

STOCKTON-ON-TEES BOROUGH COUNCIL SCHEME FOR FINANCING SCHOOLS

LIST OF CONTENTS

1. INTRODUCTION

- 1.1 The funding framework
- 1.2 The role of the scheme
 - 1.2.1 Application of the scheme to the Authority and maintained schools
- 1.3 Publication of the scheme
- 1.4 Revision of the scheme
- 1.5 Delegation of powers to the head teacher
- 1.6 Maintenance of schools

2. FINANCIAL CONTROLS

- 2.1 General Principles
 - 2.1.1 Application of financial controls to schools
 - 2.1.2 Provision of financial information and reports
 - 2.1.3 Payment of salaries; payment of bills
 - 2.1.4 Control of assets
 - 2.1.5 Accounting policies (including year-end procedures)
 - 2.1.6 Writing off of debts
- 2.2 Basis of accounting
- 2.3 Submission of budget plans
 - 2.3.1 Submission of Multi Year Budget Forecasts
- 2.4 Efficiency and value for Money
- 2.5 Virement
- 2.6 Audit: General
- 2.7 Separate external audits
- 2.8 Audit of voluntary and private funds
- 2.9 Register of business interests
- 2.10 Purchasing, tendering and contracting requirements
- 2.11 Application of contracts to schools
- 2.12 Central funds and earmarking
- 2.13 Spending for the purposes of the school
- 2.14 Capital spending from budget shares
- 2.15 Notice of Concern
- 2.16 Schools Financial Value Standard
- 2.17 Fraud

3. INSTALMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS

- 3.1 Frequency of Instalments
- 3.2 Proportion of Budget Share Payable
- 3.3 Interest Clawback
 - 3.3.1 Interest on late budget share Payments
- 3.4 Budget shares for closing schools
- 3.5 Bank and building society accounts

3.5.1 Restrictions on Accounts

3.6 Borrowing by schools

3.7 Other provisions

4. THE TREATMENT OF SURPLUSES AND DEFICIT BALANCES ARISING IN RELATION TO BUDGET SHARES

4.1 Right to carry forward surplus balances

4.2 Reporting on and Control of the use of Surplus Balances

4.3 Interest on surplus balances

4.4 Obligation to carry forward deficit balances

4.5 Planning for deficit balances

4.6 Charging of interest on deficit balances

4.7 Writing off deficits

4.8 Balances of closing and replacement schools

4.9 Licensed deficits

4.10 Loan schemes

5. INCOME

5.1 Income from lettings

5.2 Income from fees and charges

5.3 Income from fund raising activities

5.4 Income from the sale of assets

5.5 Administrative procedures for the collection of income

5.6 Purposes for which income may be used

6. THE CHARGING OF SCHOOL BUDGET SHARES

6.1 General provision

6.1.1 Charging of Salaries at actual cost

6.2 Circumstances in which charges may be made

7. TAXATION

7.1 Value Added Tax

7.2 CITS (Construction Industry Taxation Scheme)

8. THE PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITY

8.1 Provision of services from centrally retained budgets

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

8.2.1 Packaging

8.3 Service level agreements

8.4 Teachers Pensions

9. PFI/PPP

10. INSURANCE

10.1 Insurance cover

11. MISCELLANEOUS

- 11.1 Right of access to information
- 11.2 Liability of governors
- 11.3 Governors expenses
- 11.4 Responsibility for legal costs
- 11.5 Health and Safety
- 11.6 Right of attendance for Chief Finance Officer
- 11.7 Special Educational Needs
- 11.8 Interest on late Payments
- 11.9 Confidential Reporting Policy
- 11.10 Child Protection
- 11.11 Responsibility for Redundancy & Early Retirement Costs

12. RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

13. COMMUNITY FACILITIES

ANNEX A: Schools to which the scheme applies

ANNEX B: Responsibility for repairs and maintenance

ANNEX C: Responsibility for Redundancy & Early Retirement Costs

ANNEX D: Format of Budget Plan

ANNEX E: Accounting Procedures

ANNEX F: The Authority's policy on charging and remission of fees

ANNEX G: Confidential Reporting Policy

Please note **ANNEXES E AND F** are not intended to form part of the scheme on which consultation is required but are included here for completeness.

SECTION 1: INTRODUCTION

1.1 The Funding Framework

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

Under this legislation, local authorities determine for themselves the size of their schools budget and their non-schools education budget – although at a minimum an authority must appropriate its entire Dedicated Schools Grant to their schools budget. The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, but included within the two, taken together, is all expenditure, direct and indirect, on an authority's maintained schools except for capital and certain miscellaneous items. Authorities may deduct funds from their schools budget for purposes specified in regulations made by the Secretary of State under s.45A of the Act (the centrally retained expenditure). The amounts to be deducted for these purposes are decided by the authority concerned, subject to any limits or conditions (including gaining the approval of their 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 the centrally retained expenditure is termed the Individual Schools Budget (ISB). Expenditure items in the non-schools education budget must be retained centrally (although earmarked allocations may be made to schools).

Authorities must distribute the ISB amongst their maintained schools using a formula which accords with regulations made by the Secretary of State, and enables the calculation of a budget share for each maintained school. This budget share is then delegated to the governing body of the school concerned, unless the school is a new school which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with s.51 of the Act. The financial controls within which delegation works are set out in a scheme made by the authority in accordance with s.48 of the Act and regulations made under that section. All proposals to revise the scheme must be approved by the Schools Forum, though the authority may apply to the Secretary of State for approval in the event of the forum rejecting a proposal or approving it subject to modifications that are not acceptable to the authority.

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

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

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

The detailed publication requirements for financial statements are set out in directions issued by the Secretary of State. A copy of each year's budget and outturn statement should be made easily accessible to all schools.

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

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 Authority and on the schools.

1.2.1 Application of the scheme to the Authority and maintained schools

The scheme applies to all community, nursery, special, voluntary, foundation (including trust), foundation special schools and Pupil Referral Units maintained by the authority, whether they are situated in the area of the authority or situated elsewhere. This scheme does not apply to academies. Schools which the Authority will be maintaining are listed for information in annex A to this scheme.

1.3 Publication of the scheme

The publication requirements are contained in the Regulations. The scheme will be available on the Council's website. Any draft revisions will be updated on the website and will be available for consultation. Schools will also be notified via email of any revisions. The website will include the date the new revision comes into force.

1.4 Revision of the scheme

All proposed revisions must be submitted to the schools forum for approval by members of the forum representing maintained schools. Only members of the Schools Forum that represent maintained schools are able to approve the revisions.

Where the Schools Forum does not approve them or approves them subject to modifications which are not acceptable to the Authority, the Authority may apply to the Secretary of State for Approval.

1.5 Delegation of powers to the head teacher

Each Governing body is asked to consider the extent to which it wishes to delegate its financial powers to the head teacher, 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 following role of the Head teacher and level of delegation is desirable:

1. The role of the Head teacher is:
 - to ensure that the Governing Body receives appropriate advice on all matters for which it is responsible,
 - to assist the Governing Body in its strategic plan,
 - to implement the strategic plan with the support of the staff of school and the LA where appropriate,
 - to supervise the staff of the school and to ensure that their training needs are identified and met,

- to report regularly to the Governing Body and to the Director of Children's Services on the operation of the school,
- to ensure internal controls.

2. Level of delegation to head teachers:

- day to day management of the budget,
- individual virement between budget headings to a specified maximum for each individual transaction and a maximum for the financial year in consultation with the Chair of Governors. (The amounts will vary according to the type of school but must be determined by the full Governing Body.)

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. 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 School Standards and Framework Act 1998.

SECTION 2: FINANCIAL CONTROLS

2.1 General Procedures

2.1.1 Application of financial controls to schools

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

Governing Bodies, Head Teachers and staffs of schools with delegated budgets are required to abide by the Authorities Accounting Procedures (attached at ANNEX E) and also standing orders with regard to Tendering Quotations and Contracts.

2.1.2 Provision of financial information and reports

Schools are required to provide the authority with details of expected and actual expenditure and income, in a format and at times determined by the authority.

1. Section 2.3 of this scheme refers to the submission of budget plans.
2. Section 3.5.1 of this scheme requires those schools operating a separate bank account to provide the LA with a cash flow statement.
3. Section 4.2 of this scheme refers to the reporting on the intended use of surplus balances.
4. Immediately before the end of each term schools are required to provide the LA with a budget monitoring report which must project a year end outturn position.

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. For those schools choosing to use the authority's payment system reference should be made to the Agresso Manual in schools. Those schools with separate bank accounts should refer to section 3 of this manual.

With effect from April 2000 the funding for the provision of a payroll service was delegated to schools. Stockton-on-Tees Borough Council will continue to offer a payroll service to schools. Any school choosing not to purchase payroll and personnel services from the LA are reminded that, with the exception of aided schools, the LA remains the employer of staff and as such has to account to statutory bodies in respect of these responsibilities.

The following information will be required from schools making alternative arrangements for payroll and personnel services in order for the Authority to complete its statutory returns:

Teachers and Support Staff Appointment and Leavers Details:

- A copy of application form, grade and equal opportunities monitoring return, within 2 weeks of the date of appointment.
- Teachers and support Staff Leavers, effective date, within 2 weeks of date of leaving.

Employee Relations Information:

- Advance notice of a date for a hearing for redundancy, discipline, capability or dismissal, within 10 working days.
- A copy of any industrial tribunal complaint, within 3 days of receipt.

Health and Safety:

- Accident at work reports within 5 working days.
- Risk assessment reports in accordance with Health and Safety legislation.

It is the intention of the LA to issue guidance notes and regulations with which schools must comply if they choose to use an alternative supplier covering such issues as:

Quality and standards regarding payments.
Links to financial accounting systems.
Requirements regarding statutory deductions.

2.1.4 Control of Assets

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

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.

Accounting procedures are contained within the instructions on how to use the financial system to process orders, invoice, income etc. and they are held on the 'V' drive which schools can access.

Detailed guidance regarding year end procedures will be issued to schools in February each year.

2.1.6 Writing off of debts

Governing bodies are only authorised to write off debts up to a level stipulated by the Director of Finance, Development and Regeneration.

The current limit is set at debts up to and including £100.00

In the case of larger debts the school must carry out the following procedure:

Amounts greater than £100 but less than £1,000 - consult with the Director of Children's Services and the Director of Corporate Services.

Amounts greater than £1,000 but less than £50,000 - consult as above and the Director of Finance, Development and Regeneration.

Amounts over £50,000 only after the approval of Cabinet.

2.2 Basis of accounting

Reports and accounts furnished to the LA must be on an accruals basis, consistent with Generally Accepted Accounting Principles (GAAP). It requires income and expenditure to be recognised at the point goods and services are received.

2.3 Submission of budget plans

Each school is required to submit a budget plan to the Authority by the 31st May each year. The school's formal annual budget plan must be approved by the governing body or a committee of the governing body.

The budget plan must show the school's intentions for expenditure in the current financial year and the assumptions underpinning the budget plan, including any use or planned recovery of balances from the previous financial year.

The format of the budget plan shall be either as shown in ANNEX D, or a cost centre summary report from Agresso. In both cases the return must be signed by the Chair of Governors or Chair of Finance Committee, where he/she has delegated powers, as being the approved budget plan for the school.

The authority may also require the submission of revised plans where the authority 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 which it holds and which is necessary to efficient planning by schools by way of reconciliation files which will be transmitted weekly throughout the year, apart from during school holiday periods or in exceptional circumstances.

2.3.1 Submission of Multi Year Budget Forecasts

From the 2021/22 funding year each school must submit a 3-year budget forecast each year by 30 June.

The Local Authority will consider the extent to which such forecasts may be used for more than just confirming schools are undertaking effective financial planning or not. For instance, they could be used as evidence to support the local authority's assessment of schools financial value standards or used in support of the authority's balance control mechanism.

The LA will inform schools of the purposes for which it intends to use these 3-year budget forecasts: such a forecast may be used in conjunction with the authority's balance control mechanism.

2.4 School Resource Management

Schools must seek to achieve efficiencies and value for money, to optimise the use of their resources and to invest in teaching and learning, taking into account the Authority's purchasing, tendering and contracting requirements.

It is for heads and governors to determine at school level how to optimise the use of resources and maximise value for money.

2.5 Virement

Schools are free to vire between budget heads in the expenditure of their budget shares in accordance with their approved scheme of delegation. On no account may schools use earmarked devolved funding for any other purpose other than that for which it was intended (see also 2.13).

2.6 Audit: General

Schools are required to cooperate both with auditors employed by the local authority (internal audit) and auditors appointed by the Public Sector Audit Appointments (PSAA) to audit the local authority itself (external audit). Schools must provide auditors with access to school records where required.

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

In relation to external audit all schools come within the LA external audit regime.

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 cooperate with the LA's internal and external auditors.

2.8 Audit of voluntary and private funds

Private school funds relate to income and activities, which are not normally supported by financial assistance from the Authority. Except in the case of Parent/Teacher Associations, or, where another person or body has accepted responsibility for the fund the Governing Body will be held accountable for the administration of private school funds as a Trustee.

Private school funds fall into two categories, firstly those which are a separate legal entity, i.e. where a Company has been incorporated under the Companies Act 1985, and secondly those which are administered on a Trustee basis. The majority of private school funds fall into the second category.

Funds which have charitable status can either be a Company or a Trust. It is important to know which category the fund falls into as Trustees are jointly and severally liable for the fund, whereas a Company has a separate legal identity and it is the Company who is liable for the funds not the Directors

personally.

As a matter of good practice, Governing Bodies should ensure that a record is kept of all such funds for their school and that a written constitution exists for each fund under its control. The constitution should require that audited annual accounts are submitted to them within a reasonable time after the end of each accounting period. Schools are advised to inform the Authority of the names of all such funds and their controlling Officer(s). A copy of the audit certificate issued on each fund should be available for public inspection and sent to the Authority annually. If a school so requests, the Authority will advise on the wording of the constitution and the suitability of the form of accounts.

2.9 Register of business interests

The governing body of each school is required to maintain a register which lists for each member of the governing body, the headteacher, and any other member of staff involved in any purchasing and procurement decisions:-

- any business interests they or any member of their immediate family have
- details of any other educational establishments that they govern
- any relationships between school staff and members of the governing body

This register is to be kept up to date with notification of changes and an annual review of entries, and must be available for inspection by governors, staff, parents and the LA. The register must be made to publish the register, for example on a publicly accessible website

2.10 Purchasing, tendering and contracting requirements

Schools are required to abide by the Authority's standing orders in purchasing, tendering and contracting. In addition schools are required to assess in advance the competence of contractors with regard to health and safety regulations, safeguarding practices and so on, taking account of the local authority's policies and procedures.

2.11 Application of contracts to schools

Schools have the right to opt out of LA-arranged contracts except where this scheme provides otherwise. Those schools that have agreed to be included in a contract organised by the Authority will be bound into that contract for its length. Where a contract has been organised by the Authority on behalf of schools but without reference to them then schools have the right to opt out of any such contracts provided that a minimum of four month's notice is given.

The scheme may provide otherwise for contracts which schools have agreed to be covered by in respect of services for which funding was delegated by the LA prior to 1st April 1999; for contracts which schools agree to be covered by in respect of services for which funding is delegated by the LA after 1st April 1999; and for certain contracts approved by the Secretary of State for services for which funding is delegated after 1st April 1999, irrespective of the arrangement for schools.

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 the owner of the funds in the budget share.

Other contracts may be made solely on behalf of the governing body, when the governing body has clear statutory obligations – for example, 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. 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.

Unspent earmarked funds must be returned to the LA if not spent in year, or within the period which schools are allowed to use the funding if different.

2.13 Spending for the purposes of the school

Section 50(3) of the School Standards and Framework Act 1998 allows governing bodies to spend budget shares for the purpose of the school, subject to the regulations made by the Secretary of State and any provisions of the scheme. Under section 50(3) (b) the Secretary of State may prescribe additional purposes for which expenditure of the budget share may occur. Such regulations are prescribed in the Schools Budget Shares (Prescribed Purposes) (England) Regulations 2002 (SI 2002/378) which have been amended by the School Budget Shares (Prescribed Purposes) (England) Amendment Regulations 2010 (SI 2010/190).

In particular budget shares may be spent for the educational benefit of pupils registered at other maintained schools or academies. From 1 April 2011, under section 50(3a) amounts spent by governing bodies of all schools on community facilities or services under s27 of the Education Act 2002 will be treated as spent for the purposes of the 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 premises². They must, however, notify the LA in all such cases.

If the expected capital expenditure from the budget share in any one year will exceed **£15,000** the governing body must take into account any advice from the Director of Children's Services as to the merits of the proposed expenditure.

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

The reason for these provisions is to help meet responsibilities with the School Premises (England) Regulations 2012, the Workplace (Health, Safety and Welfare) Regulations 1992, the Regulatory Reform (Fire Safety) Order 2005, the Equality Act 2010, and the Building Regulations 2010.

2.15 Notice of concern

The authority may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Director of Finance, Development and Regeneration and the Director of Children's Services, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of the local authority or the school.

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

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

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

2.16 Schools Financial Value Standard

All local authority maintained schools (including nursery schools and Pupil Referral Units (PRUs) that have a delegated budget) must demonstrate compliance with the Schools Financial Value Standard (SFVS) and complete the assessment form on an annual basis. It is for the school to determine at what time in the year they wish to complete the form.

Governors must demonstrate compliance through the submission of the SFVS assessment form signed by the Chair of Governors. The form must include a summary of remedial actions with a clear timetable, ensuring that each action has a specified deadline and an agreed owner. Governors must monitor the progress of these actions to ensure that all actions are cleared within specified deadlines.

All other maintained schools with a delegated budget must submit the form to the local authority before 31 March 2013 and annually thereafter.

2.17 Fraud

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

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

SECTION 3: INSTALMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS

3.1 Frequency of Instalments

Where schools have separate bank accounts the school budget share will be paid to each school on a termly basis.

The LA is required to make budget share instalments available to schools on a monthly basis where they request this method of payment. Such requests must be made prior to the start of the relevant financial year. Top up payments for pupils with high needs should be made on a monthly basis unless alternative arrangements have been agreed with the provider.

3.2 Proportion of Budget Share Payable

The proportion of the budget share which is transferable to the separate bank account will be calculated on the following basis:

- i) For schools receiving their budget shares termly.
 - a) First Term (Summer) one third of all non-pay items (based on historic spend) will be paid into the school's bank account on the first working day after 1st April. Five twelfths of pay budgets will also be paid into the school's bank account for those schools that have opted to make their own arrangements for payroll.
 - b) Second Term (Autumn) Payments will be based on operational budgets. One third of all non-pay budgets will be paid into the school's bank account adjusted for any under or over payment in the First Term. Payments will be made on the first working day after 1st September. Four twelfths of pay items, adjusted for any under or over payment in the first term will be paid to the schools own bank accounts for those schools that have opted to make their own arrangements for payroll.
 - c) Third Term (Spring) One third of all non-pay budgets will be paid and one quarter of all pay budgets where applicable will be paid into the schools own bank account on the first working day after 1st January.
- ii) For schools opting to receive their budget share monthly.

The principles described above will apply with each monthly instalment being based on the following calculation:

First Term (Summer) One quarter of the termly amount for non-pay items payable April to July only and one fifth of the amount for pay items payable April-August.

Second Term (Autumn) One quarter of the total amount payable.

Third Term (Spring) One third of the total amount payable.

In each case payments will be made into the schools bank account of the first working day of each month.

3.3 Interest Clawback

The LA will deduct from budget share instalments an amount equal to the estimated interest lost by the LA in making available the budget share in advance.

The calculation of interest will be undertaken using the average market rate during the year for money invested at seven days' notice on the London money market. The same method of calculation will apply to deficit balances.

3.3.1 Interest on late Budget Share Payments

Where budget share instalments are late as a result of LA error, the LA will add interest to the payment. The interest rate used will be the same as used for interest clawback (3.3).

3.4 Budget shares for closing schools

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

3.5 Bank and building society accounts

Any reference to bank accounts within this scheme is taken to include building society accounts.

All schools will be covered by the 'Authority Cash Management Scheme' unless they opt for a 'Separate Banking Scheme'.

All schools may have an external bank account into which their budget share instalments (as determined by other provisions) are paid.

New bank account arrangements may only be made with effect from the beginning of each financial year, having given the authority a minimum of four months notice.

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

Any school requesting a bank account shall only be able to have one once any deficit is cleared.

3.5.1 Restrictions on Accounts

1. Bankers are to be selected in accordance with the Authority's Standing Orders; any contract for the supply of goods or materials or services whose value exceeds £1,500 shall not be entered into without at least three written quotations first being invited.
2. Bankers to be selected from the Councils Treasury Management approved list of major clearing banks and building societies only.
3. Schools will be limited to a current and deposit account with the bank of their choice. They cannot invest in the open market, or borrow (other than by overdraft) from their bank or any other source. Year-end bank overdrafts should not be planned as this would normally amount to planning to have a year-end budget deficit.

4. The LA to process the payment of the remainder of the previous year's bills in the first year of operation.
5. Pre-signing of cheques is forbidden.
6. Signatories for bank accounts must be employees of the Authority or school. School governors may not be signatories of bank accounts unless they are employed as a member of staff.
7. The name of the school must appear in the title of the bank account. It is suggested that Stockton Borough Council also appears in the title. However, the account mandate must stipulate that the LA, as the owner of the funds in the account, is entitled to receive statements and that it can take control of the account if the school's right to a delegated budget is suspended by the LA.
8. All money paid into school bank accounts remains the property of the LA until spent (S.49 (5) of the School Standards and Framework Act).
9. Schools are required to supply the LA with a cash flow statement by 1st April for that financial year.
10. Schools are required to supply the LA with a statement demonstrating that bank reconciliation has been completed on a monthly basis.

3.6 Borrowing by schools

Governing bodies may borrow money (which includes the use of finance leases) only with the written permission of the Secretary of State, after discussion with the Authority. The Secretary of State's general position is that schools will only be granted permission for borrowing in exceptional circumstances. From time to time, however, the Secretary of State may introduce limited schemes in order to meet broader policy objectives. Schools may use any such schemes that have been made available by the Secretary of State without specific approval.

Schools may not operate their own credit cards as this would be regarded as borrowing. However, procurement cards are available through the Authority and these may prove to be a useful means of facilitating electronic purchases.

This provision does not apply to loan schemes run by the Authority (see Section 4.10).

3.7 Other Provisions

1. The authority has appointed the Director of Finance, Development and Regeneration as responsible for the proper administration of the financial affairs of the Council in accordance with Section 151 of the Local Government Act 1972. The Director of Finance, Development and Regeneration issues regulations and accounting instructions on proper accounting, audit and administrative procedures. Bank accounts will be withdrawn if schools fail to adhere to these procedures and thus jeopardise the Section 151 duties.
2. Losses resulting from school decisions to be borne by school budgets.
3. The Authority's Officers and external auditors to access school bank accounts plus all supporting

records for audit purposes.

4. Schools must maintain all necessary records and provide income/payment, VAT/Income Tax and National Insurance details to the Borough Council in the specified format to a specified timetable.
5. Schools to provide any necessary security in school and in transit to the banks at their own expense.
6. Schools must retain invoices and receipts for a specified period and answer all queries arising from them, including queries and visits of inspection from Customs and Excise, Inland Revenue and the Department of Social Security.
7. Records must be kept in the manner prescribed by the Director of Finance, Development and Regeneration.

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

4.1 The right to carry forward surplus balances

Schools may carry forward from one financial year to the next any 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.

Section 3.5 requires the LA to transfer to a newly opened school bank account an estimate of any year end surplus if a school so wishes. This will be calculated by projecting forward balances to take account of anticipated year end accruals and will be subject to agreement between the school and the LA.

4.2 Reporting on and Control of the use of Surplus Balances

4.2a

In order to allow the LA to monitor excessive balances and to comply with the reporting requirements of the Education (Outturn Statements) (England) Regulations, Governing Bodies are required to report on the commitments against the surplus balance as defined in the CFR framework. This information is required by the end of the summer term each year.

4.2b

At the same time as issuing its budget statement, as required by Section 52 of the School Standards and Framework Act 1998, the Authority will inform each school of its estimate of the school's budget share and central government grant income paid via the LA for the following financial year(s) for which the statement is being issued. The estimate will be provided in a format determined by the Authority and this format may include provision of information within an electronic budget modelling system. The estimate will use information available to the Authority at the date of preparation and will necessarily be provisional in nature, implying no commitment on the part of the Authority to fund the school at the level shown in the estimate. The Authority may issue updated budget estimates from time to time.

Surplus balances held by schools as permitted under this scheme are subject to the following restrictions with effect from 1st April 2006:

- a. the Authority shall calculate by 31st May each year the surplus balance, if any, held by each school as at the preceding 31st March. For this purpose the balance will be as defined in the consistent Financial Reporting Framework.
- b. the Authority shall deduct from the calculated balance any amounts for which the school has a prior year commitment to pay from the surplus balance;
- c. the Authority shall then deduct from the resulting sum any amounts which the governing body of the school has declared to be assigned for specific purposes permitted by the Authority as listed below, and which the Authority is satisfied are properly assigned. To count as properly assigned, amounts must not be retained beyond the period stipulated for the purpose in question, without the consent of the Authority. **In considering whether any sums are properly assigned the Authority may also take into account any previously declared assignment of such sums but may not take any change in planned assignments to be the sole reason for considering that a sum is not properly assigned.**
- d. if the result of steps a-c is a sum greater than whichever is the greater of 5% of the current year's budget share, plus devolved revenue funds and Schools Standards Grant (secondary schools), 8%

in primary and special schools, **or £10,000 (where that is greater than either percentage threshold)**; then the Authority shall deduct from the current year's budget share an amount equal to the excess.

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

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 as permitted by the Authority.

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

Circumstances under which a school may hold balances in excess of the stipulated threshold: -

- i. Planned capital works which are due to be started within no more than three years. This will require a detailed plan of expected expenditure and the school's proposal for raising the necessary funding. Separate account codes will be set up to enable licensed surpluses approved for a period of more than one year to be tracked and monitored.
- ii. Planning for volatility in pupil numbers, including short-term management of a future drop in pupil numbers.
- iii. Funding reserved as matched funding to support a bid for external funding, for which work is due to be started within two years of the outturn year under consideration.

For any of the above a fully detailed plan, including timescales and costs etc. would need to be submitted for approval. Approved plans will be monitored to measure actual expenditure against planned expenditure.

Funding in excess of the stipulated threshold will be deducted from a school's budget share in the following circumstances: -

- i) An application for approval of a licensed surplus has not been made.
- ii) An application for a licensed surplus has not been approved
- iii) An application for a licensed surplus has been approved but expenditure has not been adhered to (this would not be applicable if the approved plan has been subsequently revised and re-approved)"

4.3 Interest on surplus balances

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

- Interest will be based on the average of the balance held by the school at the start and end of the financial year, interest will be paid at the average 7 day SONIA market rate.

4.4 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)

4.5 Planning for deficit budgets

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

4.6 Charging of interest on deficit balances

The LA may charge interest on any unauthorised deficit balance at the same rate as that paid on surplus balances (Section 4.3).

4.7 Writing off deficits

The LA has no power to write off the deficit balance of any school. However, if the authority wishes to give assistance towards elimination of a deficit balance this should be through the allocation of a cash sum, from the authority's schools budget (from a centrally held budget specified for the purpose of expenditure on pupil referral units in financial difficulty or, in respect of mainstream maintained schools, from a de-delegated contingency budget where this has been agreed by Schools Forum).

4.8 Balances of closing and replacement schools

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

4.9 Licensed deficits

The general provision in para 3.6 above forbidding Governing bodies to borrow money shall not apply to schemes run by the Authority. The Authority will permit schools to plan for a deficit budget in particular circumstances. The funding to allow such a deficit budget shall be provided from the Councils collective balances.

Approval of the Director of Children's Services and the Director of Finance, Development and Regeneration is required having due regard to the following provision: -

- a. Schools must repay the deficit (i.e. reach at least a zero balance) within 3 financial years.
- b. Deficits will only be authorised where it is deemed unreasonable to expect schools to balance their budgets in year, and where it can clearly be demonstrated that the deficit can be repaid in the following financial year.
- c. Schools must submit a recovery plan to the local authority when they have a revenue deficit at 31 March of any year, applicable from deficits measured as at 31 March each year.
- d. Only schools participating in the Councils banking arrangements can apply to hold a licensed deficit.

4.10 Loan schemes

The general provision in para 3.6 above forbidding Governing bodies to borrow money shall not apply to schemes run by the Authority. The Council offers a loan scheme to schools that participate in the Council's banking arrangements. The arrangement is funded by the collective surpluses of school balances held by the Council on behalf of schools. The terms and conditions of the loan scheme are: -

- a) the loan must be repaid within a maximum of five years.
- b) loans must only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year.
- c) loans must not be used as a means of funding a deficit that has arisen because a school's recurrent costs exceed its current income. If loans are made to fund a deficit, the Secretary of State will consider using the power under paragraph 13(4)(d) of Schedule 1 to the Academies Act 2010 to make a direction to the effect that such a loan does not transfer, either in full or part, to the new Academy school in individual cases.
- d) advances are made only for the following:
 - i. acquisition or replacement of computer hardware and/or software
 - ii. major repairs which are the schools responsibility and are not covered elsewhere
 - iii. other major equipment purchases
 - iv. development of curriculum facilities of schools
 - v. curriculum initiatives when these have been agreed by the Director of Childrens Services
- e) advances are only available above de-minimis limits of £15,000 for secondary and £5,000 for primary and special schools (up to a maximum of 5% of the schools current budget share depending on affordability).
- f) that a maximum of 25% of collective school balances held by the Council will be used to back the arrangement.
- g) The Director of Finance, Development and Regeneration in conjunction with the Director of Children's Services, shall have the right to refuse requests for loans at their discretion.
- h) Interest to be charged at the PWLB Maturity loan rate.
- i) Applications for loans to be made in writing by completing the Loan Application Form and must be supported by the Governing Body.

SECTION 5: 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/PPP agreements. Schools are allowed to cross-subsidise lettings for community and voluntary use with income from other lettings, provided the governing body is satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the Education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement and there is no net cost to the budget share.

Schools shall be required to have regard to directions issued by the LA as to the use of school premises as permitted under the School Standards and Framework Act 1998 for various categories of schools.

Income from the letting of school premises should not normally 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. (ANNEX F), Income from boarding charges should not exceed that needed to provide board and lodging for the pupils concerned.

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 will 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 retention of funds from the sale of land assets is subject to the consent of the Secretary of State, and any conditions the Secretary of State may attach to that consent relating to use of proceeds.

The retention of proceeds of sale for premises not owned by the local authority will not be a matter for the scheme.

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 schools instructions on how to use the financial system (Business World On!) which should be followed at all times.

5.6 Purposes for which income may be used

Income from the sale of assets purchased with delegated funds and from the sale of those assets bought for the school from non-delegated funds which the LA has determined the school may retain may only be spent for the purposes of the school.

SECTION 6: THE CHARGING OF SCHOOL BUDGET SHARES

6.1 General provision

The budget share of a school may be charged by the LA without the consent of the governing body only in 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.

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

6.1.1 Charging of Salaries at actual cost

The salaries of school based staff will be charged to school budget shares at actual cost.

6.2 Circumstances in which charges may be made

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).
2. Other expenditure incurred to secure resignations where the school had not followed LA advice.
3. Awards by courts and industrial tribunals against the LA or out of court settlements arising from action or inaction by the governing body contrary to the LA's advice.
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.
5. Expenditure by the LA incurred in making good defects in building work funded capital spending from budget shares, where premises are owned by the LA or the school has voluntary controlled status.
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
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.
8. Recovery of penalties imposed on the LA by the Board of Inland Revenue, the Contributions Agency or HM Customs and Excise Teachers Pensions, Environment Agency or regulatory authorities as a result of school negligence.

9. Correction of LA errors in calculating charges to a budget share (e.g. pension deductions).
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.
11. Legal costs which are incurred by the LA because the governing body did not accept the advice of the LA either by way of omission or by actively pursuing an alternative course of action.
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.
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.
14. Cost of work done in respect of teacher pension remittance and records for schools using non-LA payroll contractors, the charge being the minimum needed to meet the cost of the Authority's compliance with its statutory obligations.
15. Costs incurred by the LA in securing provision specified in a statement of SEN or Education, Health and Care Plan (EHCP) where the governing body of a school fails to secure such provision despite the delegation of funds in respect of low cost high incidence SEN and/or specific funding for a pupil with High Needs.
16. Costs incurred by the LA due to submission by the school of incorrect data.
17. Recovery of amounts spent from specific grants on ineligible purposes.
18. Costs incurred by the LA as a result of the governing body being in breach of the terms of a contract.
19. Where a school has a loan through the Loan scheme to Schools (Section 4.10) and ceases to be maintained by Stockton on Tees Borough Council or no longer participates in the Council's banking arrangements the outstanding capital and interest to date becomes immediately chargeable to the school budget share.
20. Costs incurred by the authority or another school as a result of a school withdrawing from a cluster arrangement , for example where this has funded staff providing services across the cluster.
21. Costs incurred by the LA in administering admissions appeals, where the local authority is the admissions authority and the funding for admission appeals has been delegated to all schools as part of their formula allocation.

SECTION 7: TAXATION

7.1 VALUE ADDED TAX

HM Customs and Excise have agreed that VAT incurred by schools when spending funding made available to them by the LA is treated as being incurred by the LA and therefore qualifies to be reclaimed by the LA. These provisions do not include expenditure by governors of a voluntary aided school when carrying out their statutory responsibilities to maintain the external fabric of their buildings.

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

For those schools choosing the authority's cash management scheme VAT will be recovered automatically with the amount payable net of VAT only being charged against the school's budget share. Similarly any income will be credited to those schools net of VAT, the VAT being accounted for to HM Customs and Excise.

For those schools choosing the separate banking scheme, records will be required to be kept as described in section 3.7. The returns required by the LA will result in the repayment of any net VAT incurred by the school being refunded. The LA will account for the VAT to HM Customs and Excise.

7.2 CIS (Construction Industry Taxation Scheme)

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

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

8.1: Provision of services from centrally retained budgets

The LA shall determine on what basis services from centrally retained funds will be provided to schools, including existing premature retirement costs and redundancy payments, but the LA is debarred from discriminating in its provision of services on the basis of categories of schools except where such discrimination is justified by differences in statutory duties.

8.2 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. Schools are required to comply with the termination and notice provisions included in the service level agreement with the LA when they intend to withdraw from a service provided by the LA.

Services offered by the LA for which expenditure is not retained centrally under the regulations made under Section 45A of the Act will be offered at prices which are intended to generate income which is no less than the cost of providing those services. The total cost of the service being met by total income even if schools are charged differentially.

8.2.1 Packaging

Any service which the LA is providing on a buyback basis must be offered in a way which does not unreasonably restrict schools' freedom of choice among the services available, and where practicable, this will include provision on a service-by-service basis as well as in packages of services. This would not prevent LA's offering packages of services that offer a discount for schools taking up a wider range of services.

The Authority reserves the right to cease providing a service when the level of take-up by schools means that the provision is no longer economically viable.

8.3 Service level agreements

1. If services or facilities are provided under a service level agreement - whether free or on a buyback basis - the terms of any such agreement starting on or after the inception of the scheme will be reviewed at least every three years if the agreement lasts longer than that.
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.
3. Schools must comply with the terms of service level agreements agreed with the LA.
4. Service level agreements must be in place by 31st March to be effective for the following year, and schools must have at least a month to consider the terms of agreements.

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.

The conditions only apply to governing bodies of maintained schools that have not entered into an arrangement with the Authority to provide payroll services.

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

A governing body of any maintained school which directly administers its payroll shall supply salary, service and pensions data to the Authority which the Authority requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The Authority will advise schools each year of the timing, format and specification of the information required from each school. A governing body shall also ensure that Additional Voluntary Contributions (AVCs) are passed to the Authority within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

SECTION 9: PFI/PPP

Section A – Total Deduction from School Budget Share

The LA will be entitled to deduct from the school budget share any amounts, that are delegated to schools involved in a PFI contract, as set out in Section B and C of this schedule.

Section B – Deduction from School Budget Share

From time to time the LA may agree, with Governing Bodies, to enter into Private Finance Initiative contracts to procure facilities and services over a long period of time; typically 25 years. Before doing so the LA will need to be satisfied that the proposed contract offers enhanced Value for Money, amid other benefits, over other procurement options.

Typically in PFI contracts the LA will contract with the selected Private Sector Partner to Design, Build, Finance and Operate the relevant facilities over the life of the contract. In the event of a Voluntary Aided School being involved the Governors and parent Diocese may also be party to the contract with the Private Sector Partner. In all cases the LA will enter into a separate contract with each Governing Body affected by a PFI contract to establish the liabilities and responsibilities between the LA and Governors in relation to the payment of the Unitary Charge to the contractor.

Typically the LA will adopt the principle of requiring each Governing Body, involved in a PFI contract, to pay back, on an annual basis throughout the life of the contract, the elements included in their School Budget Share which relate to the services being procured through the PFI contract. This will include identifying within the AWPU and other funding factors, those amounts which the LA is delegating to the schools but which relate to the PFI services.

The LA will produce a calculation in advance of the start of each financial year, which will be issued with the Schools Budget Share sheet for the forthcoming year. This calculation will clearly show the funding identified as relating to the PFI services, these amounts will reflect the expected number of pupils on roll for that financial year. Additional funding awarded during the year for items such as Trigger Funding and the acceptance of pupils excluded from other schools will have an appropriate amount deducted, by the LA, in accordance with the above principles. Similarly funding withdrawn for items such as Reverse Trigger or exclusions will be adjusted to reflect the fact that the school has already had a PFI element deducted from the initial funding.

The method of calculation will be adjusted each year to reflect additional items delegated to schools which are reflected in operational PFI contracts, a corresponding reduction will be made in the event of funding, for items provided in operational PFI contracts, which was previously delegated being withdrawn from delegation.

An example of the calculation of the deduction for Grounds Maintenance is:

Amount contained within KS3 AWPU x number of KS3 pupils funded	+
Amount contained within KS4 AWPU x number of KS4 pupils funded	+
Amount contained within Physical Difficulties Unit funding x Number of Physical Difficulties Unit pupils funded.	+
Amount per Acre relating to Excess Grounds x number of acres of excess grounds.	

In the event that the LA changes the basis upon which it's funding formula is based, to such an extent that it is no longer possible to breakdown the AWPU and other formula factors into their composite elements, then the LA will reach a separate agreement with each Governing Body. This agreement will set out the basis upon which the deductions from School Budget Shares are to be calculated and will take into account previous years deductions, the PFI contractors costs and benchmarking data.

Section C – PFI Specific Formula Factor

The LA funds the payment of the Unitary Charge to the PFI contractor from the following sources:

1. DfES grant relating to PFI credits
2. Contribution from School Budget Share as described in B above
3. Its own resources

In the case of the involvement of a V.A. school it will also receive funding from:

4. DfES V.A. grant
5. Contribution from the Diocese or Governors private funds

It is unlikely that the LA will receive sufficient funding from the above sources to cover the anticipated Unitary Charge. One of the reasons for this is due to the timing of PFI credit grant payments being inconsistent with payments to the PFI contractor. The LA will therefore “create” a new formula factor, the “PFI Factor” as a means of managing the annual LA contribution towards the Unitary Payment. This factor will be delegated only to those schools involved in a PFI contract and the amount to be delegated will be calculated by the LA on an annual basis with reference to the LA's required contribution toward the PFI Unitary Charge. The agreement between the LA and the Governing Body of each school will require the return of this amount, from their school budget share to the LA, in addition to the amount calculated in accordance with Section B above.

SECTION 10: INSURANCE

10.1 Insurance cover

a) Adequacy of Insurance Cover

Funds for insurance are delegated to schools. Insurance is not just a support service but includes the cost of the insurance cover. Currently all Stockton schools buy back insurance and support services through a Partnership Agreement and receive an annual report detailing the service and cover bought back. Where a school opts to make their own arrangements for insurance outside of the Prospectus of Services, then the LA needs to satisfy itself that the cover and arrangements for handling claims are adequate and that any excesses/deductibles required by the policies are affordable.

The governing body must provide copies of their policies and details in writing of the cover negotiated and arrangements to handle claims to Director of Finance, Development and Regeneration prior to inception and on an annual basis thereafter.

A school may join the Secretary of State's risk protection arrangement (RPA) for risks that are covered by the RPA. Schools may do this individually or collectively for all primary and /or secondary maintained schools by agreeing through the schools forum to de-delegate funding.

b) Period of Notice for Changes

Notice of 90 days should be given to Insurance Services to opt out (or any subsequent return to the scheme after leaving). This is contained in the Partnership Agreement Standard Terms and Conditions at Section 6 Termination.

c) Liability Insurances

Schools wishing to make their own arrangements, must, for liability insurance, cover public liability, employer's liability, official indemnity, professional indemnity and libel and slander to levels appropriate for the risk. Appropriate levels of liability can be discussed with Insurance Services prior to opting out.

d) Property Insurances

Schools wishing to make their own arrangements, must, for property insurance, cover for reinstatement of buildings and contents for damage due to fire, lightning, explosion, aircraft, riot, civil commotion and malicious persons, earthquake, storm, flood, burst pipes, impact, theft, accidental damage and terrorism to levels not less than that arranged by the LA. The LA holds current insurance valuations for all schools.

e) Miscellaneous Insurances

Schools wishing to make their own arrangements must cover the following miscellaneous risks, loss of money including private school funds, fidelity guarantee, personal accident and assault for employees and motor (where appropriate) to levels not less than that arranged by the LA.

f) Optional Covers

In addition to the insurances in c to e above, schools should consider insuring the following risks; school journey, travel, hirers liability.

g) Support Services

Any school choosing to make its own arrangements for insurance must satisfy the Authority that they have the resources to properly administer their insurance arrangements by providing:

- i) a full claims handling service including managing the conduct of claims, handling litigation preliminaries and negotiating settlements with insurers and co-ordinating the support necessary to deal with a major insurance related incident.
- ii) a database of loss statistics.

NB Schools must also ensure that they have appropriate arrangements in place for the identification and assessment of insurable risks.

h) Lettings

If the governing body hires out the premises or equipment of the school for which they are responsible, they must ensure, prior to the letting, that the hirer has adequate public liability insurance in their own name. Alternatively the school can subscribe to a Hirer of Halls policy which provides cover for hirers who cannot obtain their own public liability insurance.

i) Hiring Equipment

Governing bodies remain responsible for vetting the suitability of suppliers and hirers of equipment and for checking that they, (suppliers) have adequate insurance in place to cover their liabilities occurring from the use of such equipment.

It is also important to check any hire agreement or contract for responsibility placed on the governing body in the event of loss of or damage to the equipment.

SECTION 11: 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 SSAF Act, 1998, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share provided they act in good faith.

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.

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

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

11.4 Responsibility for legal costs

Legal costs 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.

Where there is a conflict of interest between the LA and the Governing Body: -

1. The Governing Body may obtain legal advice from another legal advisor of the Authority but only in such circumstances where it is appropriate for different legal advisors of the Authority to act for the Governing Body and the Authority respectively*; or
2. The Governing Body shall appoint its own legal advisor to provide legal advice. When appointing the legal advisor the Governing Body shall comply with the Authority's standing orders, and in particular shall be satisfied that: -
 - i) the legal advisor has suitable experience and qualifications to provide advice on the relevant subject matter;

- ii) the legal advisor does not have any conflict of interest in representing the Governing Body against the LA*, and
- iii) the legal advisor has adequate professional indemnity insurance.

The Governing Body shall inform the LA of any appointment including the names and address of the legal advisor.

NOTE:

- * There are professional rules which restrict the ability of a legal advisor or a firm of solicitors from accepting instructions to act for a client where there is an actual or potential conflict of interest with the interests of the firm or advisor or another client of the firm or advisor. - Law Society's Professional Conduct of Solicitors.

11.5 Health and Safety

Stockton-on-Tees Borough Council, or for voluntary aided schools the governing body, will retain primary responsibility as the employer under Section 2 and 3 of the Health and Safety at Work etc., Act 1974. As such it will continue to have power to issue directions on health and safety provision. The following criteria will therefore apply: -

Governing bodies of community and voluntary controlled schools should comply, insofar as it is within their power to do so, with the Councils written statement of its Health and Safety Policy and procedures as detailed in the handbook of health and Safety Policies and Procedures.

Governing bodies of all schools will be responsible for the health and safety aspects of those functions delegated to them.

The purchase, cleaning and installation or maintenance of equipment, vehicles, buildings (non-structural) and building services must conform to the appropriate regulations.

Where a governing body fails to comply with the Council's policy, the Council may arrange for the work to be carried out and charge the school budget share.

In approving school visits, the Governing Body's role will be to satisfy itself that:

- a risk assessment has been carried out by an appropriate person;
- appropriate safety measures are in place;
- the training needs of staff involved have been addressed;
- appropriate levels of adult supervision have been set;
- access to competent first aid will be provided at all times;
- arrangements will be established to ensure that the designated safeguarding lead is contactable at all times for out of hours out of term activities.

11.6 Right of attendance for Chief Finance Officer (Director of Finance, Development and Regeneration)

Governing bodies are required to permit the Chief Finance Officer of the authority, or any officer nominated by him/her, to attend meetings of the governing body at which any agenda items are relevant to the exercise of her or his responsibilities.

The Chief Finance Officer's attendance shall be limited to items which relate to issues of probity or overall financial management and shall not be regarded as routine. The LA will give prior notice of such attendance unless it is impracticable to do so.

11.7 Special Education Needs

Within a schools delegated budget share is an identified amount to support pupils with special education needs. Schools are required to use their best endeavours in spending this money to secure the special education needs of their pupils. Clear evidence of a serious failure to do so will result in delegation being suspended.

11.8 Interest on Late Payments

The terms of the Scheme cannot affect statutory requirements now introduced on this matter.

11.9 Confidential Reporting (Whistleblowing)

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 is contained within the Confidential Reporting Policy which is attached at Annex G.

11.10 Child Protection

Schools are required to release staff to attend child protection case conferences and other related events as required

11.11 Redundancy / Early Retirement Costs

The 2002 Education Act sets out how premature retirement and redundancy costs should normally be funded. Further guidance is provided at Annex C.

SECTION 12: RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

The LA delegates 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 local authority for financial accounting purposes in line with the CIPFA Code of Practice on local authority accounting. The LA uses a de minimis limit of £10,000 for defining capital in its own financial accounts.

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

For voluntary aided schools, the liability of the authority for repairs and maintenance (albeit met by delegation of funds through the budget share) is the same as for other maintained schools. However, eligibility for capital grant from the Secretary of State for capital works at voluntary aided schools depends on the de minimis limit applied by DfE to categorise such work, not the de minimis limit used by the authority.

SECTION 13: COMMUNITY FACILITIES

Introduction

13.1 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.

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

However, under s.28(1), the main limitations and restrictions on the power will be those contained in the maintaining authority's scheme for financing schools made under section 48 of the School Standards and Framework Act 1998 as amended by paragraph 2 of Schedule 3 to the Education Act 2002. This amendment extended the coverage of schemes to include the exercise of the powers of governing bodies to provide community facilities.

13.2 Schools are therefore subject to prohibitions, restrictions and limitations in the Scheme for Financing Schools.

13.3 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.

Consultation with the LA – Financial Aspects

13.4 Before exercising the community facilities power, governing bodies must consult the LA and have regard to the advice given to them by their LA.

13.5 The Governing Body must supply the following information to the LA: -

- i) Details of the proposed activity
- ii) Details of any consultation exercises that have been undertaken with a) other schools and b) the community at large.
- iii) Budget and cash flow statement for the first 3 years of the activity including details of start-up costs, staffing expenditure, running costs and sources of income together with underpinning assumptions. The information must be supplied at least 3 months in advance of the proposed commencement of the activity.
- iv) Details of any capital expenditure and the sources of income to fund it.
- v) How the Governing Body will cover any shortfall if the project fails and leaves a deficit.
- vi) Proposed audit arrangements
- vii) Proposed banking Arrangements
- viii) Details of Health and Safety arrangements and of the risk assessments the school has undertaken.
- ix) Details of additional insurance cover that is to be arranged.
- x) Whether or not VAT is to be reclaimed and the justification for this.

13.6 The LA will respond to the school within 8 weeks of receipt of the information. Where the Authority offers advice to a school, the school must inform the Authority of the action it has taken in response to

that advice before embarking upon the scheme.

Funding Arrangements – LA Powers

13.7 Where the provision of community facilities in a school is dependent on the conclusion of a funding agreement with a third party which will either be supplying funding or supplying funding and taking part in the provision, the school shall not enter into such an agreement until it has submitted the proposed agreement to the Authority and taken proper account of its advice and comments.

13.8 Proposed agreements should be submitted to the Authority as soon as possible, but no later than 3 months prior to the proposed date of signing. The Authority will not be a signatory to any such agreement, unless this is a requirement imposed by the third party or by the Governing Body itself. If such an agreement has been or is to be concluded against the wishes of the LA, or has been concluded without informing the LA, and in the view of the Authority the agreement is seriously prejudicial to the interests of the school or the Authority, that may constitute grounds for suspension of the right to a delegated budget.

Other Prohibitions, Restrictions and Limitations

13.9 Whereas the Authority does not have the right of veto to either funding agreements with third parties or other proposed uses of the community powers facility, the Authority reserves the right in specific instances to require that the Governing Body shall protect the financial interests of the Authority by either carrying out the activity concerned through the vehicle of a limited company formed for the purpose, or by obtaining indemnity insurance for the risks associated with the project, as specified by the Authority.

13.10 The Authority does not intend to impose any additional prohibitions, restrictions or limitations on the use of the community facilities power.

Supply of Financial Information

13.11 Schools which exercise the community facilities power must provide the LA with a financial statement every 6 months at the end of September and the end of March. The statement must show actual expenditure and income in the financial year to date together with a projection of income and expenditure to the year end.

13.12 Where the Authority has given notice to the school that it believes that there is cause for concern as to the school's management of the financial consequences in the exercising of the community facilities power, schools will be required to submit financial statements every three months and, if the Authority sees fit, to require the submission of a recovery plan for the activity in question within 6 weeks of one being demanded. Within 10 weeks of the end of the financial year the school must provide the LA with a full statement of account. All of the reports must be provided under the headings required by the Consistent Financial Reporting (CFR) framework.

Audit

13.13 The school must grant access to its records connected with the exercise of community facilities power to both the Internal and External auditors of the authority.

13.14 Where schools have entered into funding agreements with a third party the agreement must contain adequate provision for access by the Authority to the records and other property of the third party in so far 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.

Treatment of Income and Surpluses

13.15 Schools will retain all income derived from community facilities except where otherwise agreed with a funding provider, whether that be the LA or some other person. Any surplus income over expenditure generated during the financial year will be carried forward over into the following financial year in the community facilities account. Similarly, any deficit accrued during the financial year will be carried forward over into the following financial year in the community facilities account. Where a school wishes to transfer all or part of any accumulated surplus and add it to the budget share balance, the school should seek the agreement of the Authority before doing so.

13.16 If a deficit arises from the provision of community facilities and the Authority needs to recover funds to meet third party liabilities, the Authority will recover the deficit from the Governing Body. However, any such deficit cannot be met from the school budget share.

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

Health and Safety

13.18 When exercising the community facilities power, the Governing Body must discharge its Health and Safety responsibilities in the same way as it does in relation to the budget share. All the Health and Safety provisions of the main scheme apply to the community facilities power.

13.19 When exercising the community facilities power, the Governing Body are responsible for securing and meeting the costs of any necessary Criminal Records Bureau clearance for adults involved in the activity.

Insurance

13.20 When exercising the community power facility, the Governing Body must undertake an assessment of the insurance implications and costs, seeking professional advice if necessary, and demonstrate that it has made adequate arrangements for insurance cover. The school must seek the Authority's advice before finalising any insurance arrangements. Any additional costs cannot be met from the school's budget share.

13.21 The Authority will undertake its own assessment of the insurance arrangements made by a school in respect of community power facilities, and if it judges those arrangements are inadequate, it will make the necessary arrangements itself and charge the resultant cost to the school. Such costs cannot be met from the school's budget share.

Taxation

13.22 Schools must seek the advice of both the Authority and the local VAT office on any issues relating to the possible imposition of VAT on expenditure in connection with any community powers facility, including the use of the Authority's VAT reclaim facility.

13.23 Schools are also reminded that if any member of staff employed by the school or LA in connection with community facilities at the school is paid from funds held in the school's own bank account set up for the purpose (see section 11), the school will be liable for payment of income tax and National Insurance, in line with Inland Revenue rules.

13.24 Schools are reminded that they are required to follow the Authority's advice in relation to the Construction Industry Scheme where this is relevant to the exercise of the community facilities power.

Banking

13.25 Where a school exercises the community power facility and the school already operates an independent bank account for its budget share, it shall open a separate independent bank account for transactions relating to community facilities. Where a school exercises the community power facility and the school uses the Authority's banking facilities account for its budget share, it shall either open an independent bank account for transactions relating to community facilities or use the Authority's banking facilities but ensure that all transactions are kept separate from budget share transactions.

13.26 Any independent bank account relating to community facilities expenditure can be in the name of the school or jointly in the name of the school and Stockton Borough Council, and must be opened with one of the banks referred to in paragraph 3.5.1 of the main scheme.

13.27 Governing Bodies are reminded that they may borrow money from an external source only with the written permission of the Secretary of State. The Director of Finance, Development and Regeneration Services must be notified in writing of a school's intent to seek such permission at least ten working days before a request is made to the Secretary of State.

SCHEME FOR THE LOCAL MANAGEMENT OF SCHOOLS

ANNEX A

SCHOOLS WITHIN THE SCOPE OF THE SCHEMEPRIMARY PHASE SCHOOLS:

<u>School</u>	<u>DfE Number</u>
Billingham South	2005
Bowesfield Lane	2032
Durham Lane	2080
Fairfield Primary	3393
Harewood Primary	3395
High Clarence	2004
Holy Trinity Rosehill VA C of E	3396
Ingleby Mill	2362
Mandale Mill Primary	2371
Mill Lane	2030
Myton Park	2003
Oxbridge Lane	2345
Roseberry Primary	3397
St John's CE	3001
The Glebe	2057
Tilery	2363
Whitehouse	2056
William Cassidi CE	3392

SECONDARY SCHOOLS

<u>School</u>	<u>DfE Number</u>
Northfield	4102

ANNEX B

REPAIRS AND MAINTENANCE

CAPITAL WORK

STRUCTURE

Foundations, dead walling over site concrete, sleeper walls and DPC. Structural frames, steel timber or concrete including all components and fixings. Replacement of all/substantial part of an existing structure.

FLOORS

Floor structures, ground floor slabs including ducts. Replacement of all/substantial part to prevent imminent or correct actual major failure of the structure

ROOF

Roof structures, flat and sloping including fixed insulation and weather proof coverings. New build or total replacement.

Edge trim, barge boards fascia. New build or total replacement.

Roof light replacement associated phased/all roof covering replacement.

Roof drainage. Provision of all down-pipes and gutters. New build or extension.

CEILING

Suspension/Membrane/Fixed
New build/extension

EXTERNALS

External finish on new build.

SCHOOLS RESPONSIBILITY

Repair/replace small areas of rotten or defective timber, make good minor areas of spalling concrete where reinforcing bars exposed.

Repair/replacement of all floor finishes, covering, nosing, cover and expansion strips, screeds.

Repair of roof finish on existing building.
Repair/replacement of roof insulation.

Repairs/replacement of sections.

Repair/replacement skylights and roof lights.
Glazing and repairs to ironmongery.

Replacement/repair of down-pipes/gutters.

Repair/replacement including water damage and necessary redecoration.

Repairs/replacement of sections of an existing structure e.g., re-pointing/re-cladding a proportion of wall where failure has occurred.

CAPITAL WORK

WINDOWS AND DOORS

Framing - new build.

Framing - structural replacement programme.

Glazing - new build.

Ironmongery/improved security - new build or extension.

Internal and external decorations to new build.

CHIMNEYS

Structure, jointing including expansion and mortar joints/pointing/DPC.

INTERNAL WALLS

Load-bearing internal walls.

DOORS

Framing/screens/doors to new buildings including glazing, ironmongery jointing and decoration.

GLAZING

Glazing to meet Health & Safety requirements major replacement.

SCHOOLS RESPONSIBILITY

Repair/replacement of individual frames/doors.

Repairs/replacement of individual windows.

Replacing broken glass internal and external.

Repair/replacement, upgrading locks, window ironmongery etc.

Jointing including mastic joints.

Internal and external decoration to include cleaning down and preparation (pre paint repairs).

Repair/repointing.

Non-structural partitions, toilet and shower cubicles. Internal glazing frames, casings, architraves, ironmongery, picture rails, skirting, plaster and surface finishes.

Maintenance and redecoration.

Repair/replacement of defective doors and screens.

Replacement of broken glass. Replacement must conform to Health & Safety requirements.

CAPITAL WORK

WATER AND DRAINAGE SERVICES

LAVATORIES

Provision of all toilet fittings, waste plumbing and internal drainage - New build/extension.

Provision of disabled facilities and specialist facilities related to pupils with statements.

Complete refurbishment of toilet areas.

Drains, soakaways, inspection chambers and sewage plant as part of new build/extensions.

FURNITURE AND EQUIPMENT

Provision of fixed furniture in new build/extension.

SCHOOLS RESPONSIBILITY

Repair/replacement of sinks, drainers, baths, wash basins and taps, WC suites, drinking fountains, stands and supports.

Repair and replacement of main water supply. Partial replacement / refurbishment of toilet areas.

Internal hot and cold domestic water supply services, including pumps, mixing valves, pipe replacements, tanks, cylinders, cisterns and insulation.

Maintenance, repair and replacement of drainage system, traps, channels waste pipes, soil and termination pipes, wire balloon guards sleeves and flashings, gratings, all manhole and access covers.

Internal joinery fixtures including kitchen units (HE) cupboards, shelves picture rails, cloakroom rails and stands, coat hooks, internal signs, notice or display boards, fixed benches and other internal seating with its covering. Repair of loose furniture.

Cleaning, repair replacement and re-fixing blinds curtains, curtain tracks etc.

Repair and fire proofing of stage curtains. Repair and renewal of fixed sports and gymnasium equipment and floor markings.

Home Economics and Staff rooms, replacement and repair of washing machines, tumble dryers, hydra-extractors, irons, ovens etc.

CAPITAL WORK

FURNITURE AND EQUIPMENT

ELECTRICAL SERVICES

Main switch gear and distribution in major projects i.e., rewire.

Replacement of obsolete and dangerous wiring systems, including distribution boards.

Provision of light fittings internal and external and emergency lighting in new build and major projects, replacement of light fittings associated with rewire.

Lightning protection, alarm systems, CCTV, lifts, hoists, communication systems, data transmission in new build/extension.

SCHOOLS RESPONSIBILITY

Repair of all electrical and gas appliances e.g., water heaters, kettles, food processors etc.

Repair of fixed science benching together with all associated services e.g., water, electricity and gas supplies.

The provision, maintenance and repair of all specialist science equipment e.g., microscopes, centrifuges etc., Repairs to fume cupboards including extract fans ductwork etc.

Woodwork/metalwork/pottery equipment repair and replacement of all fixed and specialist equipment e.g., drilling machines, lathes, brazing hearths, kilns etc.

All cyclic testing. Repair and maintenance of all distribution boards, switch gear and interconnecting cables including that in temporary buildings.

All testing, earthing and bonding to meet Health and Safety requirements. All servicing including small electrical items.

Repair and replacing light fittings, lamps and tubes, diffusers including emergency lighting.

Repair/replacement maintenance and testing of intruder alarms, CCTV installations, door access systems.

Reset of intruder alarms, time controls fire detection and similar systems.

Repair, maintenance and replacement of water heaters radiators from convectors and other fixed space heating equipment, ventilation units, thermostats, controls, isolators and time switches.

CAPITAL WORK

ELECTRICAL SERVICES

MECHANICAL SERVICES

Complete heating hot and cold water systems to new project including fuel, storage, controls distribution, flues and storage tanks.

Planned replacement of old boiler/controls systems past the end of their useful life.

Emergency replacement of boiler plant/systems.

Gas distribution pipes on new and major refurbishment.

Mechanical ventilation/air conditioning to major projects.

Swimming Pool plant its complete installation, including heat recovery systems.

Specialist removal/replacement of damaged/disturbed asbestos based materials, planned or emergency.

Heating mains, gas mains, water mains and electricity mains - planned replacement.

Major playing field drainage schemes (not day to day repair).

SCHOOLS RESPONSIBILITY

Electric off-peak heating units, on peak heating units/under-floor heating cables, including all elements, wiring controls isolators and thermostats.

Lightning conductors, lifts hoists, barriers, electric door motors and controls, window cleaning cradles, beams cradles, winches and standby generators.

Repair replacement of telephone installations, stage lighting and associated equipment.

General maintenance of all boiler house plant including replacement of defective parts. Regular cleaning and annual servicing Energy saving projects.

Repair/replacement of radiators, convector heaters, tanks and overflows. Hot and cold water distribution systems and associated tanks and overflows.

Repairs, maintenance and gas safety. All servicing of gas appliances.

Provision of local ventilation. Repair/ replacement of defective systems and units.

Repair/replacement of parts to plant, pumps and controls. Water treatment equipment and all distribution systems.

Asbestos removal associated with school initiated projects (prior liaison with Technical Services is essential). Inspection/air testing. Applying sealant coats to asbestos surfaces for protection.

Annual servicing and repairs.

CAPITAL WORK

EXTERNAL WORKS

Renewal and resurfacing of hard paved areas including planned playgrounds, roads, paths, steps, car parks, courts etc.

Provision of walls, fencing, gates and ancillary buildings as part of major project.

Drains, soakaways, inspection chambers and sewage plant as part of new projects.

Replacement of all perimeter/boundary/retaining walls, fencing and gates.

KITCHENS

Kitchens in new build, complete with fittings, equipment, waste, plumbing and internal drainage, internal finishes and decorations.

Large and costly items of equipment.

Maintenance of all elements of kitchen building and equipment (Special Schools only)

CARETAKERS HOUSE/BUNGALOW

Responsibility as for school building

MOBILE CLASSROOMS

Maintenance and repair as for school building

GROUNDS

Provision of grounds, playing fields, amenities land, landscaped areas, hedges, trees, playing pitches, nets, posts etc., in new build.

Major playing field drainage schemes (not day to day repair).

SCHOOLS RESPONSIBILITY

Localised repairs, sweeping off excess gravel.

Car park and playground markings.

Maintenance repair / partial refurbishment of perimeter/boundary/retaining walls, fencing and gates.

Maintenance and repair of drains, gullies, grease traps and manholes between buildings and main sewer. Cleaning of the above and un-blocking as necessary.

Maintain to requirements of Local Authority including cleaning out drainage systems any repairs and redecoration, internal/external.

Repair/replacement of equipment up to £5000 (except Special Schools).

CARETAKERS HOUSE/BUNGALOW

Responsibility as for school building

MOBILE CLASSROOMS

Maintenance and repair as for school building

Upkeep and maintenance of grounds, playing fields, amenities, land, landscaped areas and boundary hedges and all trees, pitch and court markings nets and posts.

Repair/Replacement sections, playing field drainage.

ANNEX C:

RESPONSIBILITY FOR REDUNDANCY AND EARLY RETIREMENT COSTS

This guidance note summarises the position relating to the charging of voluntary early retirement and redundancy costs. It sets out what is specified in legislation and provides some examples of when it might be appropriate to charge an individual school's budget, the central Schools Budget or the local authority's non-schools budget.

Section 37 of the 2002 Education Act says:

(4) costs incurred by the local education authority in respect of any premature retirement of a member of the staff of a maintained school shall be met from the school's budget share for one or more financial years except in so far as the authority agree with the governing body in writing (whether before or after the retirement occurs) that they shall not be so met.

(5) costs incurred by the local education authority in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school shall not be met from the school's budget share for any financial year except in so far as the authority have good reason for deducting those costs, or any part of those costs, from that share.

(6) The fact that the authority have a policy precluding dismissal of their employees by reason of redundancy is not to be regarded as a good reason for the purposes of subsection (5); and in this subsection the reference to dismissal by reason of redundancy shall be read in accordance with section 139 of the Employment Rights Act 1996 (c. 18).

The default position, therefore, is that premature retirement costs must be charged to the school's delegated budget, while redundancy costs must be charged to the local authority's budget. In the former case, the local authority has to agree otherwise for costs to be centrally funded, while in the latter case, there has to be a good reason for it not to be centrally funded, and that cannot include having a no redundancy policy. Ultimately, it would be for the courts to decide what was a good reason, but the examples set out below indicate the situations in which exceptions to the default position might be taken.

Charge of dismissal/resignation costs to delegated school budget:

- if a school has decided to offer more generous terms than the authority's policy, then it would be reasonable to charge the excess to the school
- if a school is otherwise acting outside the local authority's policy
- where the school is making staffing reductions which the local authority does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit
- where staffing reductions arise from a deficit caused by factors within the school's control
- where the school has excess surplus balances and no agreed plan to use these
- where a school has refused to engage with the local authority's redeployment policy

Charge of premature retirement costs to local authority non-schools budget or central schools budget:

- where a school has a long-term reduction in pupil numbers and charging such costs to their budget would impact on standards

- where a school is closing, does not have sufficient balances to cover the costs and where the central Schools Budget does not have capacity to absorb the deficit
- where charging such costs to the school's budget would prevent the school from complying with a requirement to recover a licensed deficit within the agreed timescale
- where a school is in special measures, does not have excess balances and employment of the relevant staff is being/has been terminated as a result of local authority or government intervention to improve standards

Costs of early retirements or redundancies may only be charged to the central schools services block of the schools budget, as a historic commitment, where the expenditure is to be incurred as a result of decisions made before 1st April 2013. Costs may not exceed the amount budgeted in the previous financial year.

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

It is important that the local authority discusses its policy with its Schools Forum. Although each case should be considered on its merits, this should be within an agreed framework. It may be reasonable to share costs in some cases, and some authorities operate a panel to adjudicate on applications.

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

For staff employed under the community facilities power, the default position is that any costs must be met by the governing body, and can be funded from the school's delegated budget if the governing body is satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the Education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement. Section 37 now states:

(7) Where a local education authority incur costs—

- (a) in respect of any premature retirement of any member of the staff of a maintained school who is employed for community purposes, or
- (b) in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school who is employed for those purposes they shall recover those costs from the governing body except in so far as the authority agree with the governing body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable.

(7A) Any amount payable by virtue of subsection (7) by the governing body of a maintained school in England to the local authority may be met by the governing body out of the school's budget share for any funding period if and to the extent that the condition in subsection 7(B) is met.

(7B) The condition is that the governing body are satisfied that meeting the amount out of the school's budget share will not to a significant extent interfere with the performance of any duty imposed on them by section 21(2) or by any other provision of the education Acts.

(8) Where a person is employed partly for community purposes and partly for other purposes, any payment or costs in respect of that person is to be apportioned between the two purposes; and the preceding provisions of this section shall apply separately to each part of the payment or costs.

EMPLOYEES		CFR heading	20xx/20xx	20xx/20xx
			£	£
TEACHING STAFF (S100)				
100W	Teachers	E01		
SUPPLY TEACHERS (S101)				
100U	Daily Supply Teachers :No. Days @ £	E02		
1140	Agency Supply Teachers :No. Days @ £	E26		
TOTAL FOR SUPPLY TEACHING				
EDUCATION SUPPORT STAFF (S103)				
100B	Other Education Support Staff	E03		
100B	Teaching Assistants	E03		
1801	Agency Supply Education Support	E27		
TOTAL FOR EDUCATION SUPPORT				
ADMIN & CLERICAL STAFF (S104)				
100A	Administrative & Clerical	E05		
1800	Agency Supply Admin	E28		
TOTAL FOR ADMIN & CLERICAL STAFF				
PREMISES RELATED STAFF (S105)				
100D	Site Supervisor	E04		
100D	Caretakers	E04		
100D	Cleaners	E04		
100D	Security Staff	E04		
1802	Agency Supply Premises	E14		
TOTAL FOR PREMISES RELATED				
SUPERVISORY ASSISTANTS (S106)				
100T	Supervisory Assistants	E07		
OTHER STAFF (S107)				
100N	Other Staff (see CFR definition) incl. Family Support Worker	E07		
EMPLOYEES EXPENSES (S109)				
1701	Advertising, Interview & Relocation Exps	E08		
1710	Employee Related Insurance	E11		
1706	Redundancy/ Pension Payments	E08		
1703	Other Recruitment & Retention Costs incl Back Care & Eye Exam	E08		
1737	Long Term Sickness Scheme - Teachers	E10		
1739	Long Term Sickness Scheme-Teaching Asst/Clerks	E11		
TOTAL FOR EMPLOYEE EXPENSES				
DEVELOPMENT & TRAINING (S110)				
1707	Staff Training & Development	E09		
4047	Staff Expenses incl. Subsistence	E09		
TOTAL DEVELOPMENT & TRAINING				
TOTAL FOR EMPLOYEES				

PREMISES		CFR heading	20xx/20xx	20xx/20xx
			£	£
BUILDINGS REPAIRS & MAINTENANCE (S301)				
(including caretakers materials & equipment used for R&M)				
2021	Repairs & Maint.incl Planned Maint. * & Vandalism	E12		
4062	Repairs to Catering Equipment (incl safety checks)	E25		
	TOTAL FOR BUILDINGS R&M			0
BUILDING IMPROVEMENTS (S302)				
2021	Building Improvements	E12		
8231	Revenue Contributions to Capital Projects	E30		
	TOTAL FOR BUILDINGS IMPROVEMENTS			0
INSURANCE(S300)- 2018 -Premises Related		E23		
VANDALISM(S303) - 2021		E12		
GROUNDS MAINTENANCE (inc car park/play surface) (S304)				
2033	Grounds Maintenance Contracts	E13		
2800	Playground Equipment (Permanent)	E13		
	TOTAL FOR GROUNDS MAINTENANCE			0
GAS (S305)-2013		E16		
ELECTRICITY (S306)-2009		E16		
OIL (S307)-2012		E16		
RENTS (S308)- 2020		E18		
RATES (S309)-2015		E17		
WATER (S310)-2031		E15		
FIXTURES AND FITTINGS (S311)				
2041	Fixtures & Fittings (e.g.carpets & blinds)	E12		
2002	Other Occupancy Costs incl Security, Callouts & Window Cleaning **	E18		
	TOTAL FOR FIXTURES & FITTINGS			0
CLEANING & DOMESTIC (S312)				
2022	Hygiene Materials incl. Paper Towels/ Toilet Rolls/ Soap etc & Caretakers Equip.	E18		
2002	Refuse Removal (if not the council)	E18		
7055	Refuse Removal (council contract)	E18		
2004	Medical Supplies	E22		
	TOTAL FOR CLEANING & DOMESTIC			0
CLEANING CONTRACT (S313)				
2029	Cleaning Contracts	E14		
	TOTAL FOR PREMISES			0

TRANSPORT		CFR heading	20xx/20xx	20xx/20xx
			£	£
VEHICLE PURCHASES (S400)-3020		E19		
VEHICLE RUNNING EXPENSES (curriculum transport) (S401)				
3021	Repairs & Maintenance	E19		
3025	Petrol	E19		
3031	Derv	E19		
3008	Road Fund Licence	E19		
3026	Vehicle Insurance	E23		
TOTAL FOR VEHICLE RUNNING EXPENSES				0
HIRE & PUBLIC TRANSPORT (S402)				
3004	Vehicle Hire/Fleet Management Charge	E19		
4047	Officers Train Costs	E09		
3019	Public Transport - Pupils (incl work experience)	E19		
TOTAL FOR HIRE&PUBLIC TRANSPORT				0
CAR ALLOWANCE & TRAVEL (S403)				
3001	Car Allowance	E08		
TOTAL FOR TRANSPORT				0

SUPPLIES & SERVICES		CFR heading	20xx/20xx	20xx/20xx
			£	£
EQUIP, FURNITURE & MATERIALS (S500)				
4059	Admin Equipment and Furniture	E22		
4015	Loose Furniture - Curriculum	E19		
4031	Newspapers & Periodicals - Curriculum Only	E19		
4009	Equipment excluding ICT - Curriculum Only	E19		
4062	Catering Equipment	E25		
TOTAL FOR EQUIP,FURN & MATERIALS				0
COMPUTING (S501)				
4024	Computer Software	E20		
4021	Computer Equipment - Admin	E22		
4063	Reprographic Resources - Curriculum	E19		
4064	Computer Equipment - Curriculum	E20		
4080	Broadband Charge	E20		
TOTAL FOR COMPUTING				0
OTHER SERVICES (S502)				
4060	Maintenance Agreements - Non Curriculum**	E22		
4058	Maintenance Agreements - Curriculum*** (e.g. piano tuning, PE equipment, Copyright Licence)	E19		
2053	Legionella Contract	E18		
4057	Maintenance Agreements- premises related**** (e.g. fire fighting equip, PAT, water coolers, dryers)	E18		
4000	Bank Charges	E22		
4028	Licences & Subscriptions -Curriculum Incl Sports England & TV Licence	E19		
TOTAL FOR OTHER SERVICES				0
Prospectus of Services (DELEGATED BUY-BACKS) including One IT (S503)				
CAMPUS STOCKTON				
Education and Learner Services				
4004	E-Learning Support	E27		
1707	Workforce Development - Schools Support & Training Development	E09		
1707	Workforce Development - Newly Qualified Teachers - Enhanced Support	E09		
7104	School & Governor Support Service	E28		
4004	ONE IT SLA	E27		
4028	SIMS Licences through One IT	E19		
4004	Tees Active Primary Swimming Programme (Inc Transport)	E27		
7106	Swimming Transport	E19		
7110	Business Support & Improvement (Management Information Service)	E28		
4004	Education Improvement Service(EIS) - Bespoke Support	E27		
4004	Complex & Additional Needs(CANS) - Bespoke Support	E27		
Professional and Support Services				
7011	Cash-in-Transit	E22		
7003	Courier Service	E22		
7001	Financial Support	E28		
7001	Financial Bursary Service	E28		
1707	Health & Safety Advice	E09		
7004	Human Resources & Payroll Services	E28		
7017	Legal Services	E28		
7006	Media Relations and Website (Communications)	E28		
4004	Democratic Participation and Engagement	E27		
4511	Equality and Diversity	E28		
4511	Procurement Advice	E28		
Facilities and Site Services				
7018	Arboricultural Services	E28		
7020	Building Mechanical/Electrical Inspection	E28		
7019	Energy & Water Management	E28		
4002	Catering Service (Internal)	E25		
TOTAL FOR DELEGATED BUY-BACKS				0
STOCKTON ON TEES SCHEME FOR FINANCING SCHOOLS - C/FWD TO NEXT SHEET				0

SUPPLIES & SERVICES		CFR heading	20xx/20xx	20xx/20xx
			£	£
	B/FWD FROM PREVIOUS SHEET			0
CLOTHING & LAUNDRY (S504)				
4039	Uniform & Protective Clothing Staff Only	E08		
4104	Pupil Uniform	E24		
	TOTAL FOR CLOTHING & LAUNDRY			0
OFFICE EXPENSES (S505)				
4012	Printing/ Photocopying - Non Curriculum	E22		
4045	Stationery- Non Curriculum	E22		
4074	General Office Expenses	E22		
	TOTAL FOR OFFICE EXPENSES			0
OTHER SERVICES TO STUDENTS (S506)				
4002	Catering Contract - External	E25		
4049	Education Visits	E19		
4049	Outdoor Activity Centres	E19		
4069	Course purchase (pupils)	E27		
4068	Placement fees (pupils)	E27		
4083	DBS checks	E22		
4004	Commissions & Other Services - Curriculum. See other misc for Non Curriculum (for Music teachers, Coaches & PPA)	E27		
	TOTAL FOR OTHER SERVICES TO STUDENTS			0
COMMUNICATIONS (S508)				
4050	Postages	E22		
4048	Telephones (admin only-not internet)	E22		
	TOTAL FOR COMMUNICATIONS			0
OTHER MISCELLANEOUS (S510)				
4046	Subscriptions incl. Data Protection, The Key	E22		
4072	Insurance-External Purchase	E23		
4030	Marketing and Advertising	E22		
4008	Interest Paid (on deficit outturn)	E29		
4010	Prizes & Trophies	E19		
4018	Hospitality & Room Hire	E22		
4006	Contribution to Voluntary Funds (Aided Schools Only)	E12		
4511	Diocesan Levy/Charge per pupil (Aided Schools Only)	E28		
4014	Contribution to Other Funds (e.g. PFI School Only)	E24		
4511	Professional Fees - Externally Provided Non Curriculum	E28		
	TOTAL FOR OTHER MISC.			0
STAFF MEALS (S512)-4078		E08		
	TOTAL FOR SUPPLIES & SERVICES			0

INCOME		CFR heading	20xx/20xx	20xx/20xx
			£	£
OTHER SALES (S600)				
9201	Sale of Goods	I08		
9200	Sales of old Equipment	I08		
TOTAL FOR OTHER SALES				
SALES OF STAFF MEALS (S601)		I09		
FEES & CHARGES (S602)				
9265	Outdoor Activity Centres	I12		
9266	Examination Fees/Exam Boards	I08		
DIRECTED LETTINGS (S605) - 9241		I08		
OTHER RENTS & LETTINGS (S604)				
9229	Rents - CENTRAL	I08		
9241	Letting of Facilities	I08		
TOTAL FOR OTHER RENTS & LETTINGS				
OTHER INCOME (S606) - please state				
9119	Miscellaneous Grants & Subsidies	I07		
9406	CESC Income	I07		
9024	Pupil Premium Income from other LA's	I05		
9128	National College Income	I06		
9030	Other LA's Top-Up Income	I03		
TOTAL FOR OTHER INCOME				
INTEREST (S608)-9500		I08		
DONATIONS (S609)-9111		I13		
TOTAL FOR INCOME				

ANNEX E

ACCOUNTING PROCEDURES

- Accounting standards to be maintained shall be in accordance with the Accounts and Audit Regulations 2015, and the format of accounts and financial records and systems to be maintained will be as determined by the Director of Finance, Development and Regeneration.
- It is the duty of any person to report to the Director of Finance, Development and Regeneration. any irregularity, dishonesty, fraud or misrepresentation by any other person or third party in respect of the custody of public funds or any financial claim or transaction relating to the school.
- The organisation and management of payroll, and the payment of salaries, wages, and allowances continues to be the responsibility of the Authority for maintained schools. Governing Bodies must not make payments in cash or in kind to staff other than through procedures operated or authorised by the Director of Finance, Development and Regeneration.. Head Teachers must notify the appropriate officer of the Authority of any information required for the payment of salaries and wages and maintenance of records.
- The procedures for banking are prescribed and controlled by the Director of Finance, Development and Regeneration. The Scheme for Financing Schools offers two alternative procedures for banking. These are the ‘Authority Cash Management Scheme’ and the ‘Separate Banking Scheme’. All schools will be covered by the ‘Authority Cash Management Scheme’ unless the governing body of the school opt to be covered by ‘Separate Banking Scheme’. Details of the banking schemes are contained at Section 3.
- Whatever arrangements the Governing Body may approve for the delegation of budget decisions, only the Head Teacher and one other person that he or she may designate may act as the Authority’s Accounting Officer at the school. The Governing Body has no discretion or powers to determine otherwise. The Governing Body must advise the Director of Children’s Services if it has reason to suspect the school’s Accounting Officer(s) of financial irregularities. Entering into financial commitments for example, the placing of official orders must, therefore, be undertaken by the Head Teacher or by a designated person at the school by use of any prescribed official stationery. (The Head Teacher will be responsible for the examination, verification and certification of invoices).
- Each school’s designated Accounting Officer shall ensure that no liability is incurred, whether by the issue of an order for goods or services or otherwise, unless there is budgetary provision approved by the Governing Body, and shall ensure that allocations of all costs and expenditures is made to the proper Heads of Account.
- The school’s Accounting Officer must, on request, make available to the Director of Children’s Services, the Director of Finance, Development and Regeneration, audit staff, or any external Auditor, any records relating to income and expenditure and allow access at all times to documents, records and information relating to financial matters as and when necessary. Auditors are also entitled to receive such information and explanation as may be required for the purpose of audit from Governors and School staff.

- The Authority has a duty to undertake financial monitoring of schools with delegated budgets not only to discharge its statutory duties, but also to promote effective use of resources and to ensure compliance with the conditions of the approved scheme for financing schools. Monitoring of the budgetary processes of all schools with delegated powers will, therefore, be a priority commitment for the Authority.
- The collection of all monies due to the Authority, whether arising out of the school's own activities or the Authority's requirements, must be carried out, receipted and banked in accordance with arrangements prescribed by the Director of Finance, Development and Regeneration.
- Schools will collect debts via the Authority's established central system. Debts due to schools can only be written off, or reduced, with the authority of the **Director of Finance, Development and Regeneration in consultation with the Monitoring Officer (up to £50,000)** or Cabinet (if greater).
- A standard budget format will be determined by the Authority and must be used by schools to ensure consistency of information. Any virement between budget headings as permitted under the Financial Regulations will be recorded in the accounts.

Charging Policy and Recharges

1. For activities where charging is permitted, decisions as to whether, and how much to charge shall be determined:

i) where the activity is paid for out of funds under the control of the Governing Body, by the Governing Body.

ii) in any other case, by the Authority. The Authority's current policy in relation to charging for school activities is attached as Annex F.

2. In order to avoid double-funding of activities provided from the delegated budget, where the Governors adopt a policy which is less generous (whether in charging or remitting charges) than the Authority's policy, the Authority reserves the right to take account of this additional income in its allocation of funds to the school concerned.

3. The Authority reserves the right to charge the budget share of a school for additional costs arising from that school's use of centrally provided services to a greater extent than could reasonably be expected. An example of this could be a locally made decision leading to consequential excessive expenditure on home to school transport. The Authority will, however, provide written notification where a school's current rate of consumption of any such central services will incur a charge.

ANNEX F

THE AUTHORITY'S CURRENT POLICY IN RELATION TO CHARGING AND REMISSION FOR SCHOOL ACTIVITIES

1. The Statement of the Councils Charging Policy

(i) Charging in kind

If the parents of pupils confirm in advance on a voluntary basis that they wish to own their children's finished products arising from pupils' participation in practical work, the actual costs of the ingredients and materials used should be met by the parents.

(ii) "Optional Extras"

These are defined as "education provided for registered pupils wholly or mainly outside school hours". Cabinet does not intend to fund directly "optional extras". Provided parents confirm in advance that they wish their children to take part in "optional extras", the actual costs of participation incurred by each pupil should be met by the parents. The costs can include an appropriate element for a pupil's travel costs; a pupil's board and lodging costs; materials, books, instruments and other equipment; non-teaching staff costs; entrance fees to, for example, museums, castles and theatres; insurance costs where parents have agreed in advance to pay these charges, but fail to do so, action should be taken to recover the sums due as a civil debt from the parents.

(iii) Educational Visits Abroad

Cabinet will not fund the costs of board and lodging, transport and incidental expenses incurred by pupils participating in educational visits abroad, which take place both in term time and in school holidays. The actual charges involved should be met by the parents who should, therefore, be requested on a voluntary basis to confirm in advance that they wish their children to participate in the particular educational visit abroad and that they will pay the actual costs incurred.

(iv) Public Examination

(a) Re-scrutiny of Public Examination Results

Where parents make a specific request that their children's public examination results should be re-scrutinised, any costs incurred in the re-scrutiny should be met in full by the parents.

(b) Double Entries for Prescribed Public Examinations

Where parents insist on a double entry for a prescribed public examination in the same subject, the actual cost of the entry fee for one examination should be met by the parents.

(c) Re-sitting of Prescribed Public Examinations

Where no further preparation has been provided for a pupil to re-sit a prescribed public examination, the actual cost of the examination entry fee should be met by the parents.

(d) Other Public Examinations

If a pupil, with parental agreement, is entered for a public examination, other than one on the prescribed list, the examination entry should be considered as an “optional extra”. The actual cost of the examination entry fee should be met by the parents in these circumstances.

(e) Recovery of Wasted Public Examination Fees

If pupils fail, “without good reason”, to complete their examination requirements for any public examination for which the governing body or the local authority has paid, or is liable to pay, examination entry fees, the actual cost of fees should be recovered from the parents concerned. Failure to complete the examination requirements might include failure to complete the necessary coursework and/or failure to sit the final examination(s).

(v) Breakages and Fines

If there is clear evidence that pupils have damaged school property (e.g. broken a window) or defaced, damaged or lost educational equipment (e.g. a textbook) belonging to the school, the parents should be requested to meet the actual replacement costs involved.

(vi) Instrumental Music and Vocal Tuition

Where instrumental music tuition, vocal tuition, and/or any other music related activity is provided outside the normal school day parents will be asked to make a contribution towards the cost of the provision. The costs will be determined and revised by the Music Service (subject to approval by Education Committee) and a remission policy will be operated.

2. The Statement of the Council’s Remission Policy

(i) Cost of Instrumental Music Tuition and Vocal Tuition

The remission in full of the cost of music or vocal tuition to pupils who participate in out-of-school music centre activities and whose parents’ main source of income is either:

- (a) income support; or
- (b) job seekers’ allowance
- (c) disabled person’s tax credit with prescription exemption*
- (d) working families tax credit with prescription exemption*

* Because of the higher rates of income qualifying for Working Families Tax Credit and Disabled Person’s Tax Credit compared with the benefits they replaced, the Benefits Agency has had to look at the way they operate an entitlement to free prescriptions and they now only allow the lower income families to receive exemption certification. By asking families to demonstrate that they are exempt from paying prescription charges, the Authority avoids having to adopt complicated assessment procedures or disallow all families who receive the new benefits. The simplest method of doing this is to ask parents to send in a copy of their award letter.

(ii) Board and Lodging Charges at the Authority’s Residential Centre

The remission in full of the board and lodging charges to pupils who participate in residential visits at the Authority’s residential centre run by the Education Authority and whose parents’ main source of income is either:

- (a) income support; or
- (b) job seekers' allowance
- (c) disabled person's tax credit with prescription exemption*
- (d) working families tax credit with prescription exemption*

* Because of the higher rates of income qualifying for Working Families Tax Credit and Disabled Person's Tax Credit compared with the benefits they replaced, the Benefits Agency has had to look at the way they operate an entitlement to free prescriptions and they now only allow the lower income families to receive exemption certification. By asking families to demonstrate that they are exempt from paying prescription charges, the Authority avoids having to adopt complicated assessment procedures or disallow all families who receive the new benefits. The simplest method of doing this is to ask parents to send in a copy of their award letter.

(iii) Other Costs

Cabinet will consider on their merit any written applications for remission of costs associated with the education of children which are submitted by their parents; however, it cannot be guaranteed that any remissions can be made.

ANNEX G

CONFIDENTIAL REPORTING POLICY

This policy has been introduced to enable employees, and other persons working for the Council on Council premises, together with suppliers and those providing services under a contract with the Council to confidentially voice serious concerns over alleged malpractice and alleged wrongdoing within the Council.

Officers have been nominated in each service for the purpose of dealing with concerns raised by employees or other persons under this policy. Details can be found on the Employee Benefits & Support Section of the intranet under Support for Employees.

CONFIDENTIAL REPORTING POLICY

1. INTRODUCTION

- 1.1 Employees are sometimes the first to realise that there may be something seriously wrong within the Council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council; or they may fear harassment, victimisation or other reprisals. In these circumstances it may be easier to ignore the concern rather than report what may be just a suspicion of malpractice.
- 1.2 The Council is committed to the highest possible standards in the delivery of its services, and for full accountability for those services. In line with that commitment employees are encouraged to come forward and voice any serious concerns they may have about the Council's work. It is recognised that certain cases will have to proceed on a confidential basis. This policy document makes it clear that you can do so without fear of reprisals. This policy is intended to encourage and enable you to raise serious concerns within the Council rather than overlooking a problem or "blowing the whistle" outside.
- 1.3 The policy applies to all employees and those contractors working for the Council on Council premises, for example, agency staff, builders and drivers. It also covers suppliers and those providing services under a contract with the Council in their own premises, for example, care homes.

2. AIMS AND SCOPE OF THIS POLICY

- 2.1 This policy aims to:
 - provide avenues for you to raise concerns and receive feedback on any action taken;
 - allow you to take the matter further if you are dissatisfied with the Council's response to the concerns expressed; and
 - reassure you that you will be protected from possible reprisals or victimisation.
- 2.2 Service Comments, Commendations and Complaints systems are already in place to provide a mechanism for you to complain about the standard of service, action or lack of action by the Council or its employees, which affect our services to the public. There are also existing procedures in place to enable you to lodge a grievance relating to your own employment. The Confidential Reporting Policy is intended to cover concerns that fall outside the scope of these

procedures e.g. malpractice or wrongdoing.

- 2.3 Thus any serious concern that you may have regarding the suspicion of malpractice or wrongdoing in any aspect of service provision or the conduct of Officers or Members of the Council (although complaints about Members' conduct may need to be forwarded to the Council's Standards Committee or to the Standards Board for England) or others acting on behalf of the Council can and should be reported under this policy. Employees are expected to report malpractice and wrongdoing and may be liable to disciplinary action if they knowingly and deliberately do not disclose information relating to malpractice or wrongdoing in any aspect of service provision or the conduct of Officers or Members of the Council or others acting on behalf of the Council.

3. WHAT IS MALPRACTICE OR WRONGDOING?

- 3.1 Malpractice and wrongdoing may be about something which:-

- is unlawful; or
- against the Council's Standing Orders or policies; or
- is not in accordance with established standards of practice; or
- amounts to improper conduct by an employee or a Member.

The overriding concern should be that it would be in the public interest for the malpractice to be corrected and, if appropriate, sanctions to be applied.

The following are examples of issues which could be raised under this policy. It is not intended to be an exhaustive list and there may be other matters which could be dealt with under this policy:

- any unlawful act or omission, whether criminal or a breach of civil law
- maladministration, as defined by the Local Government Ombudsman
- breach of any statutory code of practice
- breach of, or failure to implement or comply with any policy determined by the Council, the Cabinet or any of the Council's Committees
- failure to comply with appropriate professional standards or other established standards of practice
- corruption or fraud
- actions which are likely to cause physical danger to any person, or give rise to a risk of significant damage to property
- failure to take reasonable steps to report and rectify any situation which is likely to give rise to a significant avoidable cost, or loss of income, to the Council or would otherwise seriously prejudice the Council
- abuse of power, or the use of the Council's powers and authority for any unauthorised or ulterior purpose

- unfair discrimination in the Council's employment or services
- dangerous procedures risking health and safety
- abuse of clients
- damage to the environment
- other unethical conduct

4. SAFEGUARDS

4.1 HARASSMENT OR VICTIMISATION

The Council recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice or from the Council as a whole. The Council will not tolerate any harassment or victimisation and will take appropriate action in order to protect you if you raise a concern in good faith. In addition you are protected by law by the Public Interest Disclosure Act, which gives employees protection from detriment and dismissal where they have made a protected disclosure, provided the legal requirements of the Act are satisfied.

This does not necessarily mean that if you are already the subject of disciplinary procedures that those procedures will be halted as a result of a concern being raised under this policy.

4.2 CONFIDENTIALITY

It will be easier to follow up and to verify complaints if complainants are prepared to give their names. However, wherever possible the Council will protect those who do not want their names to be disclosed. It must be appreciated that any investigation process may reveal the source of the information and a statement from you may be required as part of the evidence.

4.3 ANONYMOUS ALLEGATIONS

Concerns expressed anonymously are much less powerful, but they will be treated with caution and considered at the discretion of the Council. In exercising this discretion the factors to be taken into account would include:

- the seriousness of the issues raised;
- the credibility of the concern; and
- the likelihood of obtaining the necessary information and confirmation of the allegation.

4.4 DELIBERATELY FALSE OR MALICIOUS ALLEGATIONS

The Council will view very seriously any deliberately false or malicious allegations it receives, and will regard the making of any deliberately false or malicious allegations by any employee as a serious disciplinary offence which could result in dismissal.

If you make an allegation in good faith but it is not confirmed by the investigation, no action will be taken against you.

The Council will try to ensure that the negative impact of either a malicious or unfounded allegation about any employee is minimised. However, it must be acknowledged that it may not be possible to prevent all of the repercussions potentially involved.

5. HOW DO I RAISE A CONCERN?

5.1 If you suspect wrongdoing in the workplace:

- **do not** approach or accuse the individuals directly
- **do not** try to investigate the matter yourself
- **do not** convey your suspicions to anyone other than those with the proper authority but **do** something!

5.2 As a first step, you should normally raise concerns with your immediate manager or supervisor. However, the most appropriate person to contact will depend on the seriousness and sensitivity of the issues involved and who is thought to be involved in the malpractice. For example, if you believe that senior management is involved in the matter of concern, or the normal channels of communication are inappropriate for some reason, as an employee of the Council you should approach your service's Nominated Officer (an Officer who has been nominated for the purpose of dealing with concerns under this policy). If you feel that this would be inappropriate in the light of the particular matter concerned, or if you are not a Council employee, you can contact any of the Nominated Officers specified in the Policy.

5.3 Concerns may be raised verbally but are better raised in writing. You are invited to set out the background and history of the concern giving relevant names, dates and places where possible, and the reason why you are particularly concerned about the situation. If you do not feel able to put your concern in writing you can telephone or meet the appropriate Officer.

5.4 The earlier a concern is expressed, the easier it is to take appropriate action.

5.5 Although you are not expected to prove the truth of an allegation that is made, it will be necessary for you to demonstrate to the person contacted that there are sufficient grounds for concern.

5.6 Advice and guidance on how matters of concern may be pursued can be obtained within the Council from Human Resources.

5.7 Alternatively, you may wish to seek advice from your trade union or professional association.

6. HOW THE COUNCIL WILL RESPOND

6.1 The action taken by the Council will depend on the nature of the concern. Where appropriate,

the matters raised may:

- be investigated by management, internal audit, or through the disciplinary process
- be referred to the Police
- be referred to the external Auditor
- need to be the subject of a referral to the Council's Standards Committee or to the Standards Board for England
- form the subject of an independent enquiry

6.2 In order to protect individuals and the Council, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Concerns or allegations which fall within the scope of specific procedures (for example allegations of breaches of the Council's Code of Conduct, child protection or discrimination issues) will normally be referred for consideration under these procedures.

6.3 Some concerns may be resolved by agreed action without the need for investigation.

6.4 Within 14 calendar days of a concern being raised under this procedure the relevant Nominated Officer will write to you:

- acknowledging that the concern has been received;
- indicating how it is proposed to deal with the matter;
- giving an estimate (so far as reasonably practicable) as to how long it will take to provide a final response;
- telling you whether any initial enquiries have been made; and
- telling you whether further investigations will take place and if not, why not

6.5 The amount of contact between you and the Officers considering the issues will depend on the nature of the matters raised; the potential difficulties involved; and the clarity of information provided. If necessary, further information will be sought from you.

6.6 Where any meeting is arranged, you have the right, if you so wish, to be accompanied by a trade union or professional association representative or a friend who is not involved in the area of work to which the concern relates.

6.7 The Council will take appropriate steps to minimise any difficulties you may experience as a result of raising a concern. For example, if you are required to give evidence in criminal or disciplinary proceedings the Council will advise you about the procedure.

6.8 The Council accepts that you need to be assured that the matter has been properly addressed. Therefore, subject to any legal restraints, you will receive as much information as possible about the outcomes of any investigation.

7. HOW CAN I TAKE THE MATTER FURTHER?

7.1 This policy is intended to provide employees and other persons with an avenue to raise concerns **within** the Council and it is hoped that you will take this option in the first place.

The Council hopes you will be satisfied. If you are not, and you feel it is right to take the matter outside the Council, then depending upon the nature of the issue involved, the following are possible contact points:

- the District Auditor
- relevant professional bodies or regulatory organisations
- the Police
- the Local Government Ombudsman
- the Standards Board for England (although complaints submitted to the Council about Members' conduct may need to be forwarded to the Council's Standards Committee or to the Standards Board in any event)
- Public Concern at Work
- an independent legal adviser within the meaning of the Public Interest Disclosure Act 1998
- a regulatory body designated for the purposes of the Public Interest Disclosure Act

7.2 If you do wish to take the matter outside the Council, you must first ensure that you do not disclose confidential information. Check with a Nominated Officer or Human Resources about that. In addition, if you wish to secure the protections afforded by the Public Interest Disclosure Act, you must ensure that your disclosure is protected within the meaning of the Act and that it complies with a set of specific conditions which vary according to whom the disclosure is made. Again please check with a Nominated Officer or Human Resources about these matters.

8. RESPONSIBILITY FOR THE POLICY

8.1 The responsibility for the effectiveness and efficiency of this policy rests with the Director of Corporate Services. That Officer will be advised about and maintain records of concerns raised and the outcomes (but in a form which does not endanger your confidentiality) and will report as necessary to the Council.

8.2 If you have a serious concern over alleged misbehaviour or wrongdoing within the Council please contact Ged Morton, Director of Corporate Services or the relevant nominated officer in your service area to discuss your concerns on a confidential basis.