (see under type e.g. Fire, Intruder)	
Appliances (see under type e.g. Kitchen, Fire)	
Asbestos	34.0
Balustrades	6.3
Barriers	32.3
Basins (see Sanitary Fittings)	12.0
Blackboards (see Fittings and Fixtures)	11.0
Blinds (see Fittings and Fixtures)	11.0
Boilers (see Heating Systems)	17.0
C.C.T.V. Systems	20.3
Call Systems	20.4
Car Parks (see Hard Surfaces and Steps)	32.1
Carpets (see Floor Finishes)	5.2
Ceilings	9.0
Chalkboards (Fittings and Fixtures)	11.0
Chimneys	1.3
Clocks (see Fittings and Fixtures)	11.0
Computer networks	27.0
Consequential works	42.0
Cupboards (see Fittings and Fixtures)	11.0
Curtains and tracks (see Fittings and Fixtures)	11.0
Curtain partitions (see Internal Wall – Non Structural)	3.3
Cycle sheds	35.0
Decorations	10.0
Demolition	37.0
Dishwashers (see Kitchen Equipment)	24.0
Domestic Science (See Fittings and Fixtures)	11.0
Door Fittings	8.3
Door security	8.3
Doors	8.0
Drainage below ground and sewage plant	15.0
Draught proofing to doors	8.3
Draught proofing to windows	7.1
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Electrical services	16.0
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Emergency lighting	23.0
Emergency lighting for Public Entertainment Licences	23.0
Energy conservation	39.0
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External communication provisions and costs for intruder alarms	20.1
External decoration	10.1
External doors	8.1
External equipment	32.5
External finishes to external walls	3.1
External lighting	32.6
External security lighting	32.6
External staircases	6.2
External walls	3.1
External walls to external works	32.3
External works	32.0
Extractor fans (see Ventilation and Air Conditioning)	18.0
Fences	32.3
Fire Alarms	23.0
Fire fighting equipment	30.1
Fire Precautions	30.0
Fire Protection	30.2
Fire protection improvements as requirements of Public	
Entertainment Licences	30.2
Fire Systems	20.4
Fittings and Fixtures	11.0
Fixed fire fighting equipment	30.1
Fixed fume cupboards	29.0
Fixed seating (see Fittings and Fixtures)	11.0
Floor finishes	5.2
Floor finishes to internal staircases	6.1
Floors	5.0
Flues (see chimneys)	1.3
Foundations including D.P.C.'S	4.0
Fuel tanks (see Heating Systems)	17.0
Gas	21.0
Gas soundness testing	21.0
Gates	32.3
Glazing	40.0
Greenhouses	35.0
Grounds	32.7
Gutters (see Rainwater Drainage above Ground)	1.2
Gymnasium equipment (see Fittings and Fixtures)	11.0
Handrails (see Internal Walls – Non Structure (see Staircases)	3.3 6.0
Hard surfaces and steps	32.1
Heating services	17.0
Hot and cold water services	14.0
Inspection and testing of hot and cold water services	14.0
Inspection and testing of lightning protection systems	22.0
Inspections and reports of rainwater goods above ground	1.2
Inspections and testing of asbestos	34.0
Inspections and testing of ventilation and air conditioning services	18.0
Inspections of drainage below ground and sewage plant	15.0

Inspections, testing and servicing of fixed fume cupboards	29.0
Insulation – roof, Ceiling, Wall and Floor (see Energy Conservation)	39.0
(see Energy Conservation Improvements)	39.2
Insurance inspections of heating systems	17.0
Insurance inspections of lifts	19.0
Internal decorations	10.2
Internal doors	8.2
Internal finishes to external walls	3.1
Internal finishes to internal walls	3.2
Internal staircases	6.1
Internal walls	3.3 & 3.2
Intruder alarms	20.1
Kitchen equipment	24.0
Local Education Authority Swimming pools	31.1
Laboratory benching (see Fittings and Fixtures)	11.0
Laundry equipment	25.0
Lifts (Services)	19.0
Lighting	16.0
Lightning protection (Services)	22.0
Main utilities services connections	38.0
Maintenance and running costs of temporary heaters	28.0
Meters (gas, electricity) – (See Heating Services)	17.0
(see Mains Utilities Connections)	38.0
Minor improvements	41.0
Noticeboards (see Fittings and Fixtures)	11.0
Other swimming pools	31.2
Outbuildings	35.0
Partitions (see Internal Walls – Non Structural)	3.3
Paths (see Hard Surfaces and Steps)	32.1
Pest Control	33.0
Pinboards (see Fittings and Fixtures)	11.0
Plaster - Wall (see External Walls)	3.1
- Ceiling (see Internal Walls)	3.2
Playgrounds – hard surfaces	32.1
- soft play	32.2
Portable electrical equipment	26.0
Portable fire fighting equipment	30.1
Power points (electrics) – (see Electrical Services)	16.0
Rainwater drainage above ground (Structural)	1.2
Records of gas soundness testing held at County Hall	21.0
Records of inspections and testing of lightning protection Systems held at County Hall	22.0
Records of lift insurance inspections held at County Hall	19.0
Removal of blockages to drainage below ground and sewage plant	15.0
Removal of blockages to rainwater goods above ground	1.2
Repairs to glazing	40.0
Retaining walls	32.4
Roads (see Hard Surfaces and Steps)	32.1
Rooflights	1.1
Roofs	1.0
Sanitary fittings	12.0

Security systems (Services)	20.0
Service connections	38.0
Services connections records for electrical services held at County Hall	16.0
Servicing of below ground drainage and sewage plant	15.0
Servicing of energy management systems (E.M.S)	39.1
Servicing of heating services	17.0
Servicing of intruder alarms	20.1
Servicing of lifts	19.0
Servicing of ventilation and air conditioning services	18.0
Servicing of emergency lighting	23.0
Sheds	36.0
Shelving (see Fittings and Fixtures)	11.0
Signs	13.0
Sinks (see Sanitary Fittings)	12.0
Soft play areas	32.2
Stage lighting	16.0
Staircases	6.0
Structural frame	2.0
Swimming pools	31.0
Telephones	27.0
Television aerials	27.0
Temporary classrooms	43.0
Temporary heaters	28.0
Testing of portable electrical equipment	26.0
Toilets (see Sanitary Fittings)	12.0
Upgrading glazing works to L.A.'s agreed Safety Glazing standards	40.0
Vandalism (see Emergency Repairs to Building Elements as necessary)	
Ventilation and air conditioning	18.0
Walls	3.0
Water Heaters (see Heating Services)	17.0
Water softeners (see Kitchen Equipment)	24.0
Window fittings	7.1
Windows	
Worktops (see Fittings and Fixtures)	11.0

SCHEDULE OF MAINTENANCE RESPONSIBILITY

SCHOOLS RESPONSIBILITY

LA RESPONSIBILITY

1.0 Roofs (Structural)

Preplanned Capital Works up to the value of Capital Limit for each and every repair.

All Preplanned Capital Works above Capital Limit Value.

Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Cost of Emergency Works in excess of Capital Limit Value.

1.1 Rooflights (Structural)

Preplanned Capital Works up to the value of Capital Limit for each and every repair.

All Preplanned Capital Works above Capital Limit Value.

Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Cost of Emergency Works in excess of Capital Limit Value.

For **Glazing** see Clause 40.0.

1.2 Rainwater Drainage above Ground (Structural)

Preplanned Capital Works up to the value of Capital Limit for each and every repair.

All Preplanned Capital Works above Capital Limit Value.

Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Cost of Emergency Works in excess of Capital Limit Value.

1.3 Chimneys (Structural)

Preplanned Capital Works up to the value of Capital Limit for each and every repair.

All Preplanned Capital Works above Capital Limit Value.

Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Cost of Emergency Works in excess of Capital Limit Value.

SCHOOLS RESPONSIBILITY

LA RESPONSIBILITY

2.0 Structural Frame (Structural)

Preplanned Capital Works up to the value of Capital Limit for each and every repair.

All Preplanned Capital Works above Capital Limit Value.

Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Cost of Emergency Works in excess of Capital Limit Value.

3.0 Walls

3.1 External Walls (Structural)

Preplanned Capital Works up to the value of Capital Limit for each and every repair.

All Preplanned Capital Works above Capital Limit Value.

Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Cost of Emergency Works in excess of Capital Limit Value.

Exceptions: All external and internal finishes without limit.

For **Fire Precautions** see Clause 30.0

For **Asbestos** see Clause 34.0.

For **Glazing** see Clause 40.0.

3.2 Internal Walls (Structural)

Preplanned Capital Works up to the value of Capital Limit for each and every repair.

All Preplanned Capital Works above Capital Limit Value.

Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Cost of Emergency Works in excess of Capital Limit Value.

Exceptions: All finishes without limit.

For **Fire Precautions** see Clause 30.0.

For **Asbestos** See Clause 34.0.

For **Glazing** See Clause 40.0.

3.3 Internal Walls (Non Structural)

SCHOOLS RESPONSIBILITY

LA RESPONSIBILITY

All works without limit.	Nil
For Fire Precautions see Clause 30.0. For Asbestos see Clause 34.0. For Glazing see Clause 40.0.	
4.0 Foundations including D.P.C.'s (Structural)	
Preplanned Capital Works up to the value of Capital Limit for each and every repair.	All Preplanned Capital Works above Capital Limit Value.
Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.	Cost of Emergency Works in excess of Capital Limit Value.
5.0 Floors	
5.1 Floors (Structural)	
Preplanned Capital Works up to the value of Capital Limit for each and every repair.	All Preplanned Capital Works above Capital Limit Value.
Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.	Cost of Emergency Works in excess of Capital Limit Value.
5.2 Floors Finishes (Non Structural)	
All works without limit including finishes, floating floors, timber strip or block floors and floor screeds.	Nil For Consequential Works see Clause 42.0.
6.0 Staircases (Structural)	
6.1 Internal	
Preplanned Capital Works up to the value of Capital Limit for each and every repair.	All Preplanned Capital Works above Capital Limit Value.
Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.	Cost of Emergency Works in excess of Capital Limit Value.

SCHOOLS RESPONSIBILITY

LA RESPONSIBILITY

Exceptions: All finishes without limit.

6.2 External

Preplanned Capital Works up to the value of Capital Limit for each and every repair.

All Preplanned Capital Works above Capital Limit Value.

Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Cost of Emergency Works in excess of Capital Limit Value.

6.3 Balustrades

Preplanned Capital Works up the value of Capital Limit for each and every repair.

All Preplanned Capital Works above Capital Limit Value.

Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Cost of Emergency Works in excess of Capital Limit Value.

7.0 Windows (Structural)

Preplanned Capital Works up to the value of Capital Limit for each and every repair.

All Preplanned Capital Works above Capital Limit value.

Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Cost of Emergency Works in excess of Capital Limit Value.

For **External Decoration** see Clause 10.0.

For **Fire Precaution** see Clause 30.0.

For **Glazing** see Clause 40.0.

7.1 Window Fittings (Non Structural)

All works without limit including draught proofing and blinds.

Nil

8.0 Doors

8.1 External (Structural)

Preplanned Capital Works up to the value of Capital Limit for each and every repair.

All Preplanned Capital Works above Capital Limit Value.

SCHOOLS RESPONSIBILITY

LA RESPONSIBILITY

Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Cost of Emergency Works in excess of Capital Limit Value.

For **External Decorations** see Clause 10.0

For **Fire Precautions** see Clause 30.0.

For **Glazing** see Clause 40.0.

8.2 Internal (Non Structural)

All works without limit.

Nil.

8.3 Door Fittings (Non Structural)

All works without limit including security works.

Nil.

9.0 Ceilings (Non Structural)

All works without limit.

Nil.

For **Fire Precautions** see Clause 30.0.

For **Asbestos** see Clause 34.0.

For **Consequential Works** see Clause 42.0.

10.0 Decoration

10.1 External (Non Structural)

All decorations without limit.

Nil.

Exceptions: All predecoration repairs up to Capital Limit Value.

Preplanned predecoration repair above Capital Limit Value.

For **Asbestos** see Clause 34.0.

For **Glazing** see Clause 40.0.

For **External Walls** see Clause 3.1.

10.2 Internal (Non Structural)

All works without limit.

Nil.

For **Internal Walls** see Clauses 3.2 and 3.2.

For **Asbestos** see Clause 34.0.

For **Glazing** see Clause 40.0.

For **Fire Precautions** see Clause 30.0.

SCHOOLS RESPONSIBILITY

LA RESPONSIBILITY

11.0

Fittings and Fixtures (Non Structural)

All works without limit.

Nil.

For **Sanitary Fittings** See Clause 12.0

For **Signs** see Clause 13.0.

12.0 **Sanitary Fittings (Non Structural)**

Preplanned Capital Works up to the value of Capital Limit for each and every repair.

All Preplanned Capital Works above Capital Limit Value.

Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Cost of Emergency Works in excess of Capital Limit Value.

13.0 **Signs (Non Structural)**

All signs without limit.

Nil.

14.0 **Hot and Cold Water Services (Services)**

Preplanned Capital Works up to the value of Capital Limit for each and every repair.

All Preplanned Capital Works above Capital Limit Value.

Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Cost of Emergency Works in excess of Capital Limit Value.

Exceptions: All inspection and testing without limit.

For **Service Connections** see Clause 38.0.

15.0 **Drainage Below Ground and Sewage Plant (Services)**

Preplanned Capital Works up to the value of Capital Limit for each and every repair.

All Preplanned Capital Works above Capital Limit Value.

Emergency Repair Works up to value of

Cost of Emergency Works in

SCHOOLS RESPONSIBILITY

Capital Limit for each and every repair.
For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Exceptions:

- (a) All Servicing without limit.
- (b) All blockages without limit.
- (c) All inspections and reports without limit.

16.0 Electrical Services (Services)

Preplanned Capital Works up to the value of Capital Limit for each and every repair.

Emergency Repair Works up to value of Capital Limit for each and every repair.
For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Exceptions:

Electrical testing and inspection without limit.
Stage lighting without limit.

For **Service Connections** see Clause 38.0

For **Fire Alarms** see Clause 23.0

17.0 Heating Systems (Services)

Preplanned Capital Works up to the value of Capital Limit for each and every repair.

Emergency Repair Works up to value of Capital Limit for each and every repair.
For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Exceptions:

- (a) All Servicing without limit.
- (b) All Insurance Inspections.

For **Asbestos** see Clause 34.0.

18.0 Ventilation and Air Conditioning

LA RESPONSIBILITY

excess of Capital Limit Value.

All Preplanned Capital Works above Capital Limit Value.

Cost of Emergency Works in excess of Capital Limit Value.

Records only.

All Preplanned Capital Works above Capital Limit Value.

Cost of Emergency Works in excess of Capital Limit Value.

Records only.

SCHOOLS RESPONSIBILITY

LA RESPONSIBILITY

(Services)

Preplanned Works up to the value of Capital Limit for each and every repair.

All Preplanned Capital Works above Capital Limit Value.

Emergency Repair Capital Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Cost of Emergency Works in excess of Capital Limit Value.

Exceptions:

- (a) All Servicing without limit.
- (b) All Inspections and Testing.

19.0 Lifts (Services)

Preplanned Capital Works up to the value of Capital Limit for each and every repair.

All Preplanned Capital Works above Capital Limit Value.

Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Cost of Emergency Works in excess of Capital Limit Value.

Exceptions:

- (a) All Servicing without limit.
- (b) All Insurance inspections without limit.

Records only.

20.0 Security Systems (Services)

20.1 Intruder Alarms (Services)

Preplanned Capital Works up to the value of Capital Limit for each and every repair.

All Preplanned Capital Works above Capital Limit Value.

Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Cost of Emergency Works in excess of Capital Limit Value.

Exceptions:

- (a) All Servicing without limit.
- (b) All external communication provisions and costs without limit.

<u>SCHOOLS RESPONSIBILITY</u>	<u>LA RESPONSIBILITY</u>
20.2 Access Control (Services) All work without limit.	Nil.
20.3 CCTV Systems (Services) All works without limit.	Nil.
20.4 Call Systems (Services) All works without limit.	Nil.
21.0 Gas (Services) Preplanned Capital Works up to the value of Capital Limit for each and every repair. Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair. Exceptions: Gas soundness testing without limit. For Service Connections see Clause 38.0	All Preplanned Capital Works above Capital Limit Value. Cost of Emergency Works in excess of Capital Limit Value. Records only.
22.0 Lightning Protection (Services) Preplanned Capital Works up to the value of Capital Limit for each and every repair. Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair. Exceptions: Inspection and Testing without limit.	All Preplanned Capital Works above Capital Limit Value. Cost of Emergency Works in excess of Capital Limit Value. Records only.
23.0 Fire Alarm and Emergency Lighting (Services) Preplanned Capital Works up to the value of Capital Limit for each and every repair. Emergency Repair Works up to value of	All Preplanned Capital Works above Capital Limit Value. Cost of Emergency Works in

SCHOOLS RESPONSIBILITY

LA RESPONSIBILITY

Capital Limit for each and every repair.
For works valued above the Capital Limit
a contribution equal to the Capital Limit
Value for each and every repair.

excess of Capital Limit Value.

Exceptions:

(a) Emergency lighting where required for
Public Entertainment Licence without
limit.

Nil.

(b) All Servicing without limit.

Nil.

24.0 Kitchen Equipment

All works without limit.

Nil.

25.0 Laundry Equipment

All works without limit.

Nil.

26.0 Portable Electrical Equipment

All works without limit.

Nil.

27.0 Television aerials, telephones, computer networks etc.

All works without limit.

Nil.

28.0 Temporary Heaters

Supply costs where works to heating
system are below Capital Limit Value.

Supply only where Capital Limit
Value of Heating repair or
replacement is above Capital
Limit Value.

Maintenance and running costs without
limit.

Nil.

29.0 Fixed Fume Cupboards

Preplanned Capital Works up to the value
of Capital Limit for each and every repair.

All Preplanned Capital Works
above Capital Limit Value.

Emergency Repair Works up to value of
Capital Limit for each and every repair.
For works valued above the Capital Limit
a contribution equal to the Capital Limit
Value for each and every repair.

Cost of Emergency Works in
excess of Capital Limit Value.

SCHOOLS RESPONSIBILITY

LA RESPONSIBILITY

Exceptions:

All Inspections, Testing and Servicing without limit.

30.0 Fire Precautions

30.1 Fire Fighting Equipment

Portable Equipment

All works to portable equipment without limit.

Nil.

Fixed Equipment

Preplanned Capital Works up to the value of Capital Limit for each and every repair.

All Preplanned Capital Works above Capital Limit Value.

Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Cost of Emergency Works in excess of Capital Limit Value.

30.2 Fire Protection (Structural)

Preplanned Capital Works up to the value of Capital Limit for each and every repair.

All Preplanned Capital Works above Capital Limit Value.

Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Cost of Emergency Works in excess of Capital Limit Value.

Exceptions:

Fire protection improvement as requirement of Public Entertainment Licence without limit.

All Fire protection improvements required by Fire Officer to areas of school use only.

31.0 Swimming Pools

31.1 Supported by L.E.A.

Preplanned Capital Works up to the value of Capital Limit for each and every repair.

All Preplanned capital Works above Capital Limit Value.

Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit

Cost of Emergency Works in excess of Capital Limit Value.

SCHOOLS RESPONSIBILITY

LA RESPONSIBILITY

Value for each and every repair.

31.2 Other Pools

All works without limit.

Nil.

32.0 External Works

32.1 Hard surfaces and steps

All works without limit.

Nil.

32.2 Soft Play areas

All works without limit.

Nil.

32.3 Walls, Fences, Gates and Barriers

All works without limit.

Nil.

32.4 Retaining Walls

Preplanned Capital Works up to the value of Capital Limit for each and every repair.

All Preplanned Capital Works above Capital Limit Value.

Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Cost of Emergency Works in excess of Capital Limit Value.

32.5 External Equipment

All works without limit.

Nil.

32.6 External Lighting

Preplanned Capital Works up to the value of Capital Limit for each and every repair.

All Preplanned Capital Works above Capital Limit Value.

Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Cost of Emergency Works in excess of Capital Limit Value.

Exceptions:

All works to Security Lighting without limit.

SCHOOLS RESPONSIBILITY

LA RESPONSIBILITY

32.7 Grounds

All works without limit.

Nil.

33.0 Pest Control

All works without limit.

Nil.

34.0 Asbestos

All inspections and testing without limit.

All works without limit and maintenance of records.

35.0 Outbuildings, Greenhouses, Cycle Sheds

Preplanned Capital Works up to the value of Capital Limit for each and every repair.

All Preplanned Capital Works above Capital Limit Value.

Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Cost of Emergency Works in excess of Capital Limit Value.

36.0 Sheds

All works without limit.

Nil.

37.0 Demolition

All work up to Capital Limit Value for each and every occasion including the cost of obtaining formal approval and permits prior to demolition.

All Preplanned Capital Works above Capital Limit Value.

Cost of Emergency Works in excess of Capital Limit Value.

38.0 Mains Utilities Service Connections

Preplanned Capital Works to the value of Capital Limit for each and every repair.

All Preplanned Capital Works above Capital Limit Value.

Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Cost of Emergency Works in excess of Capital Limit Value.

39.0 Energy Conservation

SCHOOLS RESPONSIBILITY

LA RESPONSIBILITY

Preplanned Capital Works up to the value of Capital Limit for each and every repair.

All Preplanned Capital Works above Capital Limit Value.

Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Cost of Emergency Works in excess of Capital Limit Value.

39.1 Energy Management System (E.M.S.)

Preplanned Capital Works up to the value of Capital Limit for each and every repair.

All Preplanned Capital Works above Capital Limit Value.

Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

Cost of Emergency Works in excess of Capital Limit Value.

Exceptions:

No limit for servicing works.

39.2 Energy Conservation Improvements

Shared funding arrangement.

Shared funding arrangement.

40.0 Glazing

All repairs without limit.
All subsequent surveys and upgrading.

Initial surveying and upgrading works to L.A.'s agreed Safety Glazing standard.

41.0 Minor improvements

See separate scheme of delegation.

See separate scheme of delegation.

42.0 Consequential Works

All consequential works to Revenue Works.
All consequential works to Capital Repairs where cost of repairs to Structure or Services is below Capital Limit Value.

All consequential works to where cost of Emergency Repairs is in excess of Capital Limit Value.
All consequential works where value of Preplanned Capital Works is above the Capital Limit Value.

43.0 Temporary Classrooms

Preplanned Capital Works up to the value

All Preplanned Capital Works

SCHOOLS RESPONSIBILITY

of Capital Limit for each and every repair.

Emergency Repair Works up to value of Capital Limit for each and every repair. For works valued above the Capital Limit a contribution equal to the Capital Limit Value for each and every repair.

LA RESPONSIBILITY

above Capital Limit Value.

Cost of Emergency Works in excess of Capital Limit Value.

VOLUNTARY AIDED SCHOOLS

RESPONSIBILITY FOR BUILDING AND ENGINEERING MAINTENANCE IN AIDED SCHOOLS

This document applies to temporary and permanent buildings on the school site. It does not apply to County Schools

BACKGROUND

The Department for Education and Skills has reviewed the liabilities and funding arrangements for VA schools and produced the Regulatory Reform (Voluntary Aided Schools Liabilities and Funding) (England) Order 2002. The rules for determining premises liabilities have been simplified.

VA governing bodies are now liable for capital work to the school buildings and playground. LA's are liable for capital work to playing fields and their associated buildings. All revenue work is LA liability but this has in the main been delegated to governing bodies under the Fairer Funding initiatives.

DEFINITION OF CAPITAL AND REVENUE WORKS

REVENUE work describes those repairs that are of a cyclical nature and do not have a significant effect on the life of the building i.e.

- **Emergency repairs** - defined as unforeseen works to keep building users safe or to keep the building watertight or secure. The works are normally required as a result of breakdown of vital services or fabric defects involving risk to occupants or contents.
- **Urgent repairs** - defects whilst not a positive danger, cause some inconvenience to the user and/or may develop into more serious faults if left unattended.
- **Routine servicing, inspections and testing** - this includes all essential repairs identified by the servicing engineer that would normally be categorised as urgent as defined above.
- **Redecoration**

CAPITAL work describes repairs that are of a substantial nature and have a significant life enhancing effect on the building. Capital repairs are grant aided provided that the tendered cost is greater than the de minimus level, currently £2000. The grant is currently 90% of the total cost of the work including fees and VAT. The school has to fund the remaining 10% and all expenditure on work where the total cost is below the de minimus level.

SCHEDULE OF MAINTENANCE RESPONSIBILITY

<u>REVENUE LIABILITY (defined above)</u>	
VA Governing Bodies	LA
All emergency and urgent works.	Property services will organise BUT NOT FUND asbestos removal (no fees to be charged). The removal of asbestos containing materials can normally be grant aided.
All servicing and consequential repairs.	
Internal and external redecoration (unless part of a capital repair, e.g. external refurbishment).	
<u>CAPITAL LIABILITY (defined above)</u>	
VA Governing Bodies	LA
The existing buildings and services (internal and external.	
Those buildings currently known as excepted (kitchens, dining areas, medical/dental rooms, swimming pools, caretakers dwelling houses).	
Perimeter walls and fences.	Playing fields.
Playgrounds.	Buildings on playing fields and related to their use.
Furniture, fixtures and fittings.	
Large-scale removal of asbestos.	
Other capital items.	

THE PRINCIPLES OF BEST VALUE

1. This statement is intended to assist schools in considering the relevance of best value principles to the expenditure of funds from their delegated budget share. When submitting annual budget plans, schools are required to say how best value principles are being followed.

2. Best value is a statutory duty to deliver services to clear standards, covering both cost and quality, the most effective, economic and efficient means available. Legislation is to place a duty on local authorities to secure best value in respect of the way in which they exercise their functions. The new duty is not intended to apply to those functions, which are exercised, by the governing bodies of LA maintained schools. However, schools will be encouraged to adopt the best value performance management framework.

3. In relation to schools and expenditure from delegated budgets, the main features of best value can be summarised as a need for the governing body of a school to ensure:

a. the existence of a programme of performance review, which will aim for continual improvement. Existing mechanisms such as school development plans and post-OFSTED inspection plans can be developed to satisfy the requirements for review. The reviews should include:

challenging how and why a service is provided (including consideration of alternative providers);

comparison of performance against other schools taking into account the views of parents and pupils;

mechanisms to consult stakeholders, especially parents and pupils;

embracing competition as a means of securing efficient and effective services;

b. the development of a framework of performance indicators and targets which will provide a clear practical expression of a school's performance, taking national requirements into account;

c. that the following are included in school development plans -

a summary of objectives and strategy for the future;

forward targets on an annual and longer-term basis;

description of the means by which performance targets will be achieved;

a report on current performance

d. that internal and external audit takes place ensuring that performance information is scrutinised. LA oversight of school finances provides external review.

4. The independent inspection and intervention elements of the best value framework will be the responsibility of other bodies and therefore not relevant to demonstration by a governing body of adherence to best value principles.

PROPORTION OF BUDGET SHARE PAYABLE AT EACH INSTALMENT

Schools who operate their own bank account will receive the instalments of their budget share on the following basis: -

- The total formula allocation plus any standards fund allocations is divided into twelve monthly instalments.
- One third of the April monthly advance is paid to schools bank accounts on 1st April or nearest bank working day.
- The balance of the budget share due for April (two thirds) will be paid into school accounts two bank working days before Council's normal pay date (i.e. two days before 28th monthly or where this falls on a bank holiday or weekend the nearest previous bank working day).
- Instalments for May to March will be paid into school accounts two bank working days before Council's normal pay date (i.e. two days before 28th monthly or where this falls on a bank holiday or weekend the nearest previous bank working day).

CRITERIA PERMITTED BY THE LA AS AN ALLOWABLE USE OF BALANCES

CRITERIA	TIMESCALES	EVIDENCE REQUIRED
Prior Year Commitments (PYC)	Spending within 1 year	Letter from school confirming: - <ul style="list-style-type: none"> • Relates to 'goods or services in progress'; • Goods and services were not received by 31st March. Copies of contracts/official orders in place prior to 1 st April.
Unspent Standards Fund Grant	Spending by following August	Letter from school confirming: - <ul style="list-style-type: none"> • Actual underspend; • Plans to spend. Report on actual spend by end of August.
Revenue Contributions to Capital Projects	Spending within 3 years	Documents from school, property services or managing agent including Governing Body (GB) papers: - <ul style="list-style-type: none"> • Planned project name; • Contract details and timescales; • Estimated/actual costs; • Funding sources including level of school contributions from revenue balances; • Adherence to management of balances scheme provisions.
Income Generation by Schools	Spending within 2 years	Confirmation letter from school.
School Development Plan Commitments	Spending within 2 years	Confirmation letter from school and GB minutes and reports: - <ul style="list-style-type: none"> • Details of spend areas; • Inclusion in approved budget plan. Copies of contracts/official orders placed.
Changes in Demography	Spending within 3 years	Confirmation letter from school: - <ul style="list-style-type: none"> • Details of spend areas; • Inclusion in budget plan; • Pupil number projections.
Late Funding Allocations Spring Term	Spending by following August	LA confirmation.
Reserves Held on Behalf of Other Schools	Spending within 2 years	LA and other schools confirmation.

This will require the discussions with individual schools and the challenge process to commence in the Autumn Term prior to the end of the financial year.