

**Scheme for Financing Schools
June 2009 to March 2011**

**CENTRAL BEDFORDSHIRE COUNCIL'S
SCHEME FOR FINANCING SCHOOLS**

June 2009 to MARCH 2011

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1. INTRODUCTION

1.1. The Funding Framework

Central Bedfordshire Council's Scheme for Financing Schools (formerly the Bedfordshire County Council's Local Management of Schools Scheme) is based on the legislative provisions in sections 45 – 53 of the School Standards and Framework Act 1998 (the Act) and the School Financing (England) Regulations 2008.

Under this legislation, the Department for Children, Schools and Families (DCSF) will determine on an annual basis, the minimum size of the Schools Budget, through the Dedicated Schools Grant (DSG). The Local Authority (LA) will determine the actual level of the Schools Budget and the LA 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 is all expenditure, direct and indirect, on the LA's maintained schools.

The LA may centrally retain funding in the Schools Budget for purposes defined in regulations made by the Secretary of State under Section 45A of the Act. The amounts to be retained centrally are decided upon annually by the LA, subject to any limits or conditions prescribed by the Secretary of State and any amounts that have to be agreed by the Schools Forum. The balance of the Schools Budget remaining after deduction of centrally retained funds is termed the Individual Schools Budget (ISB).

Expenditure items in the LA budget must be retained centrally (although earmarked allocations may be made to schools).

The LA will not retain an unallocated reserve within the ISB but must distribute the ISB amongst all 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 (see Guide to Schools Funding Formula 2008-2011) 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 Section 51 of the Act.

The financial controls within which delegation works are set out in Central Bedfordshire Council's Financial Regulations for Schools in accordance with Section 48 of the Act and approved by the Secretary of State.

All revisions to this scheme must be approved by the Schools Forum or the Secretary of State. and must be subject to consultation with schools

Subject to the provisions of the scheme, governing bodies of schools are empowered to spend budget shares for the purposes of their schools. They

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may Also spend budget shares on any additional purposes prescribed by the Secretary of State in regulations made under Section 50 of the Act.

The LA may suspend a school's right to a delegated budget if the provisions of this scheme have been substantially or persistently breached, or if the budget share has not been managed satisfactorily.

There is a right of appeal to the Secretary of State. A school's right to a delegated budget share may also be suspended for other reasons (Section 17 of the Act) but in that case there is no right of appeal.

The LA will publish each year a statement setting out details of its planned Schools Budget and LA Budget, showing the amounts to be centrally retained, the budget share for each school, the formula used to calculate those budget shares and the detailed calculation for each school. After each financial year the LA will publish a statement showing outturn expenditure at both central level and for each school, and the balances held in respect of each school.

The detailed publication requirements for financial statements and for schemes are set out in regulations, but each school must receive a copy of the scheme and any amendment, and each year's budget and outturn statements so far as they relate to that school or central expenditure.

1.2. The Role of the Scheme

This scheme sets out the financial relationship between the LA and the maintained schools, which it funds. A list of the schools covered by this scheme is attached at Appendix A.

This scheme and the requirements relating to financial management set out in Central Bedfordshire Council's Financial Regulations for Schools are binding on both the LA and its schools and must be complied with at all times.

1.2.1. Application of the Scheme

With effect from 1st April 2008 the following schools will be subject to the requirements of this scheme:

- Community Schools
- Community Special Schools
- Voluntary Schools
- Foundation Schools
- Foundation Special Schools
- Nursery Schools

Unless specifically stated otherwise, the provisions of this scheme apply to any nursery school maintained by the authority.

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Any new schools opening after 1 April 2008 will be subject to the requirements of this scheme by virtue of Section 48 of the Act.

1.3. Publication of the Scheme

A copy of this scheme will be provided to every Headteacher and governing body of each school covered by this scheme. Additionally any approved revisions will be notified to each school.

A copy of the scheme will also be available for reference at all reasonable times and without charge, at each school maintained by the LA and at the offices of the Schools Finance Team , P.O. Box 1395, Bedford, MK42 5AN.

1.4. Revision of the Scheme

Any revisions to the Scheme for Financing Schools must be subject to consultation with all Headteachers and governing bodies. This will need to be approved by The Schools Forum or Secretary of State in accordance with regulation 27 of the Schools Finance (England) Regulations 2008.

1.5. Delegation of Powers to the Headteacher

The governing body is required to consider the extent to which it wishes to delegate its financial powers to the Headteacher and to record its decision (and any revisions) in the minutes of the governing body.

However, the school's Full governing body must approve the first formal school budget plan of each financial year.

1.6. Maintenance of Schools

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

2. FINANCIAL REQUIREMENTS AND AUDIT

2.1. Application of Financial Controls

Further to paragraph 1.2 above, all schools are required to comply with Central Bedfordshire Council's Financial Regulations for Schools at all times. These regulations encapsulate approved financial management procedures appropriate to all phases and categories of schools in Central Bedfordshire.

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These regulations cover the accounting procedures approved for operation in Central Bedfordshire schools and associated banking arrangements, where appropriate.

2.2 The Financial Management Standard

The DCSF have developed a toolkit, which has been issued to all Central Bedfordshire schools, which is designed to help schools evaluate the quality of their financial management and train staff to become good financial managers. The Financial Management Standard (toolkit document G2) itself is a simple statement of what a school that is managed well financially would look like. Detailed guidance is given in the toolkit document G3. Good practice in a school, which meets the standard, can be analysed under the following headings:-

- Leadership and Governance
- People Management
- Policy and Strategy
- Partnership and Resources
- Processes

All maintained schools must demonstrate compliance with the DCSF's' Financial Management Standard in Schools in line with the timetable determined by the authority, and at any time thereafter. A risk based approach has been agreed, following consultation with the Schools Forum, taking into account size, funding type and current financial position. The original Bedfordshire County Council timetable is as follows:-

Mar-07

17 Upper Schools

Mar-08

39 Middle Schools

9 Fully Funded (remaining)

10 Licence Deficit Schools (not captured above)

2 Schools with concern regarding Financial Management and ability to deliver requirements of the Scheme for Financing Schools

20 Largest Partially Funded Schools (not captured above)

Mar-09

16 Ex-Partially Funded Schools (remaining) -15 Lower and 1 Special

65 Centrally Funded Lower Schools

Mar-10

26 Smaller Lower Schools

7 Special Schools

7 Nursery School

(Remaining Schools)

(Centrally Funded)

(Centrally Funded)

(Not compulsory at current time)

Mar-11

Upper Schools to be re-assessed

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

The toolkit includes a Self Assessment Tool (document G4), for schools to assess their progress and any gaps towards meeting the standard.

Schools will be required to complete a self-assessment each year. This will take the form of the Financial Management Standard In Schools (FMSiS) Self-Assessment Tool (document G4 of the FMSiS Toolkit). This will be required to be submitted to the LA by 30th June, each year.

An External Assessment Tool (document G5) is also included, which sets out the formal evidence an External Assessor would require, to validate and certify compliance.

2.3 Notice of Concern

The LA may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Chief Finance Officer and the Chief Education Officer/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

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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.

2.4 Provision of Financial Information and Reports

Provision by schools of financial information and reports to the LA will be determined by the approved accounting procedures in operation in school. The

two approved arrangements for use in Central Bedfordshire Council schools are:

- (a) Use of the LA's Management Accounting System (SAP); and/or
- (b) Use of the school's own local accounting systems (RM, SIMS, Pegasus etc.)

Any requests from schools to alter their accounting arrangements must be made prior to 1 February in any year for commencement at the start of the following financial year.

2.4.1 Schools Operating the LA's Accounting System - Option (a) Centrally Funded Schools

Schools will receive from the LA monthly Income and Expenditure monitoring reports., Schools will be required to reconcile their local system with the LA provided reports on a monthly basis, and return evidence of the reconciliation with supporting system print to the LA by 20th of the following month.

2.4.2 Schools Operating Local Accounting Systems - Option (b) Fully Funded Schools

Schools must satisfy the minimum requirements with regard to financial controls, procedures and systems in operation so far as necessary for the discharge of the LA's Director of Corporate Resources responsibilities under Section 151 of the Local Government Act 1972. As this option involves all financial records being maintained in school, these documents become the prime record and, therefore, are subject to a more rigorous LA and external audit.

Schools are required to provide the LA with various financial reports in order for the LA to consolidate school expenditure onto its own accounting system. These reports shall be returned to the LA, on a quarterly basis, in line with a predetermined timetable. The LA will only require monthly returns where it believes a school's financial position warrants a more frequent return, or during

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the first financial year of the school is operating its own financial systems.

In order for the Director of Corporate Resources to prepare the annual accounts, schools will be required to provide financial information in accordance with the timetable determined by the Director of Corporate Resources in consultation with the authority's external auditor.

The content and frequency of returns to the LA are prescribed through Central Bedfordshire Council's Fully Funded Bank Account Scheme. Initially the LA will require monthly Income and Expenditure statements; Cash Flow forecasts and updates; budgeted and year end (actual) Balance Sheets as well as the Quarterly Wages and Salaries Return.

Quarterly returns only will be required after the first full year of satisfactory operation, unless the school's finances are of concern to the authority, in which case monthly returns will be required. This will include any school with a loan from the authority to cover a deficit situation. It does not include loans in respect of the Asset Loan Scheme.

2.5 Consistent Financial Reporting (CFR)

Consistent Financial Reporting (CFR) standardises, simplifies and streamlines the coding and reporting of school finances in all maintained schools in England. It applies to all budgets, forecasts, recovery plans and outturn returns. The Consistent Financial Reporting (England) Regulations 2003 established the approved headings, under the following sections:-

- Core income headings
- Core expenditure headings
- Capital income headings
- Capital expenditure headings
- Balance headings

Appendix B shows the approved headings per the legislation. Additional headings have been created to allow for reporting community facility activity, within extended schools (see sections 13 and 14).

The CFR data has been used to populate a website with a bank of benchmarked data, giving all maintained schools the opportunity to compare their incomes and expenditures with those of similar schools (see the Schools Financial Benchmarking tool on the TeacherNet website).

CFR increases the level of accountability of school managers whilst prompting schools to become more self-managing. The ideology that each school is in the position to make the best decisions about allocating resources is at the core of CFR. Access to benchmarked data will allow school managers to make better-informed decisions when deciding annual budgets, thus improving overall efficiency year on year. CFR will facilitate networking between schools and

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encourage 'Learning by looking': less efficient schools will be expected to look to more successful schools for advice on best practice.

An annual return, in CFR format, is required to be submitted to the authority in accordance with the timetable issued each year.

2.6 Payment of Salaries and Invoices

The procedures for these will vary according to the choices schools make about the holding of bank accounts and the buying back of the services.

Where the Authority's preferred payroll supplier is also used by schools, the Director of Corporate Resources will arrange for the completion and return of all payroll related financial statements which are required by law.

Where a school has elected to use an alternative provider of payroll services all associated responsibilities (e.g. effective administration, payments and submissions of returns) will rest with the school. Specific details of these requirements are included in Central Bedfordshire Council's Financial Regulations for Schools.

The procedures for the payment of invoices will depend upon the school's choice of banking arrangements and will be set out in Central Bedfordshire Council's Financial Regulations for Schools.

Irrespective of the banking arrangements, schools should use their best endeavours to ensure that payments can be made within 30 days of invoice date. This is both central government and council policy. Where an invoice is disputed, the query should be raised, with the supplier, as soon as is known. The invoice should be promptly cleared for payment, once the query is resolved, or credit note received. All invoices should be cleared, or query made, prior to major holiday periods.

2.7 Control of Assets

Each school must maintain an inventory of its moveable assets, in a form determined by the authority, setting out the basic authorisation procedures for disposal of assets. These procedures are set out in Central Bedfordshire Council's Financial Regulations for Schools. The prescribed format must be used and in the form of an electronic spreadsheet. (This is available from the Schools LA website) This should be printed off and completed at 31st March each year and signed off as verified and submitted to the LA as required. Schools are responsible for their own arrangements for keeping a register of assets worth less than £1,000.

2.8 Accounting Policies (including Year-End Procedures)

Schools must abide by the procedures and timetables issued by the LA in relation to accounting policies and year-end procedures. The year end procedures and timetable will be issued by the LA each year, during February.

2.9 Writing Off Debts

Governing Bodies are only authorised to write off debts up to £5,000.

In the case of larger debts the school must refer such cases to the Director of Corporate Resources or his nominated officer for approval.

2.10 Basis of Accounting

Central Bedfordshire Council's accounting policies are based on the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in Great Britain and all accounts are prepared on an accruals basis. Schools operating the LA's accounting system (option a, as outlined in paragraph 2.4.1 above) are required to provide the authority with details of year end accruals.

Schools operating local accounting systems (option b, as outlined in paragraph 2.4.2 above) are required to provide the authority with reports and accounts on an accruals basis in accordance with an agreed timescale.

2.11 Submission of Budget Plans

Each school is required to submit a budget plan approved by the FULL Governing Body to the Authority no later than 31 May of each year.

The budget plan must show the school's intentions for expenditure in the current and the following financial year and details of any assumptions made underpinning the budget plan e.g. expected income. In determining the budget plan schools are required to take into account estimates of any surplus or deficit projected for the previous year financial end.

In addition, the LA may require schools to submit a budget plan covering each year of a multi-year period for which schools have been notified of budget shares beyond the current year.

The format of the budget plan and any supporting documents shall comply with that provided by the LA when distributing individual school budgets.

The authority may also require the submission of revised plans where the authority deems it necessary.

The LA will supply schools with all income and expenditure data that it holds and which is necessary for efficient planning by schools.

2.12 Budget Management

As part of budget management Schools are required to undertake regular forecasts of outturn against budget. The LA needs access to this information

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and Schools are required, therefore, to provide at least one forecast outturn return to the LA, once the October income and expenditure reports have been issued.

2.13 Best Value

Given the very high proportion of local authority spending which flows through delegated budgets, it is a requirement of this Scheme and of the DCSF that schools should demonstrate that they have applied the principles of best value in their expenditure. To meet this intention, when submitting the annual budget plan, the governing body of each school shall submit a statement setting out what steps it will be taking in the course of the year to ensure that expenditure, particularly in respect of large service contracts, will reflect the principles of the best value regime. To assist schools in doing this the principles of 'best value' are set out in Appendix C.

2.14 Virements

Schools are free to vire between budget headings identified in the school's budget plan and governors are required in their Schemes of Delegation to establish criteria for virements and financial limits above which the approval of the governors is required. Decisions should be recorded in governing body minutes.

2.15 Audit: General

Schools are required to co-operate both with auditors employed by the local authority (**internal audit**) and auditors appointed by the Audit Commission to audit the local authority itself (**external audit**).

With regard to **internal audit**, all schools are within the scope of the audit regime determined by the LA.

The internal audit of schools is an obligation imposed upon the Council by the Accounts and Audit Regulations 1996 which require the maintenance of an adequate and effective system of internal audit of the accounting records and systems of the council. The responsibility for Internal Audit has been delegated to the Director of Corporate Resources.

To enable the Council's auditors to carry out their duties schools must allow the auditors full access at all times to all papers and records of the school and provide explanations the auditors consider necessary. School must pass on to auditors any information that the auditors should be aware of to carry out their audit.

In relation to **external audit** all schools are within the scope of the LA external audit regime as determined by the Audit Commission. The governing body must bear in mind that whilst external auditors must plan, perform and evaluate their audit work to have a reasonable expectation of detecting material

misstatements arising from error or fraud, the duty to deter and detect fraud rests primarily with the governing body.

2.16 Self Assessment

This is in the form of the Financial Management Standard in Schools (FMSiS) Self Assessment G4, please see section 2.2.

2.17 Separate External Audits

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 be subject to and co-operate with the LA's internal and external auditors. In the event of a difference of opinion between the LA's external auditors and a governing body appointed auditor the views of the LA's external auditor will prevail.

2.18 Audit Of Voluntary And Private Funds

In addition to the normal internal and external audits, schools must provide annual audit certificates to the LA in respect of any voluntary and private funds they hold and of the accounts of any trading organisations controlled by the school. Where a school wishes to establish a trading organisation it must consult with the LA regarding the nature of the trading activity.

The procedures for providing the audit certificates and advice on the handling of such voluntary and private funds are set out in Central Bedfordshire Council's Financial Regulations for Schools.

2.19 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 member of staff involved in any way in the selection of suppliers, any business interests they or any member of their immediate family have, to keep the register up to date with notification of changes and through annual review of entries, and to make the register available for inspection by governors, staff, parents and the LA.

More detailed guidance on the maintenance of such a register can be found in Central Bedfordshire Council's Financial Regulations for Schools.

2.20 Purchasing, Tendering and Contracting Requirements

Schools are required to abide by Central Bedfordshire Council's Financial Regulations for Schools and Standing Orders in purchasing, tendering and contracting matters. Notwithstanding this, schools are required to assess in

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advance, where relevant, the health and safety competence of contractors, taking account of Central Bedfordshire Council's policies and procedures.

The policies and procedures **will not** require schools:-

a) to do anything incompatible with any of the provisions of the scheme, or any statutory provision, or any EU Procurement Directive;

b) to seek LA Officer countersignature for any contracts for goods or services for a value below £60,000 in any one year;

c) to select suppliers only from an approved list;

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

2.21 Application of Contracts to Schools

Schools have the right to opt out of any contracts arranged by the LA except for those contracts (whenever started) where they have lost that right in accordance with a specified written procedure. In such cases, schools would remain bound into the contract for its duration e.g. service contracts let in consultation with schools.

This opt out facility excludes contracts which schools have agreed to be covered by in respect of services for which funding was delegated by the LA prior to 1 April 1999; for contracts which schools agree to be covered by in respect of services for which funding is delegated by the LA after 1 April 1999; and for certain contracts approved by the Secretary of State for services for which funding is delegated after 1 April 1999, irrespective of the agreement of schools.

Where governing bodies 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. However, other contracts may be made solely on behalf of the governing body, when the governing body has clear statutory obligations e.g. contracts made by aided or foundation schools for the employment of staff.

2.22 LA 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 e.g. Standards Fund. Such allocations shall be subject to conditions setting out the purpose 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.

The declaration of Earmarked Funds (appendix D2) section B01 must include any unspent revenue grant and balances held for capital projects, where

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written contracts have been entered into. Supporting evidence must be submitted for the LA to authorise such earmarking. Schools must maintain and present accounting records in support of such expenditure.

2.23 Spending for the Purposes of the School

Governing bodies are free to spend budget shares 'for the purposes of the school', subject to any provisions of this scheme in accordance with Section 50 (3) of the Act.

2.24 Capital Spending from Budget Shares

Governing bodies are permitted to use their budget shares to meet the cost of capital expenditure on the school premises¹ in accordance with the Councils accounting procedures. However, schools are not permitted to use their budget shares to contribute to capital works

- (a) if this results in a revenue deficit or
- (b) existing devolved formula capital balances are held by the school for the current or previous financial years.

The governing body must notify the LA in advance of any such expenditure in excess of £10,000.

If the expected capital expenditure from the budget share in any one year will exceed £10,000 the governing body must additionally take into account any advice from the authority's designated Director of Children, Families and Learning 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. However, consent for building work can only be withheld by the LA on Health and Safety grounds.

2.25 Devolved Formula Capital (DFC)

DFC is delegated to schools, however, this must only be used in line with the LA capital guidance and definition and not for revenue purposes e.g. repairs and maintenance.

Schools are required to return to the LA, on a timely basis as prescribed by the LA, control schedules identifying actual capital spend, supported by copy invoices.

DFC must be spent within the three and a half year time frame or claw back may be applied.

¹ This includes expenditure by the governing body of a voluntary aided school on work which is their responsibility under paragraph 3 of Schedule 3 of the Act.

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Direct Revenue Finance entries are not permitted where a school has a Licence Deficit agreement or where sufficient Capital balances are held. Exception will be made where earmarked funds authorised by the LA in a previous financial year have detailed a capital contribution. (DRF)

Voluntary Aided (VA) Schools must ensure a separate bank account is held for DFC and only the contribution from the school budget share is shown in the LA School accounts. VA Schools must ensure that they follow LA guidance and definitions for capital. It is the responsibility of the school to comply with deadlines and returns as prescribed by the Diocese or the DCSF.

VA Schools must only transfer the 10% contribution from revenue to the capital account when invoices need to be paid and not as a lump sum each year. Schools should submit back-up to their School Financial adviser, consisting of copy invoices to this transfer of funds.

3 INSTALMENTS OF THE BUDGET SHARE AND BANKING ARRANGEMENTS

3.1 Choice of Banking Arrangements

Schools have the choice of banking arrangements subject to the approval of the Director of Corporate Resources as follows:

Option (a): Fully Funded Schools: The entire school's budget share will be made available to the governing body on a monthly basis; that is, subject to an initial advance and consequent year end adjustment, the school's budget share will be transferred into the schools bank account in equal instalments. However schools may adjust the proposed instalments by writing to the Head of Children's Services Finance, with a supporting cashflow, demonstrating the schools requirements. Any accelerated instalments will be deducted from future instalments. The operation of the bank account will be subject to the Fully Funded Bank Account Scheme.

Option (b): Centrally Funded Schools: Schools may opt to use the authority's main bank account by way of central processing (where available) and will, therefore, not be subject to the instalment arrangements included in this scheme. These schools may also have a bank imprest account, which will be subject to the Bank Imprest Scheme.

Any requests from schools to alter their banking arrangements must be made prior to 1 February in any year for commencement at the start of the following financial year.

Schools applying to go fully funded must complete and return the Fully Funded Bank Account Readiness Self Assessment form along with their application. This is available on the schools website to download.

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This document has been developed as part of an ongoing programme of assistance and support to those schools considering moving to a Fully Funded bank Account. It should inform the Governing Body making, or intending to make, application for a Fully Funded Bank Account. as to the school's state of readiness to properly perform the financial management process appropriate to this particular Bank Account Scheme.

It will assist the Council's Director of Corporate Resources to complete his duties under the Local Government Act 1972 and Section 114 of the Local Government Finance Act 1988 in relation to the proper maintenance of the Councils financial affairs.

The criteria for not allowing schools to move to being fully funded will include:

- Timeliness and accuracy of returns.
- Latest audit opinion. If this was within the current academic year the audit opinion must be at least 'Adequate Assurance'. If the audit report was undertaken in the previous academic year then an agreed action plan must be in place.
- If the FMSiS is not achieved by the due date and no agreed action plan is in place.

3.2 Proportion of Budget Share Payable at each Instalment

The proportion of the school budget made available to the school are as outlined in 3.1 above. Any re-determinations of school budget will result in amendments to the amounts lodged in the schools bank account.

3.3 Interest on late payments

Where there is a delay in part or all of a scheduled payment, due to an error by the LA, interest will be paid on the unpaid amount at the relevant Bank of England base rates for the period.

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 basis agreed by the LA. This may either reflect the existing banking arrangements or an alternative arrangement that suits both the LA and the school concerned.

3.5 Bank and Building Society Accounts

All schools may have an external bank account into which their budget shares will be paid in accordance with the provisions contained at paragraph 3.1 of this scheme. Where schools have such accounts they shall be allowed to retain all interest payable on the account and be subject to any bank charges arising.

New bank account arrangements may only be made with effect from the

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beginning of each financial year and any such change must be requested prior to 1 February preceding the start of the new financial year.

Where a school transfers to full funded status the LA will transfer an estimate of any surplus balance at the year-end, as agreed with the school, by the date fully funded status commences, or as soon as the bank account is operable. This initial transfer will be subject to adjustment following a full reconciliation of the schools financial position as at the financial year-end.

3.5.1 Restrictions on Accounts

Accounts may only be held at either a bank or building society that has been approved by the LA's Director of Corporate Resources, and as such appears on the approved list. Notwithstanding this, any existing GM or GM Special School in being at 31 March 1999 can continue with their existing banking arrangements.²

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

Schools are allowed to have accounts for budget share purposes which are in the name of the school rather than the LA³. Where a school opens such an account, i.e. in its own name, the school shall ensure that the bank mandate states the LA is the owner of school budget share funds. In this context the mandate shall ensure that the LA is entitled to receive statements where it so wishes and that it can take control of the account should the school's right to a delegated budget be suspended by the LA.

3.6 External Borrowing By Schools

Governing bodies may borrow money externally only with the written permission of the Secretary of State⁴ following consultation with the LA. This does not apply to approved Licensed Deficits and the authority's Asset Loan Scheme (See paragraph 4.9 below).

3.7 Other Provisions

Central Bedfordshire Council's Financial Regulations for Schools sets out in

² GM and GM special schools, and schools formerly in those categories, are allowed to nominate as the account for budget share payments the account used in 1998-99 for payments of AMG by the FAS, even if it is not on the Chief Finance Officers list.

³ Money paid by the LA and held in such accounts remains LA property until spent (s.49(5) of the Act).

⁴ This does not apply to Trustees and Foundations, whose borrowing, as private bodies, makes no impact on Government accounts. These debts may not be serviced directly from the delegated budgets, but schools are free to agree a charge for a service which the Trustees or Foundation are able to provide as a consequence of their own borrowing. Governing bodies do not act as agents of the LA when repaying loans.

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further detail the operational requirements of the banking schemes outlined in 3.1 above. In addition the Regulations include information on the Bank Imprest Scheme, which can be used in conjunction with centralised payments.

4. THE TREATMENT OF SURPLUSES 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.

4.2 Reporting On The Intended Use Of Surplus Balances

Surplus balances held by schools as permitted under this scheme are subject to the following restrictions with effect from 1 April 2008:

- a. the Authority shall calculate by 31 May each year the surplus balance, if any, held by each school as at the preceding 31 March. For this purpose the balance will be the recurrent balance as defined in the Consistent Financial Reporting Framework;
- 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 and any unspent Standards Fund grant for the previous financial year;
- c. the Authority shall then deduct from the resulting sum any amounts which the governing body of the school has declared to be assigned for specific purposes permitted by the authority, and which the authority is satisfied are properly assigned. To count as properly assigned, amounts must not be retained beyond the period stipulated for the purpose in question, without the consent of the Authority. In considering whether any sums are properly assigned the Authority may also take into account any previously declared assignment of such sums but may not take any change in planned assignments to be the sole reason for considering that a sum is not properly assigned.
- d. if the result of steps a-c is a sum greater than 5% of the current year's budget share for secondary schools, 8% for 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, subject to the review by the Sub Group of the Schools Forum,

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set out below.

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.

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 are to be applied to the Schools Budget of the authority.

To assist the LA in carrying out its financial monitoring role, Governing bodies are required to report to the LA on the use which the school intends to make of surplus balances – after taking account of any earmarked funds, as per the annual CFR return - in cases where the total balance exceeds the threshold's set out in d. above.

Where schools have a surplus balance that exceeds the above thresholds of the School's Budget Share at the financial year end, the Governing Body are required to put in place a financial plan to reduce the surplus to below the threshold.

The plan will be reviewed and agreed by a Sub Group of the Schools Forum, each year and monitored to ensure such surpluses are used appropriately for the benefit of the school.

If the Sub Group of the Schools Forum is minded to believe that a school is not retaining the balance for appropriate reasons, then a process will be started to recycle the funds in excess of the threshold.

The calculation of the excess balance will be notified by a letter in the format of Appendix D1, Schools will also be required to complete the Declaration of Earmarked Funds and Surplus Balances(appendix D2), which must be submitted to the LA and supported by relevant evidence..

Relevant evidence must support B02 Uncommitted Revenue Balances and be in written form and may comprise of:-

- Finance Governors Minutes
- Three year plans
- Projected Pupil Numbers
- Correspondence with Contractors
- Any other relevant information

4.3 Interest on Surplus Balances

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Balances held by the Authority, on behalf of schools, do not attract interest. Balances held by schools in their own bank accounts, option (a) or referred to in paragraph 3.1 above is used, may attract interest for the school depending on the type of account.

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 paragraph 4.9 below.

4.6 Charging of Interest on Licensed Deficit Balances

The LA does not charge interest on school licensed deficits arising at the end of any financial year to those schools operating bank account option (b). Schools operating their own bank account option (a) are not permitted to allow their account to become overdrawn.

4.7 Writing off Deficits

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

4.8 Balances of Closing and Replacement Schools

When a school closes, any balance (whether surplus or deficit) shall revert to the LA; it cannot be transferred as a balance to any other school, even where the school is a successor to the closing school.

However, the LA may, if they wish, make allocations to schools, which have the effect of giving them the benefit of additional sums that are equal to or less than the surplus balances of relevant closing schools.

The LA may also recognise the deficit of the preceding school by reducing the amount of extra funding allocated to a new school, by an amount equal to the deficit from the previous school. Any deficit cannot be set against the 'normal' elements of funding the new school – that is the elements of funding it would receive anyway if it were not new.

4.9 Borrowing for Agreed Purposes

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

4.10 Licensed Deficits

The LA will permit schools which do not have a deficit at the start of a financial year to plan for a deficit budget in particular circumstances subject to the approval of the Director of Children, Families and Learning and the Director of Corporate Resources, or their nominated representative. The funding to allow such a deficit budget shall be provided from the collective surplus of school balances held by the authority on behalf of schools⁵.

The Licensed Deficit shall be in accordance with the following conditions/requirements:

(a) The normal maximum length of time over which schools may repay the deficit (i.e. to reach at least a zero balance), will be three years. Schools' requests for licensed deficits will need to be supported by a detailed recovery plan. Progress against the plan will be reviewed formally each month and schools are required to submit a formal outturn by 20th of the following month. - This must be in the format as prescribed in appendix H and supported by a system print confirming spend to date. Should the financial position of the school deteriorate then schools will need to adjust their plans accordingly to achieve the terms of their agreed Licensed Deficit. If the school forecasts that the approved LD recovery cannot be met they should submit in writing a request for additional funds, supported by a revised recovery plan, as soon as possible.

In exceptional circumstances the recovery period may be extended, up to maximum of seven years, but only with the express approval of the Director of Corporate Resources and the Director of Children, Families and Learning.

(b) Licensed Deficits will normally only be agreed where circumstances affecting the school change in ways which could not have reasonably been foreseen and the school concerned needs a period in excess of one financial year in order to effect a reduction in its annual level of expenditure and/or an increase in its annual level of income sufficient to eliminate the budget deficit;

(c) Licensed Deficits shall not normally exceed 10% of a school's budget share;

(d) No more than one third of the collective balances held by the LA will be used to back these arrangements.

(e) The format of the Financial Recovery Plan is shown in Appendix E1. This is in excel spreadsheet format and available electronically from the schools website, to accompany this plan, detailed notes are required to be submitted to support the recovery plan.

⁵ although it is open to the LA, in circumstances where there is no such surplus, to make alternative arrangements if it can do so within the relevant local authority finance legislation.

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The Financial Planning Software (FPS) format is acceptable, in the form of the Consistent Financial Reporting (CFR) report.

If the recovery period is less than three years, the plan only needs to cover the recovery period i.e. an additional one or two years. If exceptionally a longer period has been agreed, as set out above, the plan must be extended to the financial year of recovery.

Schools operating Bank Account option (a) are excluded from licensed deficits as they hold all of their funds in their own bank accounts (unless the account is a sub account of the LA's bank account). Schools operating Bank Account options (b) are eligible for licensed deficits as the LA holds all, of, their funds.

The LA may extend deficit arrangements to schools operating Bank Account option (a) but the arrangement will be in the form of a loan for which interest will be chargeable. The current rate of interest charged on such loans is the 7 day London Interbank Bid Rate. This facility will be subject to the availability of funds as outlined in sub paragraph (d) above. Details of the loan conditions can be found in Central Bedfordshire Council's Financial Regulations for Schools.

Schools with a Licensed Deficit may use the School Standards Grant on purposes other than reducing the Licensed Deficit, unless in the view of the LA the proposed expenditure is unreasonable in the school's financial circumstances.

4.11 Asset Loan Scheme

The LA operates an Asset Loan Scheme which does not operate by way of a licensed deficit but rather by way of expenditure by the LA, on asset purchases or certain building repairs and maintenance, in respect of a particular school on condition that repayments of principal and interest are repaid from the budget share.

The Loan shall be in accordance with the following conditions/requirements:

(a) the maximum length of time over which schools may repay the loan will be four years. Schools' requests for loans will need to be supported by the School's Development Plan. At no stage will the loan period be extended beyond four years;

(b) Loans will only be agreed if they meet the criteria outlined in Central Bedfordshire Council's Asset Purchase Scheme;

(c) The maximum permitted value of a purchase will be such that in the period over which the school elects to spread the cost, each annual payment (comprising both principal and interest) will not exceed one per cent of the total budget share (formula allocation excluding balance brought forward), as calculated in the year in which the agreement commences;

(d) The minimum value of a purchase considered to be appropriate to the loan scheme is £10,000;

(e) no more than one third of the collective balances held by the LA will be used to back these arrangements.

4.12 Credit Union Approach

Schools may wish to group together to utilise externally held balances for a Credit Union approach to loans. Where schools choose to borrow money through such a scheme the LA will require audit certification of the running of the scheme, unless the LA itself acts as the administrator of the arrangement. Details of the arrangements can be found in Central Bedfordshire Council's Financial Regulations for Schools.

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 agreements. Schools are permitted to cross-subsidise lettings for community and voluntary use with income from other lettings, provided there is no net cost to the budget share. Schools whose premises are owned by the LA shall be required to have regard to directions issued by the LA as to the use of school premises.

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. Schools are required to have regard to any policy statements on charging produced by the LA.

5.3 Income from Fund-Raising Activities

Schools may retain income from fund-raising activities.

5.4 Income from the Sale of Assets

Schools may retain the proceeds of sale of assets except in cases where the asset was purchased with non-delegated funds (in which case it should be for the LA to decide whether the school should retain the proceeds), or the

asset concerned is land or buildings forming part of the school premises and is owned by the LA.

5.5 Administrative Procedures for the Collection of Income

Schools are required to comply with the LA's guidance on VAT as expressed in Central Bedfordshire Council's VAT Guide.

The LA will inform schools of any changes to approved procedures, which may arise from time to time in the light of advice from HM Customs and Excise.

5.6 Purposes for which Income may be used

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

6 THE CHARGING OF THE SCHOOL BUDGET SHARES

6.1 General Provision

6.1.1 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.

Should a school wish to challenge such a charge then they must set out their objections in writing to the Director of Corporate Resources who shall make the final determination.

6.1.2 The LA will charge salaries of school-based staff to school budget shares at actual cost.

6.2 Circumstances In Which Charges May Be Made

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

6.2.2 Other expenditure incurred to secure resignations where the school had not followed LA advice.

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

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the LA's advice. In framing its advice the LA will ensure that it has taken proper account of the role of aided school governing bodies under section 60 (5) of the Act.

- 6.2.4** Expenditure by the LA in carrying out building repairs and maintenance, health and safety work or capital expenditure for which the LA is liable where funds have been delegated to the governing body for such work, but the governing body has failed to carry out the required work.
- 6.2.5** Expenditure by the LA incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the LA or the school has Voluntary Controlled status.
- 6.2.6** Expenditure incurred by the LA in insuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the LA. In each particular case the LA will first have considered that it has an insurable interest.
- 6.2.7** Recovery of monies due from a school for services provided to the school, where a dispute over the monies due has been referred to a disputes procedure set out in a service level agreement, and the result is that monies are owed by the school to the LA.
- 6.2.8** Recovery of penalties imposed on the LA by HMRC, the Contributions Agency, HM Customs and Excise, Teachers Pensions or regulatory authorities as a result of school negligence.
- 6.2.9** Correction of LA errors in calculating charges to a budget share (e.g. pension deductions).
- 6.2.10** Additional transport costs incurred by the LA arising from decisions by the governing body on the length of the school day, and failure to notify the LA of non-pupil days resulting in unnecessary transport costs.
- 6.2.11** Legal costs which are incurred by the LA because the governing body did not accept the advice of the LA (see also section 11).
- 6.2.12** Costs of necessary health and safety training for staff employed by the LA, where funding for training has been delegated but the necessary training not carried out.
- 6.2.13** Compensation paid to a lender where a school enters into a contract for borrowing beyond its legal powers, and the contract is of no effect.
- 6.2.14** Cost of work done in respect of teacher pension remittance and records for schools using non-LA payroll contractors, the charge to be the minimum needed to meet the cost of the Authority's compliance with its statutory

obligations.

- 6.2.15** Costs incurred by the LA in securing provision specified in a statement of SEN where the governing body of a school fails to secure such provision despite the delegation of funds in respect of that statement.
- 6.2.16** Costs incurred by the LA due to submission by the school of incorrect or late data.
- 6.2.17** Recovery of amounts spent from specific grants on non eligible purposes.
- 6.2.18** Costs incurred by the LA as a result of the governing body being in breach of the terms of a contract.

6.3 General Teaching Council Fees

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

The General Teaching Council for England (Deduction of Fees) Regulations 2001 ("the Regulations", S.I. 2001 No. 3993) came into force on 10 January 2002. The Regulations apply to teachers at maintained schools registered with the General Teaching Council for England ("the GTC") or required to be so registered by the Teachers (Compulsory Registration) (England) Regulations 2001 (S.I. 2001 No. 1266). The Regulations place a duty on the employer of such teachers to deduct and remit the GTC fee in respect of a teacher who has not already paid the fee to the GTC where the GTC has notified the employer to deduct and remit the fee of that teacher. This includes teachers who have indicated to the GTC that they wish to pay the fee by a salary deduction as well as teachers who have not indicated how they wish to pay the fee. In addition the School Teachers' Pay and Conditions Document (STPCD) requires every "relevant body" (i.e. the governing body in the case of schools) to pay the sum specified as the GTC's fee allowance to all teachers who are required to be registered with the GTC, in respect of the annual registration fee. Furthermore the governing body is required to take reasonable steps to satisfy itself that the teacher has not received a payment in respect of the current year from any other relevant body.

In order to ensure the performance of the duties to pay, deduct and remit the fee imposed on employers by the Regulations and the STPCD the following conditions are imposed on the Authority and governing bodies of all maintained schools covered by this Scheme in relation to their budget shares and come into effect on 28 February 2002.

(1) By virtue of section 46 of the School Standards and Framework Act 1998 and the regulations made under that section (at present the Financing of Maintained Schools (England) Regulations 2001 (S.I. 2001 No. 475, Part II and Schedule 1) the costs of payroll administration for teachers in the Authority's maintained schools fall to be met from the budget shares which are allocated to

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governing bodies pursuant to section 47 of the Act, and which are delegated to them pursuant to sections 49 – 50. Accordingly, by virtue of Chapter IV of Part II of that Act and this Scheme, governing bodies of maintained schools are responsible for making suitable arrangements (or ensuring that such arrangements are made) for the administration of payroll services in respect of their teachers.

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

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

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

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

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to the GTC or to the governing body for onward transmission to GTC. The governing body shall meet any consequential costs from the school's budget share; and

(c) where the governing body directly administers the payroll, pay fees to teachers and deduct and remit the fees to the GTC. The governing body shall meet any consequential costs from the school's budget share.

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

7 TAXATION

7.1 Value Added Tax

The LA has established procedures to enable schools to utilise the Authority's ability to reclaim VAT on expenditure relating to non-business activity. These procedures are outlined in the Bedfordshire VAT Guide, published on the Schools' website.

Accounting for VAT is additionally included in the LA's Bank Account Schemes.

7.2 CIS (Construction Industry Scheme)

After negotiations between Industry and HMRC a major change was agreed for Local Authority schools with delegated budgets which came into effect from 5th April 2007. This new exemption means that **where a contract is between the school/governing body and the subcontractor i.e. not with the Local Authority) CIS reporting is not required.** This means that fully funded schools can pay the subcontractor direct and do not have to report these invoices via the Tax Officer (as per previous scheme). Schools without their own bank accounts will continue to pass invoices centrally for payment, but they will not be flagged as CIS.

Where there are major **Capital Works** the contract is usually (but not in all cases) between the subcontractor and the Local Authority. Where this is the **case invoices are paid by the Local Authority and will be reported for CIS purposes.**

The new exemption should mean a lot less reporting for schools. However, schools retain the responsibility for checking Employment Status for payments to all individuals.

8 THE PROVISION OF SERVICES AND FACILITIES BY CENTRAL BEDFORDSHIRE LA

8.1 Provision of Services from Centrally Retained Budgets

The LA shall determine on what basis services and payments, including PRC and redundancy payments, from centrally retained funds will be provided to schools. The LA is debarred from discriminating in its provision of services on the basis of categories of schools except where:-

- (a) funding has been delegated to some schools only or
- (b) such discrimination is justified by differences in statutory duties.

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

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

In the case of catering contracts the contract period may be up to seven years in duration.

The provision of services or facilities by the LA, which are bought back using delegated budgets, must be offered at prices that are intended to generate income that is no less than the cost of providing those services. The total cost of the service must be met by the total income.

Centrally arranged premises and liability insurance are excluded from these requirements.

8.3 Packaging

The LA may provide any service for which funding has been delegated. But where the LA is offering the service on a buyback basis it will do so 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.

8.4 Service Level Agreements

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.

Where the LA utilises Service Level Agreements, schools must be provided with, at a minimum, one month to consider the terms of any new Agreement prior to approval by the school.

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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.

Centrally arranged premises and liability insurance are excluded from these requirements.

8.5 Teachers Pensions

In order to ensure that the performance of the duty on the LA to supply Teachers Pensions with information under the Teachers' Pensions Regulations 1997, the following conditions are imposed on the LA and governing bodies of all maintained schools covered by this Scheme in relation to their budget shares and come into effect on 1 November 2002.

The conditions only apply to governing bodies of maintained schools that have not entered into an arrangement with the LA to provide payroll services and/or personnel services.

A governing body of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or agreement with a person other than the LA to provide payroll and/or personnel services, shall ensure that any such arrangement or agreement is varied to require that person to supply salary, service and pensions data to the LA which the LA requires, to submit the annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate.

The LA will advise schools each year of the timing, format and specification of the information required. A governing body shall ensure that any such arrangement or agreement is varied to require the Additional Voluntary Contributions (AVCs) are passed to the LA within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the schools' budget share.

A governing body of any maintained school which directly administers its payroll shall supply salary, service and pensions data the LA which the LA requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate.

The LA will advise schools each year of the timing, format and specification of the information required from each school. A governing body shall also ensure that Additional Voluntary Contributions (AVCs) are passed to the LA within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

9 PRIVATE FINANCE INITIATIVE/PUBLIC/PRIVATE PARTNERSHIP (PFI/PPP)

The LA shall have the power to issue regulations from time to time relating to PFI/PPP projects. Amongst other issues these may deal with the reaching of agreements with the governing bodies of schools as to the basis of charges

relating to such schemes; and the treatment of monies withheld from contractors due to poor performance.

10 INSURANCE

If a school does not buy back cover for insurance from the LA, then the school is required to demonstrate that cover relevant to an LA's insurable interests, under a policy arranged by the governing body, is at least as good as the relevant minimum cover arranged by the LA.

Those Schools who do not buy back insurance from the LA must produce evidence to the LA that the appropriate level of cover has been arranged prior to 1 April of the financial year for which delegation of insurance funds is sought.

The LA is required to take due regard to actual risks which might reasonably be expected to arise at a school wishing to make their own insurance arrangements. This is to ensure that an appropriate level of insurance is arranged.

11 GOVERNING BODIES

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 body⁶, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share provided they act in good faith.

11.3 Governors' Expenses

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

Only allowances in respect of purposes specified in regulations⁷ 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.

⁶ and because of the terms of s.50(7) of the Act

⁷ Schedule 11 of the Act.

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.

It may, very occasionally, be the case that there is a conflict of interest between the governing body and the LA where the governing body would wish to obtain separate legal advice and in such a situation the Legal Services section of the LA would be available to advise the governing body as to practitioners with the necessary expertise.

11.5 Health and Safety

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

Under Section 39(3) of the School Standards and Framework Act the LA may issue directions to the governing body and Headteacher of a community, community special or voluntary controlled school on health and safety matters.

These directions are enforceable, so far as governing bodies are concerned, via S.497 of the Education Act 1996 if not complied with.

11.6 Right of attendance for Director of Corporate Resources

Governing bodies are required to permit the Director of Corporate Resources, or his representative, to attend meetings of the governing body at which any agenda items are relevant to the exercise of her or his responsibilities.

The attendance of the Director of Corporate Resources' or his representative shall normally be limited to items which relate to issues of probity or overall financial management of the school and shall not be regarded as routine.

The LA will give prior notice of such attendance, unless it is impracticable to do so.

12. RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

Illustrative examples of capital expenditure items in line with DCSF' interpretation of the CIPFA code of practice are included at Appendix F For voluntary aided schools, the liability of the LA for repairs and maintenance (albeit met by delegation of funds through the budget share) is the same as for other maintained schools, and no separate list of responsibilities is necessary

for such schools. However, eligibility for capital grant from the Secretary of State for capital works as voluntary aided schools depends on the *de minimis* limit applied by DCSF to categorise such work, not the *de minimis* limit used by Central Bedfordshire LA.

13 EXTENDED SCHOOL ACTIVITY

To establish and maintain sustainable extended services, schools, whether working individually or in clusters, must have a clear funding strategy.

The potential sources of funding will depend on the type of extended activity. These fall into two key categories: activities that can be funded from schools delegated budgets and those that are non eligible for funding from schools delegated budgets.

In order to plan for the sustainability of all extended activities, schools need to make an assessment of the ongoing costs of delivery. For activities that may be funded from the delegated budget, a school must establish whether part or all of this is affordable from the delegated budget alone and/or what alternative sources of funding are both available and appropriate, on an ongoing basis.

For activities that are non eligible for funding from the delegated budget, a school must secure alternative sources of funding, which will usually include charging, but may also include funding held at local authority level targeted on the requirements of children, young people and their families, and specific grants.

It is the responsibility of the Governing Body to determine the use of school budget share in respect of Extended Services and the decision be minuted accordingly. The CFR framework must be adhered to in the recording of the income and expenditure.

13.1 Use of Delegated Budgets

A schools budget share, or delegated budget, is ring-fenced, in statute, “for the purposes of the school”. This covers all the activities that the school is required to deliver in respect of the teaching and Learning of the pupils registered at the school. This specifically excludes the provision of community facilities (see section 14). The DCSF view the main test of an activity that is “for the purposes of the school” is that it brings an educational benefit to the pupils registered at the school or at other maintained schools.

To assist a school to decide whether an activity can be funded from its delegated budget, the decision tree at Appendix G may be helpful.

Possible examples of activities eligible for funding from delegated budgets (“eligible activities”) are:-

- parenting class-helps parents/carers of pupils to support their learning.

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- term-time breakfast club-ensures pupils are in class on time and ready to Learn.

Possible examples of activities not eligible for funding from delegated budgets (“community facilities”) are:-

- adult fitness class-no educational benefit to pupils
- school holiday play scheme-purpose childcare and therefore a community facility

It is important for schools to clearly distinguish between eligible activities and community facilities, as this has implications for the way that spending on various activities are managed and reported (see section on financial management and accounting procedures, below).

13.2 Other Sources of Funding

Community facilities and eligible activities where delegated funding cannot meet part or all of the required funding, alternative/additional sources of funding will need to be secured.

The following are potential alternative/additional sources of funding:-

- Grant Funding available to Schools and the Local Authority
 - Standards Fund grant for Extended Schools
 - General Sure Start Grant allocations

This funding is aimed at “start up” funding for projects that will become sustainable from other sources of funding, including charging

- Schools Standard Grant (SSG)
 - From April 2006, schools will be able to use their SSG allocation to support the full range of extended activities, including community facilities.
- Charging and Voluntary Contributions
 - It is considered likely that charging will be the main source of ongoing funding for many extended services, particularly those providing community facilities. Schools will need to establish an appropriate charging regime. It is a key requirement that community facilities are not subsidised from the delegated budget, including the covering of any appropriate cost apportionments e.g. staff and premises.
- Cross-subsidies
 - It is permissible for cross-subsidies between community facilities. This will enable schools to provide facilities considered a priority, even if not self-financing and cannot draw on the delegated budget. Activities and services that generate an income can be used to support other programmes. Equally, charges can be subsidised for individual users of

services who may be unable to pay to participate, but would benefit from the activity or service. This should be dealt with by way of the charging regime's remission policy.

-For eligible activities where the delegated budget cannot sustain part or all of the activity, schools should consider if it is appropriate to make a charge or request voluntary contributions, from participants. Note, charges cannot be made for certain activities, such as delivery of the National Curriculum and the preparation of pupils for a public examination.

-For schools to introduce a charging regime, the Board of Governors must have a charging policy that includes a remissions policy setting out the circumstances in which they would remit, in whole or part.

13.3 Financial Management and Accounting Procedures

Schools' accounting records need to distinguish between eligible activities and community facilities. Community facilities must be accounted for separately. If the facility is under the management of the Governing Body and included within the schools financial management, a separate bank account is not permitted.

Schools financial management and reporting should identify separately spending on community facilities. This may be achieved within the main school account through the use of separate coding arrangements.

Where the community facilities are significant, or varied, largely free standing and **separately managed**, then a separate bank account would be appropriate, and will help with the accounting for VAT.

Expenditure on eligible activities should be treated alongside other core school activities and do not require separate identification.

Since expenditure incurred by the governing body in respect of community facilities may not be met from the school's budget share, the school's budget share will not be increased to include increased rates costs or floor area allocations relating to the community facilities so provided. Headteacher and Boards of Governors will need to ensure that due care is taken not to compromise the financial position of a school's delegated budget, whilst extending the provision of services. In particular schools need to ensure that:-

- They can demonstrate a clear audit trail confirming their decisions to undertake individual extended activities and their sources of funding, including whether such
- activities are eligible or non eligible. The decision tree at Appendix G may be useful for this purpose.

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- There is a robust process for fully costing all extended activities, including the apportionment of schools' fixed costs or overheads. The following costs will need to be covered:-
 - Heating and lighting
 - Water costs (especially swimming pools)
 - Equipment and materials
 - Refreshments
 - Staffing
 - Cleaning
 - Maintenance
 - Wear and tear
 - Programme management and administrative support
- That there is a clear and transparent process for agreeing and making all relevant charges.
- They have all the appropriate systems, processes and controls in place, to support a charging regime.
- Existing systems, processes and controls are robust enough to support the financial management and accountability of extended services. When reviewing its existing policies and procedures schools need to consider the following;-
 - Changes and additions required to existing reporting, including a review of current income and cost coding structures.
 - Invoicing procedures, including system and VAT implications.
 - Policies and procedures for collecting money, including any automated banking requirements.
 - Cash handling and banking procedures.
 - Management of debtors and creditors and their respective ledgers.
 - Audit provision-both internal audit and the audit requirements of external funding body.
 - Where a school wishes to establish a trading organisation it must consult with the LA regarding the nature of the trading activity.

14. COMMUNITY FACILITIES – Further Regulations

Community facilities are defined in the Education Act 2002 as “any facilities or services whose provision furthers any charitable purpose for the benefit of – (a) pupils at the school or their families, or (b) people who live or work in the locality in which the school is situated.”

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 including: -

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- Expenditure incurred in the exercise of the power may not be met from the school budget share, including any accumulated surplus on the budget share.
- Regulations made by the Secretary of State under s.26 (2), if any, which can specify activities which may not be undertaken at all under the main enabling power.
- Schools' legal obligations to consult and have regard to advice from the LA.

However, under s.28 (1) of the Education Act 2002, the main limitations and restrictions on the power will be:

- a) those contained in the schools' own instruments of government, if any; and
- b) those contained in the Bedfordshire Scheme for Financing Schools.

This section of the Scheme for Financing Schools does not extend to joint-use agreements, transfer of control agreements, or agreements between the LA and schools to secure provision of adult and community Learning.

14.1 Existing Community Arrangements

Where a school is already carrying out any of the activities covered by this power, under the terms of an existing funding or management agreement with the LA, then the terms of that agreement continue to apply.

14.2 Consultation with the LA

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

Informal contact between schools and officers with the relevant professional expertise well before the formal consultation commences is likely to be beneficial to all parties. It would also be helpful to all parties if schools gave the LA notice of their intent to exercise the power in advance of the formal consultation itself.

Formal consultation with the LA about proposed community facilities will commence when the full consultation material has been submitted in writing and the response period will begin from receipt of the full material. Major uses of the power where community facilities have an annual revenue turnover in excess of £100,000 or capital schemes costing more than £100,000 are involved will lead to the LA providing formal advice in writing (which may be e-mail) within eight weeks of receipt of the formal consultation material. In the case of more minor uses, advice will be provided within six weeks.

Subsequently the governing body should inform the LA of the action taken in response to this advice.

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

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

14.3 Funding Agreements

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

Any funding agreements with third parties (as opposed to funding agreements with the LA itself) should be submitted to the LA for comment and advice. Such draft agreements should form part of the consultation with the LA (as per section 3). Schools must have regard to the advice.

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

14.4 Other Prohibitions, Restrictions and Limitations

Where a school makes a proposal for a community facility which carries significant financial risks, the LA may require that the governing body shall make arrangements for the activity concerned to be carried out through the vehicle of a limited company formed for the purpose, or obtain appropriate indemnity insurance.

14.5 Treatment of Surpluses

Schools may retain all surpluses derived from community facilities except where otherwise agreed with a funding provider. When a surplus has been derived after the charging of all relevant costs and crediting of all relevant income, then that surplus may be carried over from one financial year to the next. This must be shown in the Declaration of Earmarked Funds and Surplus Balances (appendix D2) B06. The recommended practice would be to account for this as a separate community fund surplus. Schools must take all appropriate action to ensure that no deficit arises from the operation of the community facility.

If the school is a community or community special school and the school ceases to be maintained by the LA, any accumulated retained surpluses obtained from the exercise of the community facilities power reverts to the LA, unless otherwise agreed with a funding provider.

Liabilities to third parties incurred in the exercise of this power are a charge on surpluses retained from these activities.

14.6 Audit

Schools are required to grant access to the school's records connected with exercise of the community facilities power, in order to facilitate internal and external audit of relevant income and expenditure. This will include the audit requirements of any external funding body.

In concluding funding agreements with third parties, schools must ensure that such agreements contain adequate provision for access by the LA to the records and other property of those parties which are held on the school premises, or held elsewhere in so far as they relate to the activity in question. Access is required in order for the LA to satisfy itself as to the propriety of expenditure on the community facilities in question.

14.7 Health and Safety Matters

The health and safety provisions of the main body of the Scheme for Financing Schools (see particularly Section 11.5) will also apply to the use of the community facilities power.

The governing body has a responsibility for the costs of securing Criminal Records Bureau clearance for all adults involved in community activities taking place during the school day. Governing bodies are free to pass on such costs to a funding partner as part of an agreement with that partner.

14.8 Insurance

It is the responsibility of the governing body to make adequate arrangements for insurance against risks arising from the exercise of the community facilities power. Details of these arrangements should be included in the formal

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consultation material sent to the LA. Such insurance arrangements should not be funded from the school budget share.

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

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

14.9 Taxation

Value Added Tax

Schools should seek the advice of the LA's Tax Officer on any issues relating to the possible imposition of VAT on expenditure in connection with community facilities.

The VAT rules in this area are complicated and VAT should be considered before the implementation of any new scheme to ensure that there are no adverse consequences for the school.

Employee Costs

If any member of staff employed by the school or LA in connection with community facilities at the school, is paid from funds held in a school's own bank account the school will be held liable for the payment of income tax and national insurance, in line with Inland Revenue rules.

Construction Industry Scheme

Schools who exercise the community facilities power are required to follow the procedures issued by the LA in connection with the Construction Industry Scheme.

14.10 Banking

The regulations relating to bank and building society accounts, as detailed in section 3.5 and 3.5.1 of the main body of the Scheme for Financing Schools also apply to the community facilities power.

Schools must ensure that adequate internal accounting controls are in place to maintain separation of funds, where separate accounts are kept.

15. MISCELLANEOUS

15.1. Delegation To New Schools

The LA is empowered to delegate selectively and optionally to the governing bodies of schools which have yet to receive delegated budgets. By virtue of section 49 (1) - (3) of the Act a new school must receive a delegated budget not later than the date on which it opens (that is to say, the date on which it first admits pupils), unless the LA has obtained the Secretary of State's approval to a postponement beyond that date (which will only be given in exceptional circumstances). Section 49 (3) (a) also enables the LA to give a delegated budget to a new school in advance of its opening date.

15.2. Optional Delegated Funding

Where a school exercise an option to receive delegated funding for an item that is not fully delegated (i.e. retained centrally by the LA) the option to do so may only be made prior to the start of the financial year in question. Once taken this decision will hold for the financial year.

15.3. Special Educational Needs (SEN)

When spending their budget share, schools must ensure that they meet all the requirements of the SEN Code of Practice.

15.4. Interest on Late Payments

Schools are required to ensure compliance at all times with legislation in relation Interest on Late Payments. Further guidance on this issue is provided in the LA's Bank Account Schemes.

15.5. Confidential Reporting

Any person working at a school who wishes to raise any issue of financial impropriety shall do so in accordance with the Confidential Reporting Policy as set out in the School Personnel Handbook

15.6 Child Protection

Schools are encouraged to release staff as appropriate in relation child protection case conferences and other related events. Costs in relation to this are borne by the School Budget Share.

15.7. School Meals

The Bedfordshire Council contract with Eden Food Services and the specification there within, stands as the statement of School Meals policy, updated as necessary for the statutory nutritional standards, required by September 2006.

APPENDIX A

**THE CENTRAL BEDFORDSHIRE SCHEME FOR FINANCING
SCHOOLS**

SCHOOLS TO WHICH THIS SCHEME APPLIES

NURSERY

ARLESEY
THE LAWNS
WESTFIELD
WILLOW

ARLESEY
BIGGLESWADE
DUNSTABLE
DUNSTABLE

COMMUNITY
COMMUNITY
COMMUNITY
COMMUNITY

LOWER

ALL SAINTS

CLIFTON

VOLUNTARY AIDED

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ARDLEY HILL	DUNSTABLE	COMMUNITY
FAIRFIELD	ARLSEY	COMMUNITY
ASHTON ST PETER'S	DUNSTABLE	VOLUNTARY AIDED
ASPLEY GUISE	ASPLEY GUISE	COMMUNITY
BEAUDESERT	LEIGHTON BUZZARD	COMMUNITY
BEECROFT	DUNSTABLE	COMMUNITY
CALDECOTE	CALDECOTE	VOLUNTARY CONTROLLED
CAMPTON	CAMPTON	COMMUNITY
CHALTON	CHALTON	COMMUNITY
CHURCH END	MARSTON MORETAINE	COMMUNITY
CLIPSTONE BROOK	LEIGHTON BUZZARD	COMMUNITY
CRANFIELD	CRANFIELD	VOLUNTARY CONTROLLED
DERWENT	HENLOW	TRUST
DOVERY DOWN	LEIGHTON BUZZARD	COMMUNITY
DOWNSIDE	DUNSTABLE	COMMUNITY
DUNTON	DUNTON	VOLUNTARY CONTROLLED
EATON BRAY	EATON BRAY	COMMUNITY
EVERSHOLT	EVERSHOLT	COMMUNITY
EVERTON	EVERTON	COMMUNITY
FAIRFIELD	ARLESEY	COMMUNITY
FLITWICK	FLITWICK	COMMUNITY
GOTHIC MEDE	ARLESEY	COMMUNITY
GRAVENHURST	GRAVENHURST	COMMUNITY
GREENFIELD	GREENFIELD	VOLUNTARY CONTROLLED
GREENLEAS	LINSLADE	COMMUNITY
HADRIAN	DUNSTABLE	COMMUNITY
HARLINGTON	HARLINGTON	COMMUNITY
HAWTHORN PARK	HOUGHTON REGIS	COMMUNITY
HAYNES	HAYNES	COMMUNITY
HEATHWOOD	LEIGHTON BUZZARD	COMMUNITY
HOCKLIFFE	HOCKLIFFE	COMMUNITY
HOUGHTON CONQUEST	HOUGHTON CONQUEST	COMMUNITY
HOUGHTON REGIS	HOUGHTON REGIS	COMMUNITY
HUSBORNE CRAWLEY	HUSBORNE CRAWLEY	COMMUNITY
ICKNIELD	DUNSTABLE	COMMUNITY
JOHN DONNE	BLUNHAM	VOLUNTARY AIDED
KENSWORTH	KENSWORTH	VOLUNTARY CONTROLLED
KINGSMOOR	FLITWICK	COMMUNITY
LABURNUM	SANDY	COMMUNITY
LANCOT	DUNSTABLE	COMMUNITY
LANGFORD	LANGFORD	TRUST
LARK RISE	DUNSTABLE	COMMUNITY
LAWNSIDE	BIGGLESWADE	COMMUNITY
LEEDON	LEIGHTON BUZZARD	COMMUNITY
LINSLADE	LINSLADE	COMMUNITY
MAPLE TREE	SANDY	COMMUNITY
MARY BASSETT	LEIGHTON BUZZARD	COMMUNITY
MAULDEN	MAULDEN	COMMUNITY
MEPPERSHALL	MEPPERSHALL	VOLUNTARY AIDED
MOGGERHANGER	MOGGERHANGER	FOUNDATION
NORTHILL	NORTHILL	VOLUNTARY AIDED
POTTON	POTTON	COMMUNITY
PULFORD'S	LEIGHTON BUZZARD	VOLUNTARY AIDED
PULLOXHILL	PULLOXHILL	COMMUNITY

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RAMSEY MANOR	BARTON	COMMUNITY
RAYNSFORD	HENLOW	VOLUNTARY CONTROLLED
RIDGMONT	RIDGMONT	COMMUNITY
ROBERT PEEL	SANDY	COMMUNITY
ROECROFT	STOTFOLD	COMMUNITY
RUSSELL	AMPTHILL	COMMUNITY
SHEFFORD	SHEFFORD	COMMUNITY
SHELTON	MARSTON MORETAINE	COMMUNITY
SHILLINGTON	SHILLINGTON	COMMUNITY
SILSOE	SILSOE	VOLUNTARY CONTROLLED
SLIP END	CADDINGTON	COMMUNITY
SOUTHCOTT	LINSLADE	COMMUNITY
SOUTHILL	SOUTHILL	FOUNDATION
SOUTHLANDS	BIGGLESWADE	COMMUNITY
ST ANDREW'S	BIGGLESWADE	VOLUNTARY CONTROLLED
ST CHRISTOPHER'S	DUNSTABLE	COMMUNITY
ST GEORGE'S	LEIGHTON BUZZARD	COMMUNITY
ST LEONARDS	HEATH	VOLUNTARY AIDED
ST MARY'S	CLOPHILL	VOLUNTARY AIDED
ST MARY'S	STOTFOLD	VOLUNTARY CONTROLLED
ST MARY'S	DUNSTABLE	VOLUNTARY AIDED
ST SWITHUN'S	SANDY	VOLUNTARY CONTROLLED
ST VINCENT'S	HOUGHTON REGIS	VOLUNTARY AIDED
STANBRIDGE	STANBRIDGE	COMMUNITY
STONDON	LOWER STONDON	COMMUNITY
STUDHAM	STUDHAM	VOLUNTARY CONTROLLED
SUNDON	SUNDON	TRUST
SUTTON	SUTTON	VOLUNTARY AIDED
SWALLOWFIELD	ASPLEY HEATH	COMMUNITY
TEMPLEFIELD	FLITWICK	COMMUNITY
THE FIRS	AMPTHILL	COMMUNITY
THOMAS JOHNSON	LIDLINGTON	COMMUNITY
THOMAS WHITEHEAD	HOUGHTON REGIS	VOLUNTARY AIDED
THORNHILL	HOUGHTON REGIS	COMMUNITY
TITHE FARM	HOUGHTON REGIS	COMMUNITY
TODDINGTON ST GEORGE	TODDINGTON	VOLUNTARY CONTROLLED
TOTTERNHOE	TOTTERNHOE	COMMUNITY
WATLING	DUNSTABLE	COMMUNITY
WESTONING	WESTONING	FOUNDATION
WOBURN	WOBURN	COMMUNITY
WRESTLINGWORTH	WRESTLINGWORTH	VOLUNTARY CONTROLLED

MIDDLE

ALAMEDA	AMPTHILL	COMMUNITY
ARNOLD	BARTON	TRUST
ASHTON	DUNSTABLE	VOLUNTARY AIDED
BREWERS HILL	DUNSTABLE	COMMUNITY
BROOKLANDS	LEIGHTON BUZZARD	COMMUNITY
BURGOYNE	POTTON	COMMUNITY
EDWARD PEAKE	BIGGLESWADE	VOLUNTARY CONTROLLED
ETONBURY	ARLESEY	COMMUNITY
CADDINGTON	CADDINGTON	COMMUNITY

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FULBROOK	ASPLEY GUISE	COMMUNITY
GILBERT INGLEFIELD	LEIGHTON BUZZARD	COMMUNITY
HENLOW	HENLOW	VOLUNTARY CONTROLLED
HOLMEMEAD	BIGGLESWADE	COMMUNITY
HOLYWELL	CRANFIELD	VOLUNTARY AIDED
KINGS HOUGHTON	HOUGHTON REGIS	COMMUNITY
LEIGHTON	LEIGHTON BUZZARD	COMMUNITY
LINSLADE	LEIGHTON BUZZARD	COMMUNITY
MILL VALE	DUNSTABLE	COMMUNITY
PARKFIELDS	TODDINGTON	TRUST
PRIORY	DUNSTABLE	COMMUNITY
ROBERT BLOOMFIELD	SHEFFORD	TRUST
SANDYE PLACE	SANDY	COMMUNITY
STREETFIELD	DUNSTABLE	COMMUNITY
WOODLAND	FLITWICK	COMMUNITY

UPPER

CEDARS	LEIGHTON BUZZARD	COMMUNITY
HARLINGTON	HARLINGTON	TRUST
MANSHEAD	DUNSTABLE	VOLUNTARY AIDED
NORTHFIELDS	DUNSTABLE	COMMUNITY
QUEENSBURY	DUNSTABLE	FOUNDATION
REDBORNE	AMPTHILL	COMMUNITY
SAMUEL WHITBREAD	SHEFFORD	TRUST
SANDY	SANDY	COMMUNITY
STRATTON	BIGGLESWADE	COMMUNITY
VANDYKE	LEIGHTON BUZZARD	COMMUNITY

SPECIAL

GLENWOOD	DUNSTABLE	COMMUNITY SPECIAL
HILLCREST	DUNSTABLE	COMMUNITY SPECIAL
HITCHMEAD	BIGGLESWADE	COMMUNITY SPECIAL
OAK BANK	LEIGHTON BUZZARD	COMMUNITY SPECIAL
SUNNYSIDE	BIGGLESWADE	COMMUNITY SPECIAL
WEATHERFIELD	DUNSTABLE	COMMUNITY SPECIAL

APPENDIX B

CONSISTANT FINANCIAL REPORTING - APPROVED HEADINGS

<i>Income Data</i>
I01 (Funds delegated by the LA)
I02 (Funding for sixth form students)
I03 (Special educational needs funding)
I04 (Funding for minority ethnic pupils)
I05 (Standards Fund)
I06 (Other Government grants)
I07 (Other grants)
I08 (Income from facilities and services)

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I09 (Income from catering)
I10 (Receipts from supply teacher insurance claims)
I11 (Receipts from other insurance claims)
I12 (Income from contributions to visits etc)
I13 (Donations and/or private funds)
I14 (SSG – pupil focused)
I15 (Pupil focused extended school funding and/or grants)
I16 (Community focused extended school funding and/or grants)
I17 (Community focused extended school facilities income)

<i>Expenditure Data</i>
E01 (Teaching staff)
E02 (Supply teaching staff)
E03 (Education support staff)
E04 (Premises staff)
E05 (Administrative and clerical staff)
E06 (Catering staff)
E07 (Cost of other staff)
E08 (Indirect employee expenses)
E09 (Staff development and training)
E10 (Supply teacher insurance)
E11 (Staff related insurance)
E12 (Building maintenance and improvement)
E13 (Grounds maintenance and improvement)
E14 (Cleaning and caretaking)
E15 (Water and sewerage)
E16 (Energy)
E17 (Rates)
E18 (Other occupation costs)

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E19 (Learning resources)
E20 (ICT Learning resources)
E21 (Examination fees)
E22 (Administrative supplies)
E23 (Other insurance premiums)
E24 (Special facilities)
E25 (Catering supplies)
E26 (Agency supply staff)
E27 (Bought in professional services - curriculum)
E28 (Bought in professional services - other)
E29 (Loan interest)
E30 (Direct revenue financing)
E31 (Community focused extended school staff)
E32 (Community focused extended school costs)

<i>Capital Income Data</i>
C101 (Capital income)
C103 (Private income)
C104 (Direct revenue financing)

<i>Capital Expenditure Data</i>
CE01 (Acquisition of land and existing buildings)
CE02 (New construction conversion and renovation)
CE03 (Vehicles, plant, equipment and machinery)
CE04 (Information and communication technology)

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<i>Balances</i>
BO1 (Standards Fund Balance (revenue))
BO2 (Other Revenue Balances)
BO3 (Devolved Formula Capital Balance)
BO4 (Other Standards Fund Capital Balances)
BO5 (Other Capital Balances)
BO6 (Community Focused Extended Schools Balances)

APPENDIX C

VALUE FOR MONEY (VFM), BEST VALUE AND SCHOOLS

..... SCHOOL

BEST VALUE STATEMENT 200X

Introduction

The governing body is accountable for the way in which the school's resources are allocated to meet the objectives set out in the school's development plans. Governors need to secure the best possible outcome for pupils, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in the school's achievements and services

What Is Best Value?

Governors will apply the four principles of *best value*:

- **Challenge** - Is the school's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?
- **Compare** - How does the school's pupil performance and financial performance compare with all schools? How does it compare with LA schools? How does it compare with similar schools?
- **Consult** - How does the school seek the views of stakeholders about the services the school provides?
- **Compete** - How does the school secure efficient and effective services? Are services of appropriate quality, economic?

The Governors' Approach

The Governors and school managers will apply the principles of *best value* when making decisions about:

- the allocation of resources to best promote the aims and values of the school.
- the targeting of resources to best improve standards and the quality of provision.
- the use of resources to best support the various educational needs of all pupils.

Governors, and the school managers, will:

- make comparisons with other/similar schools using data provided by the LA and the Government, e.g. PANDA, quality of teaching & learning, levels of expenditure
- challenge proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual pupil achievement targets, expansion to 3-form entry,
- require suppliers to compete on grounds of cost, and quality/suitability of services/products/backup, e.g. provision of computer suite, redecoration
- consult individuals and organisations on quality/suitability of service we provide to parents and pupils, and services we receive from providers, e.g. Sex and Relationships Education, pupil reports, assigned inspector, Ofsted, maintenance consultant, borough Energy Group

This will apply in particular to:

- staffing
- use of premises
- use of resources
- quality of teaching

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- quality of learning
- purchasing
- pupils' welfare
- health and safety

Governors and school managers:

- will not waste time and resources on investigating minor areas where few improvements can be achieved
- will not waste time and resources to make minor savings in costs
- will not waste time and resources by seeking tenders for minor supplies and services

The pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important or valuable areas.

Staffing

Governors and school managers will deploy staff to provide best value in terms of quality of teaching, quality of learning, adult-pupil ratio, and curriculum management.

Use of Premises

Governors and school managers will consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching & learning, for support services, and for communal access to central resources, e.g. the library.

Use of Resources

Governors and school managers will deploy equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality of learning.

Teaching

Governors and school managers will review the quality of curriculum provision and quality of teaching, to provide parents and pupils with:

- a curriculum which meets the requirements of the National Curriculum, National Literacy Strategy and National Numeracy Strategy, the LA Agreed RE Syllabus, and the needs of pupils
- teaching which builds on previous learning and has high expectations of children's achievement

Learning

Governors and school managers will review the quality of children's learning, by cohort, class and group, to provide teaching which enables children to achieve nationally expected progress, e.g. setting of annual pupil achievement targets, 2 national curriculum levels between Years 3 and 6,

Purchasing

Governors and school managers will develop procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost.

Measures already in place include:

- competitive tendering procedures (e.g. for goods and services above £5,000)
- procedures for accepting "best value" quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship)
- procedures which minimise office time by the purchase of goods or services under £1000 direct from known, reliable suppliers (e.g. stationery, small equipment)

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Pupils' Welfare

Governors and school managers will review the quality of the school environment and the school ethos, in order to provide a supportive environment conducive to learning and recreation.

Health & Safety

Governors and school managers will review the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

Monitoring

These areas will be monitored for best value by:

1. In-house monitoring by the Headteacher and curriculum managers, e.g. classroom practice, work sampling
2. Termly target setting meetings between the Headteacher and curriculum managers
3. Annual Performance Management
4. Annual Budget Planning
5. Headteacher's monthly financial review
6. Termly visits by the LA Assigned Inspector
7. Monthly visits by the LA Finance Adviser
8. Analysis of school pupil performance data, e.g. SATs results, standardised test results, 11+ results against all schools, LA schools, similar schools
9. Analysis of LA pupil performance data, e.g. CRISP reports
10. Analysis of LA financial data, e.g. ORACLE reports, against bench mark data for all schools, LEA schools, similar schools
11. Analysis of DCSF pupil performance data, e.g. PANDA
12. Ofsted Inspection reports
13. Governors' termly classroom observations
14. Governors' termly committee meetings
15. Governors' full termly meetings
16. Governors' Annual Finance Review
17. Governors' Annual SATs Target Setting Meeting
18. Governors' Annual Development Plan Meeting
19. Governors' Annual Report to Parents

In the next three years the Governing Body will:

- hold an annual performance plan meeting to set targets for improving pupil achievement.
- hold an annual development plan meeting.
- discuss "Best Value" at each Autumn Term meeting of the Finance Committee.
- review their "Best Value" statement at each Spring Term meeting.
- consider best value when arranging internal and external redecoration contracts.
- employ a maintenance consultant to advise on maintenance of the schools' buildings.
- obtain tenders and a consultant's advice on the installation of an IT suite, and any large scale refurbishment of the premises.
- obtain assessment management surveys .

**Confirmation the Best Value Statement in respect of
School has been discussed by the Governing Body**

Signed by:

Chair of Governors: Date:

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Headteacher: Date:

Agreed at the Governing Body Meeting on: Minute Reference:

This example policy is based on material provided by Woodcote Infant and Junior School and was made available by NCSL. It was provided by NCSL for illustrative purposes only and may not be endorsed by them. It provides a framework to review, evaluate or write a school's own policy.

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APPENDIX D1

your reference
our reference
please ask for
direct line
e-mail
web-site
date

**Please reply to:
Schools Finance
Central Bedfordshire
Council
P.O. Box 1395
Bedford
MK42 5AN**

The Head Teacher
SCHOOL

Tel: 0300 300 8000

Dear Colleague

200*/200* Confirmation of School Budget Surplus / Deficit Balances

I am writing to confirm your final position for _____, which should correspond to that previously reported to you in your Period 13 report and your Final CFR return.

Your school had a balance of £ _____ (including earmarked funds) as at 31st March 200*.

Committed Revenue (B01)	-	Per your CFR Return
Uncommitted Revenue (B02)		Per your CFR Return
Devolved Formula Capital (B03)	-	Per your CFR Return
Standard Fund Capital (B04)	-	Per your CFR Return
Other Capital (B05)	-	Per your CFR Return
Extended School Balance (B06)	-	
Total Reserves	£	

The above balances will be paid in on your SAP statement, as per your final CFR. Please note there maybe a small difference due to roundings.

These balances are subject to Section 4 The treatment of Surplus Balances in the Scheme for Financing Schools and maybe subject to further scrutiny by the Schools Forum.

If you have any queries please contact your School Financial Adviser.

Yours sincerely,

**Scheme for Financing Schools
June 2009 to March 2011**

**APPENDIX D2
Reasons for holding a surplus balance in excess of 5%/8% of
200*/200* School Budget Share**

DECLARATION OF EARMARKED FUNDS & SURPLUS BALANCES

SCHOOL _____ SCHOOL BUDGET SHARE £ _____

Balance carried forward to 200*-200* as per Period 13 print	A	£
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B01	Committed Revenue Balance (Deemed Earmarked)	£
	1. Capital Projects (where written contract entered into for the forthcoming year – supporting evidence must be attached) 2. Unspent Revenue Grants (copies of documentation from awarding body supporting by detail of spend to date, - this is only permitted to be earmarked for one financial year, unless longer time frame has been agreed by awarding body) 3. Consultancy Fees earned by a Headteacher or Senior Staff (copies of documents with amount of income to school required as back up)	
	TOTAL	B £

B03	Devolved Formula Capital	£
B04	Other Standards Fund Capital (ICT)	£
B05	Other Capital Balances (e.g. Travel Plan)	£
B06	Community focused Extended Schools Balance	£
		£
	TOTAL	C

B02	Uncommitted Revenue Balances *DFES Guidelines state that this amount should not exceed 8%(Nursery/Special/Lower) & 5% (Middle & Uppers) of the schools budget Share*	£
	A-B-C=D	
	E =	£

B01 - Details of Earmarked Funds Planned Use	Anticipated Time Frame
(Attach a further sheet as required)	

B02 – Uncommitted Revenue Balances Planned Use (If B02 exceeds amount in Box E explanation required)	Anticipated Time Frame
(Attach further sheet as required)	

<p>Declaration We certify that the Balances noted above were reported to the full Governing Body meeting held on the _____, and that the minutes of this meeting recorded the planned use of these Balances.</p> <p>Chair of Governors _____ Head _____ Date _____</p>

This form should be completed & returned to Children’s Services Finance by 5th **June 2009**, for reason of accuracy the form should not be completed until your month 14 SAP print has been received and should accompany your preliminary CFR Report.

This document must be support by the relevant evidence as detailed in paragraphs 2.22 and 4.2 of the Scheme for Financing Schools.

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APPENDIX E

Licence Deficit Recovery Plan

CFR Code	Details	2008/09	2009/10	2010/11	2011/12
REVENUE					
	INCOME				
I01	Funds Delegated by the LA	0	0	0	0
I02	Funding for Sixth Form Students	0	0	0	0
I03	SEN Funding	0	0	0	0
I04	Funding for Ethnic Minority Pupils	0	0	0	0
I05	Standards Fund	0	0	0	0
I06	Other Government Grants	0	0	0	0
I07	Other Grants	0	0	0	0
I08	Income from Facilities and Services	0	0	0	0
I09	Income from Catering	0	0	0	0
I10	Supply Insurance Claims	0	0	0	0
I11	Other Insurance Claims	0	0	0	0
I12	Contributions to Educational Visits	0	0	0	0
I13	Voluntary Funds	0	0	0	0
I14	SSG Pupil Focused	0	0	0	0
I15	Pupil focused ext. school funding and/or grants	0	0	0	0
I16	Community focused ext. sch funding and/or grants	0	0	0	0
I17	Community focused ext. school facilities income	0	0	0	0
	TOTAL REVENUE INCOME	0	0	0	0
	EXPENDITURE				
E01	Teaching Staff	0	0	0	0
E02	Supply Staff	0	0	0	0
E03	Education Support Staff	0	0	0	0
E04	Premises Staff	0	0	0	0
E05	Administration Staff	0	0	0	0
E06	Catering Staff	0	0	0	0
E07	Other Staff	0	0	0	0
E08	Other Employee Costs	0	0	0	0
E09	Training and Development Costs	0	0	0	0
E10	Supply Teacher Insurance	0	0	0	0
E11	Other Staff Related Insurance	0	0	0	0
E12	Building Maintenance	0	0	0	0
E13	Grounds Maintenance	0	0	0	0
E14	Cleaning & Catering	0	0	0	0
E15	Water & Sewerage	0	0	0	0
E16	Energy	0	0	0	0
E17	Rates	0	0	0	0
E18	Other Occupational Costs	0	0	0	0
E19	Learning Resources (not ICT)	0	0	0	0
E20	ICT Learning Resources	0	0	0	0
E21	Exam Fees	0	0	0	0
E22	Administrative Costs	0	0	0	0
E23	Other Insurance Premiums	0	0	0	0
E24	Special Facilities	0	0	0	0
E25	Catering	0	0	0	0
E26	Agency Supply	0	0	0	0

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E27	Bought in Professional Services – Curriculum	0	0	0	0
E28	Bought in Professional Services – Other	0	0	0	0
E29	Loan Interest	0	0	0	0
E30	Revenue Contributions to Capital	0	0	0	0
E31	Extended School Staff Costs	0	0	0	0
E32	Extended School Costs	0	0	0	0
	TOTAL REVENUE EXPENDITURE	0	0	0	0

	IN YEAR SURPLUS / (DEFICIT)	0	0	0	0
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	SURPLUS / (DEFICIT) B/FWD	0	0	0	0
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BO1 BO2 BO6	CUMULATIVE SURPLUS / (DEFICIT) C/FWD	0	0	0	0
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CAPITAL

	INCOME				
CI01	Capital Income	0	0	0	0
CI03	Private Capital Income	0	0	0	0
CI04	Contributions from Revenue	0	0	0	0
	TOTAL CAPITAL INCOME	0	0	0	0

	EXPENDITURE				
CE01	Acquisition of Land and Existing Buildings	0	0	0	0
CE02	New Construction, Conversion & Renovation	0	0	0	0
CE03	Vehicles, Plant, Equipment and Machinery	0	0	0	0
CE04	Information & Communication Technology	0	0	0	0
	TOTAL CAPITAL EXPENDITURE	0	0	0	0

	IN YEAR SURPLUS / (DEFICIT)	0	0	0	0
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	SURPLUS / (DEFICIT) B/FWD	0	0	0	0
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BO3 BO4 BO5	CUMULATIVE SURPLUS / (DEFICIT) C/FWD	0	0	0	0
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AUTHORISED BY
HEADTEACHER.....

DATE...../...../.....

AUTHORISED BY CHAIR OF
GOVERNORS.....

DATE...../...../.....

APPENDIX F

SCHEDULE OF WORKS DEEMED CAPITAL WHICH ARE LA RESPONSIBILITY

Works which can be classified as capital are those where a whole and total replacement is required to the following building elements:

Demolition

Demolition works of whole building structures including taking down, removal and clearance of sites or buildings, sealing off all drains and engineering services, when undertaken as part of a construction project.

Foundations (below top of ground floor slab)

All structural work to walls or wall supports below and including damp-proof courses, underpinning, propping, piles, ground beams, piers, bases and brick or concrete footings (includes internal ducts and duct covers).

Structural Frames

All structural members in steel, timber, or concrete frame including ties, bracing, connection, bolts base plates and wedging. Internal structural walls.

Floor structures

Floor structures and ducting together with their screeds but **excluding** bonded woodblock and all other floor finishes, soffits and ceiling finishes.

Roofs, structures

Roof structures including top floor ceiling timbers, eaves and verge construction, and catwalks. This includes glazing structures.

Roofs, coverings

Roof weather proof coverings, including eaves and verge finishing and catwalks. **Excludes** all applied rainwater goods above ground and roof glazing.

External Walls

Load bearing, structural, framed, panelled and curtain walls, chimney stacks and flues, including refractories, masonry stonework, heads, sills, strings, steps etc. Applied surface finishes, i.e.: renderings, tile pointing, balcony rails; and cavity wall insulation.

Staircase and Landing Structures

Staircase and landing structures but **excluding** handrails, balustrades and finishes.

Whole elevation windows and external doors

Complete replacement of external windows and doors, including associated ironmongery, architraves and shutters.

Ceiling structures

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Suspended ceiling structures (grids and wires) including fire stops and insulation (**excluding** all finishing).

Roads, Playgrounds, Car parks, and Paths

Complete reconstruction of patios, drying areas, steps, fire appliance hard stands, car parking, garage approaches and roads including rebuilding foundation layers. Access paths, courts and playgrounds where not vehicle damage.

Underground Drainage

Drains, gullies, grease traps and manholes between buildings and sewers. Includes all internal floor gratings, channels, covers etc. (**excludes** cleansing).

Asbestos Removal or Encapsulation

Except where works are instigated by the user/tenant. Including fees for testing etc.

Main Electrical Switchgear

All switchgear and interconnecting cables, protective conduits and trunking and fixings, including labels and circuit lists.

Electrical Power and Lighting Circuits

Fixed sub-circuit wiring and conduit, trunking or other means of mechanical protection including fixings, wiring accessories and conduit boxes. All interconnecting wiring and control equipment, time switches, photo-electric cells to external lighting including columns, floodlights and road lighting.

Intruder, Security and Fire Alarm Systems

All battery units including batteries, inter-connections, cabinets and control equipment used for Emergency Lighting, Fire Detection and Alarm Systems, Intruder Alarm Systems (except resulting after activating), Master Clock Systems and Call Bell Systems. All wiring systems associated with these systems including Low Voltage types. All emergency lighting luminaires including self contained types, operating relays and associated controls. All Call Bell systems including pushes, reset units, meter and indicator boards, sounders, relays, hand sets. All Intruder Alarm Systems including detectors, sounders, alarm lights, control panels, electric override switches and wiring, including CCTV installations, cameras and monitors. All door access systems including pushes, card readers, power supply, electric door releases and wiring.

Boilers

LP and MPHWH heating and HWS boilers including cleaning access doors, door seals, hinges, fasteners, boiler casing and flue clean brushes. Boiler house steel flues including dampers, explosion relief doors, draught diverters and flue stabilisers.

Forced Draught and Atmospheric Gas Fired Burners

Forces draught and atmospheric gas fired heating and HWS burners including burner train, flame failure controls, thermostats, gas booster sets and refractories.

Pressure Jet Oil Fired Burners

Pressure jet oil fired heating and HWS burners including burner train, flame failure controls, thermostats and refractories.

Automatic Coal Fired Stoking Equipment

Automatic coal fired heating and HWS stoking plant including direct controls, thermostats, feed works/tubes, gearboxes, fans, motors, transfer boxes, tuyers, draught tubes, induced draught fans, fuel delivery tubes and refractories.

Automatic Controls and Boiler Plant Electrics

Heating and HWS heating controls, including zone controls, optimum start controls, energy management controls, control panels, detectors, motorised valves and actuators.

Automatic Controls and Boiler Plant Electrics

Smoke density alarms, including sensors and control panels. Gas detectors, including sensors, control panels, thermal safety devices, thermal links, emergency stop switches and solenoid valves. Mains signalling systems controlling heating and HWS systems. General mains power, low voltage and lighting in boiler house.

Steel Chimneys

Main steel chimney structure, including basis, guy ropes, holding down bolts, flanges, webs and gussets, cladding and insulation, trims and cowls, access doors and condense drain points and external protective finishes.

Water storage tanks and cylinders and associated pumps

Water storage tanks (**excludes** cleaning). Heating circulating pumps, HWS primary and secondary pumps and sump pumps. HWS storage cylinders and calorifiers, isolating valves, pipework and fittings, thermal insulations, temperature/altitude and oil tank contents gauges. Oil storage tanks, including emergency shut-off devices, valves and thermal linkages, trace heating devices and associated electrical wiring, heating elements, control panel, thermostats and detectors. (Including oil storage tanks for electrical generators).

Repair and maintenance of kitchens and kitchen equipment

The LA can retain monies centrally for the repair and maintenance of kitchens and kitchen equipment in schools which have not had school meals delegated.

Heating - Water, Gas and Oil Distribution Systems

LP and MPHWH heating, hot and cold water, gas and oil distribution services including mild steel, copper, polyethylene, ABS and PVC pipework, valves and fittings at tap, appliance or service point. Feed expansion tanks, remote HWS storage cylinders and calorifiers, thermal insulation, radiators, natural convector emitters, pipe coils and heated towel rails. All external mains distribution services (gas, water, etc.).

Direct Gas Fired Hot Water Units

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Replacement of direct gas fired hot water heating units including flues where appropriate.

Air Conditioning Equipment

All equipment including electrical controls

Direct Fired Air Handling Unit Room Heaters

Direct oil or gas fired heater units including guards, flues, controls, thermostats, dedicated oil storage tanks, oil contents gauges, oil pipework services and fittings.

Lifts, Hoists, Barrier, Lifting Aids

The whole of the passenger or goods lift installation including wiring, controls, doors, guides, motor, gearbox, pulleys, cables, safety equipment, and lift car finishes Window cleaning cradles, beams, cables and winches.

Under floor heating installations

Underfloor heating cables, ceiling heating systems including all elements, wiring, controls, isolators thermostats.

In addition, the Authority will make good any consequential damage it causes that affects the areas for which the Governing Body is responsible, and will undertake other directly associated and beneficial improvements which may sensibly be implemented at the time of a capital repair and maintenance project, subject to the availability of funding.

De Minimis Level (further clarification)

Replacement works identified as capital expenditure by inclusion in the above list but which cost less than £10,000 will be the responsibility of the school Governors. However, such works may be considered for LA funding, but:-

- ONLY in the event of total replacement; AND,
- where applicable to the whole school.

Partial replacement/repair/maintenance works are a revenue item and are, therefore, a governors' responsibility.

However, where such works:-

- are expected to cost in excess of £10,000;
- cannot be phased in two or more stages;
- comply with the CIPFA Code of Practice for the definition of capital maintenance;
- are included in the above list as a LA responsibility for total replacement; AND,
- can be justified by the school as being a more cost effective solution to replace rather than undertake partial repairs, then the LA may consider funding the works as a capital item, as soon as resources are available, on the following basis:-
 - a) The school funds the first £10,000
 - b) Amounts above £10,000 are funded 50% by the school and 50% by the LA, up to the utilisation of 50% of the current year's formula capital allocation.
 - c) Once the limit at b) above is reached, the LA will fund 100%.

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The New Framework for schools

The above detailed breakdown of retained responsibilities is to be applied to all County Controlled Schools (Community and Foundation Schools) but will additionally identify those areas applicable to the LA for Voluntary Aided schools (Aided Schools) and should be read in conjunction with the DfES letter and responsibilities list of 1st July 1998. Those items identified as "LA" which are not covered by the above will be deemed to have been delegated to the school and Governors.

Voluntary Aided governors continue to be eligible for grant from the DfES in respect of their statutory responsibilities. The Voluntary Aided and Special Agreement Schools - Determination of Financial Liability List will be used to establish responsibility for payment of liabilities. In addition, Voluntary Aided schools will have responsibility for other repair and maintenance items on the same basis as Community and Foundation schools.

APPENDIX G

EXTENDED SCHOOL ACTIVITY – FLOW
DIAGRAM