



City of Westminster

# **SCHEME FOR FINANCING SCHOOLS**

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# **SECTION 1: INTRODUCTION**

## **1.1 The Funding Framework**

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

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

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

the authority may apply to the Secretary of State for approval in the event of the forum rejecting a proposal, or approving it subject to modifications that are not acceptable to the authority.

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

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

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

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

Regulations also require a local authority to publish their scheme and any revisions.

The latest version of the scheme will be on the Authority's website.

## **1.2 The role of the Scheme**

This Scheme sets out the financial relationship between the Authority and the maintained schools that it funds. It contains requirements relating to financial

management and associated issues, which are binding on both the Authority and on the schools.

This Scheme for Financing Schools should be read in the context of the Schools Financial Procedures.

### **1.2.1 Application of the Scheme to the Authority and maintained schools**

The Scheme applies to all community, nursery, special, voluntary, foundation (including trust), foundation special schools and PRUs maintained by the Authority, whether they are situated in the area of the Authority or situated elsewhere. It does not apply to schools situated in the Authority's area which are maintained by another authority, nor does it apply to academies.

Annex A contains a list of all schools covered by the Scheme.

### **1.3 Publication of the scheme**

A copy of the Scheme will be supplied to the governing body and the headteacher of each school covered by the Scheme and any approved revisions will be notified to each school.

A copy will be available for reference on the Authority's website.

### **1.4 Revision of the Scheme**

Any proposed revisions to the Scheme will be the subject of consultation with the governing body and the headteacher of every school maintained by the Authority before they are submitted to the schools forum for their approval.

All proposed revisions must be submitted to the schools forum for approval by members of the forum representing maintained schools. Where the schools forum does not approve them, or approves them subject to modifications which are not acceptable to the Authority, the Authority may apply to the Secretary of State for approval.



## **1.5 Delegation of powers to the headteacher**

The governing body should consider the extent to which it wishes to delegate its powers to the headteacher and governing body committees. These decisions (and any revisions) should be clearly documented in the minutes of the governing body.

Although the headteacher may take responsibility for developing the budget, the first formal budget of each financial year must be approved by the governing body, or by a committee of the governing body. The headteacher should present the first formal budget plan for each financial year to the finance committee and subsequently to the full governing body for approval prior to submission to the Local Authority.

The Authority does not impose a limit on the level of delegation to headteachers, but in making their decisions, the governing body must consider the level of experience of the headteacher and the practicalities of the day to day running of a school.

## **1.6 Maintenance of schools**

The Local Authority is responsible for maintaining the schools covered by the Scheme and this includes the duty of defraying all the expenses of maintaining them (except in the base of a voluntary school where some of the expenses are, by statute, payable by the governing body). Part of the way an authority maintains schools is through the funding system put in place under Sections 45 to 53 of the School Standards and Framework Act 1998.

As the employer of community schools, the Authority is responsible for establishing its overall Health and Safety Strategy and it is up to the governing body and senior leadership team to ensure compliance.

It is the responsibility of the employer of voluntary aided schools to establish a Health and Safety strategy that complies with national Health and Safety legislation and statutory guidance. In order to ensure compliance of schools in discharging this obligation and to reflect the duty of care that the Authority has for children attending schools in the borough, schools will need to supply sufficient documentation to the Authority as determined by the Director of Finance for Children's Services.

## **SECTION 2: FINANCIAL CONTROLS**

### **2.1 General procedures**

#### **2.1.1 Application of financial controls to schools**

In managing their delegated budgets schools must abide by the Authority's requirements on financial controls and monitoring. These are set out in the detailed Schools Financial Procedures.

The governing body should ensure that the headteacher reports progress on financial performance on a regular basis to the full governing body or the finance committee.

The headteacher is responsible to the governing body for financial control within the school. The headteacher should ensure that the financial controls are maintained in the absence of key staff and should ensure that provisions are in place for all staff to be adequately trained.

The headteacher should be responsible for amending and updating local financial procedures in line with Audit, the Local Authority and statutory requirements. Any changes to the local financial procedures should be reported back to the governing body.

#### **2.1.2 Provision of financial information and reports**

Schools are required to provide the Authority with details of expected and actual expenditure and income and other information for financial purposes, in a form and at times determined by the Authority.

The Section 151 Officer of the Authority may at their discretion amend the requirements for financial information and reports from schools, and the timetable on which these are provided to suit the Authority's overall financial monitoring requirements.

The details of the requirements are as follows:

At the start of the financial year:

- i) A detailed breakdown of the planned use of the school's budget share no later than the 31 May (or the last working day of May). This breakdown must have been approved by the governing body. The Budget report must provide the Local Authority with details of anticipated and actual expenditure and income. The format provided by the Authority will take account of the Consistent Financial Reporting (CFR) framework.

### **Good practice**

Where the school's budget is available sooner than the deadline set out above, they are encouraged to submit this at the earliest opportunity to support the Authority's planning.

### **Reporting deadlines**

Schools are required to provide the Authority with their monthly and quarterly reports (as outlined below) on the 5<sup>th</sup> working day of the given month.

### **Monthly throughout the financial year**

- i) VAT submittal report
- ii) Full VAT report

### **Quarterly**

- i) A copy of the termly governor's budget report.
- ii) Bank reconciliation statement
- iii) Bank reconciliation (unreconciled items)
- iv) Bank statement (final page only)
- v) 7-page income and expenditure report
- vi) Monthly CFR upload (trial balance)

### **Good practice**

The Local Authority considers it good practice for schools to produce a monthly return in the excel spreadsheet template format provided to them by the Authority for internal monitoring purposes. This should be completed in line with the reporting deadline stated above. This template will include:

- i) Bank reconciliation statement
- ii) Bank reconciliation (unreconciled items)
- iii) Bank statement (final page only)
- iv) 7-page income and expenditure report
- v) Monthly CFR upload (trial balance)

In addition to the quarterly reporting outlined above, the following are required at the end of the financial year:

- i) Material cash receipts.
- ii) Material cash payments.
- iii) Debtors and Creditors accrual.
- iv) Prepayments and receipts in advance.
- v) Statement of use of reserves and carry forward.
- vi) Confirmation of Lettings Income.
- vii) A copy of the school's asset register in line with the requirement of 2.1.4 (Control of assets) in this Scheme.
- viii) A copy of the Schools Financial Value Standard (SFVS) complete assessment form signed by the Chair of Governors in line with the requirement of (2.16 Schools Financial Value Standard) in this Scheme.
- ix) Details of capital projects and expenditure

### **2.1.3 Payment of salaries; payment of bills**

Schools are required to make satisfactory arrangements for the payment of employees, creditors and other items, ensuring the correct application of (and accounting for) all statutory and other deductions, also complying with the requirements of the Schools Financial Procedures and advice and guidance from the Authority's Treasurer to consistently maintain adequate financial standards.

Where a governing body does not use the Authority's services for finance, payroll and personnel and/or the information is not available to the Authority, the governing body must ensure that:

- i) The Authority is provided with such information as it may require, in the format, to the level of detail and according to frequency and deadlines prescribed by the Authority and defined in the Schools Financial Procedures;
- ii) all Teachers' pension contributions, including qualifying documentation, are submitted to Authority according to deadlines prescribed by the Authority and in accordance with Schools Financial Procedures, to enable the Authority to transfer such contributions to the bodies concerned in compliance with requirements which they prescribe, other statutory deductions and contributions are accounted for directly and paid over by the school;
- iii) all Local Government Pension Scheme pension contributions, including qualifying documentation, are submitted to Authority according to deadlines prescribed by the Authority and in accordance with Schools Financial Procedures, to enable the Authority to transfer such contributions to the bodies concerned in compliance with requirements which they prescribe; other statutory deductions and contributions are accounted for directly and paid over by the school;
- iv) they (or their service provider) provide evidence of the accuracy of such information and amounts in the form of audit certification, to the Authority or its auditors as and when required.

This is essential to enable completion of statutory returns and accounting requirements and to avoid costs and penalties, which may arise as a result of delays or inaccuracies in such matters. Any costs and penalties incurred due to deadlines not being adhered to by the school will be payable by the school.

#### **2.1.4 Control of assets**

Each school must maintain an asset register of all of its moveable non-capital assets (including commercial lease agreements for assets i.e. minibuses and photocopier leases). For items below £10,000 each school can determine their own arrangements for keeping such a register.

For items with a value exceeding £10,000, the Authority shall determine the format of the register and set out the basic authorisation procedures for the disposal of assets.

Governors must not dispose of the Authority's capital assets nor take any decision, which would adversely affect the value of such assets.

The required inventory and the basic authorisation procedures for disposal of assets are set out in the Schools Financial Procedures.

#### **2.1.5 Accounting policies (including year end procedures)**

The Chief Finance Officer is responsible for determining the Local Authority's accounting policies. Each headteacher is responsible for ensuring that these policies are adhered to. The underlying principles include:

- The accounts should be a fair presentation of the school's financial position and transactions in respect of that financial year.
- Income and expenditure should relate to the services provided in the same accounting period (the financial year). In revenue accounts, provision must be made for income and expenditure earned/used irrespective of when the amounts are actually paid or received.
- The accounts should be prepared on a prudent basis with income only being included to the extent that it is likely to be received; proper allowance should be made for all known liabilities and losses.

Schools must abide by procedures issued by the Authority in relation to accounting policies and year end procedures. The year end procedures are set out in the Guidance issued every year, which includes a closedown timetable which must be adhered to.

Details of these are included in the Schools Financial Procedures and any additional requirements will be notified to schools as they arise.

### **2.1.6 Writing off debts**

Debts can only be written off when they are deemed to be unrecoverable or uneconomic to recover.

Governing Bodies are authorised under the terms of this Scheme to write off debts for individual amounts not exceeding £2,000.

Any writing off of a debt must be formally recorded in the minutes the governing body. The amount of any debt written-off will be borne by the delegated budget of the school to which the income would have been due. All write-offs must be correctly recorded in the accounts, by reversal of the original income transaction.

All documentation relating to the original debt, the recovery process and its write-off and approval of this should be retained by the school and submitted to the Authority at the end of the financial year. No property that has been written-off can be sold or otherwise disposed of.

For any amount greater than £2,000 the procedures as detailed in the Schools Financial Procedures shall apply.

## **2.2 Basis of accounting**

The Authority's accounts are prepared on an accrual basis. Schools will therefore be required to provide information as and when to enable relevant accruals to be entered into the Authority's accounts.

Detailed guidance on this process is issued each year by the Director of Finance for Children's Services.

## **2.3 Submission of budget plans**

### **Timetable**

Schools are required to submit a budget plan to the Authority by 31 May (or the last working day of May) each year. The school's budget plan must be approved and signed by the governing body (or a committee of the governing body).

The governing body is not permitted to set a budget which plans for a cumulative deficit at the end of any of the financial years, except where the Authority has authorised such a budget formally.

### **Health and Safety obligations**

Schools should have regard to their most recent school Condition Survey and Asset Management Plan when setting their budget, including health and safety maintenance obligations they have. The Governing Body and Headteacher should ensure that in setting and approving the school's budget, adequate resources have been allocated to carry out their health and safety obligations.

Funds delegated by the Authority such as Devolved Formula Capital should be, where possible, designated to ensuring that maintenance issues identified on the most recent school Condition Survey and Asset Management Plan are addressed.

### **Format**

The budget plan shall be in a format determined by the Director of Finance for Children's Services and will outline the intentions for income and expenditure in the current financial year and the following two financial years (a three-year budget plan) and the assumptions underpinning the budget plan (i.e. inflationary increases in salary costs). Schools will be able to take full account of estimated deficits/surpluses at the previous 31 March in their budget plan.

The format of the budget plan and any supporting documents shall comply with the budget template provided and the guidance issued by the Authority each year. Evidence of approval by the Governing Body must be submitted at the same time as the budget plan (such as the minutes of the relevant Governing Body meeting where the budget was approved).

The Authority will supply schools with income and expenditure data which it holds, which is necessary to enable efficient planning by schools. The Authority will supply



schools with an annual statement showing when this information will be available at times through the year.

Where schools do not use the Authority's financial management system, the format of the budget plan may be specified to ensure compliance with the Consistent Financial Reporting (CFR) framework.

The Director of Finance for Children's Services may determine that revised budget plans be submitted during the financial year. Such revised plans shall not be required at intervals of less than three months. Revised plans will be required where it is evident that the original budget plan is no longer sustainable.

Details of the format of the budget plan are included in the Schools Financial Procedures.

## **2.4 Efficiency & Value for Money**

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

It is for heads and governors to determine at school level how to secure better value for money.

There are significant variations in efficiency between similar schools, and so it is important for schools to review their current expenditure, compare it to other schools and think about how to make improvements.

## **2.5 Virement**

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

The Authority recommends that virements are recorded in the minutes of the Governing Body.

## **2.6 Audit: General**

All schools are subject to the audit regime determined by the Authority. This will include the Authority's internal audit and external audit regime as determined by the Audit Commission.

Schools are required to co-operate with any internal and external audit inspection and provide access to the school's records.

Schools that are audited as part of the internal or external audit regime that result in an outcome with recommendations for implementation, may be required to attend the audit committee of the Local Authority.

The headteacher should ensure that recommendations arising from audit reports are addressed in accordance with the agreed action plan, reviewed by the governing body and reported back to the Local Authority.

## **2.7 Separate external audits**

In instances where a school wishes to seek an additional source of assurance, the governing body is permitted to spend funds from its budget share to obtain external audit certification of its accounts, separate from any Authority's internal or external audit process.

Such a requirement should take into consideration the principles of Value for Money.

Where a school chooses to seek such an additional audit, it does not remove the requirement that the school must also cooperate with the Authority's internal and external auditors.

## **2.8 Audit of voluntary and private funds**

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

The audit must be carried out by someone who is independent from the school fund (i.e. having no part in the administration of the fund or in any decisions as to its use).

Governors who are members of the finance committee (or a similar sub-committee of the governing body) may not undertake this audit.

A school refusing to provide audit certificates to the Authority as required by the scheme, is in breach of the scheme and the Authority can take action on that basis.

## **2.9 Register of Business Interests**

The governing body of each school must have in place, a register that lists for each member of the governing body and the headteacher the following:

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

The register should be kept up to date with notification of changes and entries should be made available for inspection by governors, staff, parents and the Authority on the school's website.

The register of business interests should be formally referred to prior to the acceptance of quotations or the awarding of contracts.

It should be noted in the minutes of the Governing Body that this procedure has been adopted at the start of each academic year.

## **2.10 Purchasing, tendering and contracting requirements**

Schools are required to abide by the Authority's Financial Regulations and standing orders in purchasing, tendering and contracting matters.

The schools should assess in advance, where relevant, the health and safety competence of contractors, taking account of the Authority's policies and procedures.

## **2.11 Application of contracts to schools**

Schools have the right to opt out of Authority arranged contracts except where this Scheme provides otherwise.

Although governing bodies are empowered under Paragraph 3 of Schedule 1 to the Education Act 2002 to enter into contracts, in most cases they do so on behalf of the Authority as the maintainer of the school and the owner of the funds in the budget share. The governing body will have clear statutory obligations in some areas for example contracts made by aided or foundation schools for the employment of staff.

## **2.12 Central funds and earmarking**

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

Such allocations might, for example, be sums for Special Educational Needs (SEN) or other initiatives funded from the central expenditure of an Authority's schools budget or other Authority budget.

Such earmarked funding from centrally retained funds is to be spent only on the purposes for which it is given, or on other budget heads for which earmarked funding is given, and is not to be vired into the school's budget share. Earmarked funds must be returned to the Authority if not spent in year.

The Authority may not make any deduction from payments to schools of devolved specific or special grants in respect of interest costs.

In order that schools may demonstrate compliance with this requirement, expenditure on these purposes should be clearly identifiable within the school's accounting records, and full supporting documentation should be available.

## **2.13 Spending for the purposes of the schools**

Section 50(3) allows governing bodies to spend budget shares for the purposes of the school, although this is subject to regulations made by the Secretary of State and any provisions of the scheme. By virtue of Section 50(3A) (which came into force on

1st April 2011), amounts spent by governing bodies on community facilities or services under Section 27 of the Education Act 2002 will be treated as if spent for any purposes of the school.

Under Section 50(3)(b) the Secretary of State may prescribe additional purposes for which expenditure of the budget share may occur. The Secretary of State has done so in the School Budget Shares (Prescribed Purposes)(England) Regulations 2002 (SI 2002/378), which have been amended by the School Budget Shares (Prescribed Purposes)(England)(Amendment) Regulations 2010 (SI 2010/190). These allow schools to spend their budgets on pupils who are on the roll of other maintained schools or academies.

## **2.14 Capital spending from budget shares**

Governing bodies may use their budget shares to meet the costs of capital expenditure on the school premises. This includes expenditure by the governing body of a voluntary aided school on work which is their responsibility under Paragraph 3 of Schedule 3 of the SSAF Act 1998.

Schools will be required to notify the Authority of any spending from their budget share on capital works. Schools will be required to take account of the Authority's advice on any capital spending over the sum of £15,000.

However, for community schools any spending on capital works either from their budget share or outside of the budget share will need to be authorised by the Director of Children's Services and the Director of Finance for Children's Services.

Any spending on capital works, which has an impact on the Authority's premises, will need the authority of Director of Children's Services and the Director of Finance for Children's Services. Such authority may only be withheld on the grounds of health and safety.

The reason for these requirements is to help ensure compliance with the current School Premises Regulations, DfE Construction Standards and health and safety legislation.

## **2.15 Notice of concern**

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

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

These may include:

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

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

The purpose of this provision is to enable the Authority to set out formally any concerns it has regarding the financial management of a school it maintains and require a governing body to comply with any requirements it deems necessary. The

principal criterion for issuing a notice, and determining the requirements included within it, must be to safeguard the financial position of the Authority or school.

It should not be used in place of withdrawal of financial delegation where that is the appropriate action to take; however, it may provide a way of making a governing body aware of the Authority's concerns short of withdrawing delegation and identifying the actions a governing body should take in order to improve their financial management to avoid withdrawal.

Where the governing body has complied with the requirements contained within the notice of concern, the Authority will withdraw the notice in writing.

## **2.16 Schools Financial Value Standard (SFVS)**

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

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

All other maintained schools with a delegated budget must submit the form to the Authority annually before 31 March.

## **2.17 Fraud**

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

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

## **SECTION 3: INSTALLMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS**

### **3.1 Frequency of instalments**

The Authority will make available the budget share to school governing bodies on a quarterly basis. Provision is also made to allow the payment in full of additional devolved funding, where appropriate.

The Authority will make available budget share instalments on a monthly basis to schools which so request it; but the request should be made prior to the start of the relevant financial year.

Top up payments for pupils with high needs will be made on a termly basis unless alternative arrangements have been agreed with the provider.

### **3.2 Proportion of budget share payable at each instalment**

The quarterly budget share will be calculated on the basis of equal quarters of the annual budget allocation. The advance dates will be published accordingly.

For the Early Years single funding formula budget share the quarterly payments will be one quarter of the original / revised budget. The final adjustment will be made in March each year.

### **3.3 Interest clawback**

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

The interest calculation will be using a formula determined by the Authority (such as a weighted seven-day average rate or yearly average rate).

#### **3.3.1 Interest on late budget share payments**



The Authority will add interest to late payments of the budget share instalments, where such late payment is the result of an error by the Authority.

The interest calculation will be at the rate set out in 3.3.

### **3.4 Budget shares for closing schools**

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

In order to minimise the Authority's liabilities, the Authority may wish to take the appropriate action to prevent schools entering into contractual arrangements or committed expenditure beyond the school closure date. Any monies incurred in this way may become the responsibility of the governing body.

### **3.5 Bank and building society accounts**

Schools will continue to be able to retain all the interest payable on the bank account.

Where schools use imprest bank accounts, which operate to levels, pre-determined by the governing body and replenished as and when required. This provides schools with the freedom to spend their budget share as and when required whilst still facilitating access to the corporate systems such as payroll and an on-line payments mechanism.

#### **3.5.1 Restrictions on accounts**

Accounts may only be held for the purpose of receiving cash advances payments, at the following banks:

- Halifax Bank of Scotland PLC
- Barclays Bank PLC
- Lloyds TSB PLC
- National Westminster Bank PLC

- The Royal Bank of Scotland PLC

Schools must seek approval from the Authority for other banks or building societies not shown on the above list.

It is recommended that bank accounts are opened both in the name of the school and the Authority. Where a bank account is opened only in the name of the school, then the bank mandate should provide that the Authority is owner of the funds in the account; that it is entitled to receive statements; and that it can take control of the account if the school's right to a delegated budget is suspended by the Authority.

Budget share funds paid by the Authority and held in school accounts remain Authority property until spent (Section 49(5) of the Act).

Schools must notify the Director of Finance for Children's Services of: the bank used, account numbers and authorised signatories for all bank accounts. Changes to banks and/or signatories must also be notified. Governors who are not members of staff cannot be signatories.

If any governing body of a school operating a bank account for payments fails to operate banking arrangements in accordance with this Scheme and Schools Financial Procedures, or fails to submit the Authority returns as requested by the Education Finance Team, then the Director of Finance for Children's Services may suspend further transfers of funding to the bank account of that school and may withdraw such banking arrangements until the situation is resolved.

Where a school is unable to operate a bank account in accordance with Financial Regulations or any other guidance issued by the School Finance team, the Authority will withdraw bank account facilities from that school and in certain circumstances could withdraw delegation.

Where a school has an unapproved deficit, the Authority may withdraw bank account facilities from that school.

### **3.6 Borrowing by schools**

School governing bodies may only borrow money (which includes the use of finance leases) with the written permission of the Secretary of State. Schools should notify

the Director of Children's Services and the Director of Finance for Children's Services before making such requests.

The Secretary of State's general position is that schools will only be granted permission for borrowing in exceptional circumstances. From time to time, however, the Secretary of State may introduce limited schemes in order to meet broader policy objectives.

Schools are allowed to use any scheme that the Secretary of State has said is available to schools without specific approval (such as the Salix scheme, which is designed to support energy saving), however they should take reasonable steps to notify the Authority of their decision to apply for such a scheme.

The restrictions do 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 budget, 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 Authority when repaying loans.

This provision does not apply to loan schemes run by the Authority.

### **3.7 Other provisions**

Schools are encouraged to ensure they have access to online banking so that they can produce bank statements efficiently as and when required both throughout the year but also for year end.

## **SECTION 4: The treatment of surplus and deficit balances arising in relation to budget shares**

### **4.1 Right to carry forward surplus balances**

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

School balances are part of the Authority's general reserves and may be used to support the overall financial requirements of the Authority, but subject to the absolute understanding that the balances will always be available for the use of school governing bodies when required.

The schools surplus balance at 1 April shall be equal to that of 31 March of the same calendar year.

The amount of a surplus balance would be shown in the relevant out-turn statement published in accordance with directions given by the Secretary of State under Section 251 of the Apprenticeships, Skills, Children and Learning Act 2009 (although there may be commitments against any figure shown in such a statement).

#### **Good practice**

Schools should be aware that it is good financial management to maintain reserves in the region of 5% (for secondary schools) - 8% (for nursery, primary and special schools) the school's budget share.

However, it should be noted that funding for individual schools is delegated to ensure provision for the pupils on roll in the current period and should not be retained in surpluses without good reason.

### **4.2 Control on surplus balances**

Schools will be required to report to the Authority annually on the purposes to which any surplus balances over 5% of their budget share will be put.

Surplus balances held by schools as permitted under this scheme are subject to the following restrictions with effect from 1 April 2007.

- 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 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.

The condition outlined here is intended to ensure schools can build up reserves towards particular projects, but cannot defer implementation indefinitely. In deciding whether a sum is properly assigned a scheme may make explicit the right of an Authority to take account of a school's previous plans for any surplus balances in the event that such plans have changed. However, an Authority may not take a change in the plans of a school as the only criterion by which it can consider a sum to be properly assigned or not.

- 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.

The thresholds set out in paragraph (d) above are the maximum permitted. The department will accept (a) lower thresholds or (b) higher thresholds for particular types of schools where local authorities can justify them

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 Section 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.

#### **4.3 Interest on surplus balances**

Balances held by the Authority on behalf of schools will attract interest.

The interest calculation will be at the rate set out in 3.3.

#### **4.4 Obligation to carry forward deficit balances**

Deficit balances will be carried forward and will be deducted from the schools budget share in the following financial year. Schools deficit balances as at 1 April will be equal to that balance as at 31 March of the same calendar year. School budget plans must include provision for any deficit from the previous year.

The deficit balance would be shown on the out-turn statement published in accordance with directions given by the Secretary of State under Section 251 of the Apprenticeships, Skills, Children and Learning Act 2009 (although this might be shown gross of committed expenditure and therefore appear lower than would otherwise be the case).

#### **4.5 Planning for deficit budgets**

Schools may not plan for a deficit budget except in exceptional circumstances. Information on the circumstances in which schools may plan for a deficit budget is given in paragraph 4.9 below (Licenced deficits).

#### **4.6 Charging of interest on deficit balances**

The Authority reserves the right to charge interest on deficit balances. The interest calculation will be at the rate set out in 3.3.

#### **4.7 Writing off deficits**

The Authority cannot 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) reverts to the Authority. It cannot be transferred as a balance to any other school, even where the school is a successor to the closing school, except that a surplus will transfer to an academy where a school converts to academy status under Section 4(1)(a) of the Academies Act 2010.

#### **4.9 Licensed deficits**

This scheme does not permit a school to plan for a deficit budget.

Where in exceptional circumstances deficits cannot be avoided, then such deficits need to operate under licence. This requires the school to agree a deficit recovery plan with the Authority before the first formal budget is set in the financial year of the planned deficit.

The deficit recovery plan should include:

- a. the reasons for the deficit;
- b. the amount of the deficit;
- c. a robust proposal for repaying the deficit with supporting evidence;

- d. the maximum length over which the school will repay the deficit (i.e. reach at least a zero balance). Schools with a deficit balance should plan to repay the deficit over a maximum of three years.

The Authority will work with the headteacher and governing body of the school to ensure that a quarterly review of expenditure against the business plan is carried out so that spending is kept in line with the three-year profile of the school.

If a school has a licensed deficit, and the school proposes to spend amounts received by it on purposes other than reducing the licensed deficit, the school must obtain approval from the Authority agree to such a proposal.

#### **4.10 Loan schemes**

There is no loan scheme in place for schools within the Authority.



## **SECTION 5: INCOME**

### **5.1 Income from lettings**

The responsibility for lettings of school premises will rest with governing bodies, who will administer the lettings and set charges. Income from lettings will be retained in full and credited to schools' delegated budgets, subject to any alternative provisions arising from any joint use or PFI agreements.

Although governing bodies will decide their own priorities for lettings, 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. The governing body should be satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the Education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement.

Schools are, nevertheless required to have regards to directions issued by the Authority as to the use of school premises, as permitted under the Act for various categories of schools, in particular, the Authority's policy on community use.

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

### **5.2 Income from fees and charges**

Schools may retain income from fees and charges except where a service is provided by the Authority from centrally retained funds.

Schools should take into account any policy statements on charging produced by the Authority.

Schools should seek at all times to maximise their income and to recover all costs.

Income from boarding charges is collected on behalf of the Authority and should not exceed that needed to provide board and lodging for the pupils concerned.

### **5.3 Income from fund-raising activities**

Schools may retain income generated from fund-raising activities.

### **5.4 Income from the sale of assets**

Schools may retain the proceeds of the sale of assets, except in cases where the asset was purchased with non-delegated funds, or the asset concerned is land or buildings forming part of the school premises and is owned by the Authority.

In these cases, it will be a matter for the Authority to determine whether the school should keep the proceeds.

### **5.5 Administrative procedures for the collection of income**

The governing body shall be responsible for arrangements concerning the collection, custody, control and deposit of income that they are delegated to collect/control.

Schools should have regard to the Authority's procedures for the collection of income, which are set out in the Schools Financial Procedures.

Because of the potential VAT implications of providing services, which lead to fees and charges, fund raising activities and the sale of assets, the Authority has established administrative procedures for the collection of income, which are set out in the Schools Financial Procedures. Specific advice on VAT should be sought from the Authority.

### **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.

# **SECTION 6: THE CHARGING OF SCHOOL BUDGET SHARES**

## **6.1 General provision**

The budget share of a school may be charged by the Authority without the consent of the governing body, only in the circumstances detailed below at paragraph 6.2 of this scheme. In any such event, the Authority will consult schools as to the intention to so charge and notify schools when it has been done.

Schools will have the right to dispute any such charges and governing bodies should place any grievances in writing to the Director of Children Services and Director of Finance for Children's Services. Any disputes will be carefully reviewed and, where necessary, passed to the Authority's legal department for arbitration. The outcome of all reviews will be placed in writing and forwarded to the governing body.

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

Schools are reminded that the Authority cannot act unreasonably in the exercise of any power given by this scheme, or it may be the subject of a direction under Section 496 of the Education Act 1996.

### **6.1.1 Charging of salaries at actual cost**

This scheme requires the Authority to charge the salaries of school-based staff to school budget shares at actual cost where the school participates in the Authority's payroll contract.

## **6.2 Circumstances in which charges may be made**

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

- b) Other expenditure incurred to secure resignations where the school had not followed Authority advice;
- c) Awards by courts and industrial tribunals against the Authority, or out of court settlements, arising from action or inaction by the governing body contrary to the Authority's advice

Awards may sometimes be against the governing body directly and would fall to be met from the budget share. Where the Authority is joined with the governing body in the action and has expenditure as a result of the governing body not taking Authority advice, the charging of the budget share with the Authority expenditure protects the Authority's position.

Authorities should ensure in framing any such advice that they have taken proper account of the role of aided school governing bodies.

- d) Expenditure by the Authority in carrying out health and safety work or capital expenditure for which the Authority is liable where funds have been delegated to the governing body for such work, but the governing body has failed to carry out the required work;
- e) Expenditure by the Authority incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the Authority or the school has voluntary controlled status;
- f) Expenditure incurred by the Authority in insuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the Authority;

See also 10.1. The Authority itself needs to consider whether it has an insurable interest in any particular case.

- g) 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 Authority;
- h) Recovery of penalties imposed on the Authority by the Board of Inland Revenue, the Contributions Agency, HM Revenue and Customs, Teachers'

Pensions, the Environment Agency or other regulatory authorities as a result of school negligence.

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

Before applying any such provision, the Authority should consider whether it is reasonable to do so. If the error dates back several years, it may be questionable whether such charging is reasonable.

- j) Additional transport costs incurred by the Authority arising from decisions by the governing body on the length of the school day, or failure to notify the Authority of non-pupil days resulting in unnecessary transport costs.
- k) Legal costs which are incurred by the Authority because the governing body did not accept the advice of the Authority (see also Section 11).
- l) Costs of necessary health and safety training for staff employed by the Authority, where funding for training had been delegated but the necessary training not carried out.
- m) 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.
- n) Cost of work done in respect of teacher pension remittance and records for schools using non-Authority payroll contractors, the charge to be the minimum needed to meet the cost of the Authority's compliance with its statutory obligations;
- o) Costs incurred by the Authority 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 low cost high incidence SEN and/or specific funding for a pupil with High Needs;
- p) Costs incurred by the Authority due to submission by the school of incorrect data;
- q) Recovery of amounts spent from specific grants on ineligible purposes;
- r) Costs incurred by the Authority as a result of the governing body being in breach of the terms of a contract.

- s) Costs incurred by the Authority or another school as a result of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster.
- t) Costs incurred by the Authority in administering admissions appeals, where the Local Authority is the admissions authority and the funding for admission appeals has been delegated to all schools as part of their formula allocation.
- u) Compensation for loss of interest to the Council arising from a school's budget share being paid in advance.
- v) Interest payments arising from the late payment of invoices.

## **SECTION 7: TAXATION**

### **7.1 Value Added Tax**

The Authority will pass onto schools any Value Added Tax (VAT) reclaimed on their behalf. Schools should follow the Authority's procedure for reclaiming VAT expenditure as given in the Schools Financial Procedures.

### **7.2 Construction Industry Taxation Scheme (CITS)**

Schools will need to abide by the procedures issued by the Authority in connection with CITS.

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

### **8.1 Provision of services from centrally retained budgets**

The Authority will determine on what basis it provides services for which it retains central funding.

The Authority will not discriminate in its provision of services on the basis of categories of schools, except in the case that funding has been delegated to some schools only or where such differentiation is justified by differences in statutory duties.

### **8.2 Provision of services bought back from the Authority using delegated budgets**

Any arrangement with a school to buy services or facilities from the Authority will be limited to a maximum of three years from the date of the agreement. Any subsequent agreement relating to the same services will be limited to a period not exceeding five years. An extension to five and seven years respectively for contracts for supply of catering services is allowed.

When a service is provided for which expenditure is not retainable centrally by the Authority under Regulations made under Section 46 of the Act, it must be offered at prices which are intended to generate income which is no less than the cost of providing those services. The total cost of the service must be met by the total income, even if schools are charged differently.

The Authority must show during audit tests that the charging policy can reasonably be expected to avoid central subsidy of services.

#### **8.2.1 Packaging**

The Authority may provide any services for which funding has been delegated. But where the Authority is offering the service on a buy-back basis it must do so in a way that does not unreasonably restrict schools' freedom of choice among the services



available. Where practicable, this will include provision on a service-by-service basis as well as in packages of services.

### **8.3 Service Level Agreements (SLAs)**

Service Level Agreements (SLAs) must be in place by 31 March to operate from 1 April. When a service produces a SLA, this must allow schools at least one month to consider the terms of the agreement before that agreement comes into force.

If services or facilities are provided under a SLA, whether free or on a buyback service, 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.

If services are offered at all by the Authority, they will be available to schools on a basis which is not related to an extended agreement as well as on the basis of such agreements.

Where any services are provided on an ad-hoc basis they may be charged for at a different rate than if provided on the basis of an extended agreement.

Centrally arranged premises and liability insurance are specifically excluded from these arrangements.

### **8.4 Teachers' pensions**

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

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

A governing body of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or agreement with a person other than the Authority to provide payroll services, shall ensure that any such arrangement or agreement is varied to require that person to supply salary,

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

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

## **SECTION 9: PFI/PPP**

Not used

## **SECTION 10: INSURANCE**

### **10.1 Insurance cover**

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

The Authority will have regard to the actual risks, which might reasonably be expected to arise at individual schools when brokering insurance cover.

## **SECTION 11: MISCELLANEOUS**

### **11.1 Right of access to information**

Schools will be required to make available to the Authority any financial or other information, which will enable the Authority to satisfy itself of the school's management of the delegated budget or the use made of any central expenditure (such as earmarked funds) on the school.

### **11.2 Liability of governors**

Under the terms of Section 50(7) of the School Standards and Framework Act 1998 and because governing bodies are corporate bodies, individual governors 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 Authority shall have the power to delegate to the governing body of a school yet to receive a delegated budget, funds to meet governors' expenses. Governing bodies will not have discretion in the amounts of such allowances; these will be set by the Authority.

Under Section 50(5) of the Act, only allowances in respect of purposes specified in regulations 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 barred from payment of expenses duplicating those paid by the Secretary of State to additional governors appointed by him to schools under special measures.

### **11.4 Responsibility for legal costs**

Legal costs incurred by the Governing Body (although the responsibility of the Authority as part of the cost of maintaining the school) may be charged to the

school's budget share unless the governing body acts in accordance with the advice of the Authority.

A school cannot expect to be reimbursed with the cost of legal action against the Authority itself (although there is nothing to stop an authority making such reimbursement if it believes this to be desirable or necessary in the circumstances).

The costs referred to are those of legal actions, including costs awarded against an authority; not the cost of legal advice provided.

Costs that relate to the statutory responsibility of aided school governors for buildings must be met by the Governing Body.

Where there is a conflict of interest between the Authority and the governing body such that the Authority's lawyers could not appropriately advise or represent the school a request should be made in advance to the Director of Children's Services for separate legal representation.

The Director of Children's Services and the Authority's Director of Legal Services will determine if separate legal representation is appropriate and similarly if the cost of that representation should or should not be met by the Authority, at least in the first instance.

### **11.5 Health and Safety**

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

As per provision 6.2 d)

The budget share of a school may be charged by the Authority without the consent of the governing body if expenditure by the Authority in carrying out health and safety work or capital expenditure for which the Authority is liable where funds have been delegated to the governing body for such work, but the governing body has failed to carry out the required work.

### **11.6 Right of attendance for Chief Finance Officer**

Governing bodies are required to permit the Director of Finance for Children's Services of the Authority or his nominated 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 Finance for Children's Services shall normally be limited to items that relate to issues of probity or overall financial management and shall not be regarded as routine.

### **11.7 Special educational needs**

Schools are required to use their best endeavours in spending their budget share, to secure the special educational needs of their pupils.

This is a statutory requirement and may lead to suspension of delegation where a situation is serious enough to warrant it. This would not normally relate to an individual pupil.

### **11.8 Interest on late payments**

Schools are required to ensure that payments are not delayed such that they attract interest under the provisions of the Late Payment of Commercial Debts (Interest) Act 1998. Such interest, when claimed by a supplier, may be charged against a school's budget share.

### **11.9 'Whistleblowing'**

The Authority has produced a policy in relation to complaints about financial management or financial propriety, and how such complaints will be dealt with.

Governing bodies should have due regard to this document and ensure school staff are fully aware of its existence.

### **11.10 Child protection**

Staff must be released to attend child protection case conferences and other related events. Costs in this regard should be met from school delegated budgets.

#### **11.11 Redundancy / early retirement costs**

Please see Annex B.



# **SECTION 12: RESPONSIBILITY FOR REPAIRS AND MAINTENANCE**

## **12.1 Responsibility for repairs and maintenance**

Annex C contains illustrative examples of the difference between capital and revenue expenditure in line with the CIPFA Code of Practice.

The Authority has delegated funding for repairs and maintenance to schools.

Voluntary Aided School governors will have responsibility for repairs and maintenance on the same basis as Community and Foundation schools.

## **SECTION 13: COMMUNITY FACILITIES**

### **13.1 Introduction**

Governing bodies of maintained schools may now provide community facilities or services that will benefit pupils, their families or people living and working in the locality of the school concerned.

Schools that choose to exercise the power conferred by Section 27(1) of the Education Act 2002 to provide such community facilities will be subject to a range of controls.

Firstly, regulations made under Section 28(2), if any, can specify activities which may not be undertaken at all under the main enabling power.

Secondly, the school is obliged to consult the Authority and have regard to any advice given.

Thirdly, the Secretary of State issues guidance to governing bodies about a range of issues connected with exercise of the power, to which a school must have regard.

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

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

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

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

### **13.2 Consultation with the Local Authority**

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

Schools are likely to benefit from informal contacts and advice from officers with the relevant professional expertise well before the formal consultation commences.

Formal consultation with the Authority will commence when the full consultation material has been submitted in writing and the response period will begin upon receipt of the full consultation material.

The Authority will provide formal advice in writing within six weeks of receipt. Subsequently, the governing body should inform the Authority of the action taken, or proposed to take, in response to this advice.

The formal consultation document should contain:

- A full business plan for the provision of the proposed community facilities or services covering the first three years of operation, including a forecast budget.
- In the case of capital projects which affect the existing buildings on the school site and/or the construction of new buildings 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, local community groups, neighbouring schools, business representatives etc. as appropriate
- Details of 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
- Details of any proposed funding agreements with third parties
- The insurance arrangements proposed

The consultation document should be sent to the Director of Children's Services and Director of Finance for Children's Services.

### **13.3 Funding agreements – Authority powers**

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

Any such proposed agreement should be submitted to the Authority in writing for its comments; and must give the Authority six weeks to respond. The formal notice should include a statement of purpose and a business plan for the proposed use of the community facilities power.

The Authority cannot impose a right of veto on such agreements, either directly or through requiring a right to countersign the agreement. However, if an agreement has been or is to be concluded against the wishes of the Authority, or has been concluded without informing the Authority, and which in the view of the Authority is seriously prejudicial to the interests of the school or the Authority, then that may constitute grounds for suspension of the right to a delegated budget.

Schools are required to inform the Authority what action has been taken following Authority advice.

The Authority will not be liable for any redundancy or employment tribunal costs for staff employed by the Governing Body or by those employed by any third party supplier to the Governing Body. The Governing Body should ensure that such liabilities are covered by themselves or detailed in any agreement with a third party supplier.

### **13.4 Other prohibitions, restrictions and limitations**

The governing body should endeavour to protect the financial interests of the Authority. The Authority may require that in a specific instance of use of the community facilities power, the governing body concerned shall make arrangements to protect the financial interests of the Authority.

Arrangements for protection may include the setting up of a limited company formed for the purpose, or obtaining indemnity insurance for risks associated with the project in question, as specified by the Authority.

Section 28 provides that the exercise of the community facilities power is subject to prohibitions, restrictions and limitations in the scheme for financing schools.

### **13.5 Supply of financial information**

Schools that exercise the community facilities power must provide the Authority every six months with a summary statement, showing the income and expenditure for the school arising from the facilities in question for the previous six months and on an estimated basis, for the next six months.

The Authority, on giving notice to the school that it believes there to be cause for concern as to the school's management of the finances of the community facilities power, will require such financial statements to be supplied every three months and, if necessary require the submission of a recovery plan for the activity in question.

These provisions do not preclude the insertion of other provisions in specific funding agreements between schools and the Authority as to the financial reporting requirements arising from the funding in question.

Financial information relating to community facilities must also be included in returns made by schools under the Consistent Financial Reporting Framework (CFR).

### **13.6 Audit**

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

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

### **13.7 Treatment of income and surpluses**

Schools may retain all net income derived from community facilities except where otherwise agreed with a funding provider, whether that be the Authority or a third party.

Where a surplus has been accumulated then this may be carried over from one financial year to the next as a separate community facilities surplus, or subject to the agreement of the Authority at the end of each financial year, transferred wholly or in part to the budget share balance. In this instance the main budget share surplus should be separately identified, in case there is a future requirement to offset a subsequent community facilities deficit.

Since expenditure incurred by the governing body in the exercise of the community facilities power may not be met from the budget share, the school's formula allocation will not include the rates or floor area allocations relating to the community facilities.

When a community school or community special school ceases to be maintained by the Authority, any accumulated retained income obtained from exercise of the community facilities power reverts to the Authority unless otherwise agreed with a funding provider.

### **13.8 Health and Safety**

Governing bodies are required to have due regard to duties placed on the Authority in relation to health and safety, and the Authority's policy on health and safety matters in the management of community facilities.

The governing body is responsible for the costs of securing Disclosure and Barring Service (DBS) checks 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.

### **13.9 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, taking professional advice as necessary. Such insurance should not be funded from the school budget share. The school should seek the Authority's advice before finalising any insurance arrangement for community facilities.

In principle, the insurance issues arising from use of the community facilities power are the same as those, which already arise from non-school use of school premises. However, 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 Authority is entitled to undertake its own assessment of the insurance arrangements made by a school in respect of community facilities, and if it judges those arrangements to be inadequate, make arrangements itself and charge the resultant cost to the school. Such costs could not be charged to the school's budget share.

Such a provision is necessary in order for the Authority to protect itself against possible third party claims.

### **13.10 Taxation**

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

If any member of the staff employed by the school or the Authority in connection with a community facility at the school is paid from funds held in the schools own bank account, the school is likely to be liable for income tax and national insurance payments.

Schools should seek advice from the Authority in relation to the Construction Industry Scheme where this is relevant to the exercise of the community facilities power.

### **13.11 Banking**

The school should either maintain separate bank accounts for budget share and community facilities, or have one account but adequate internal accounting controls to maintain separation of funds.

Alternatively, the school may utilise the Authority's banking arrangements which would permit adequate separation of such funds from the school budget share and other Authority funds.

The banks that are available for use by the schools are detailed in 3.5.1.

Schools are not permitted to borrow money without the written consent of the Secretary of State. This requirement does not extend to monies lent to schools by their maintaining Authority.



## **ANNEX A - List of schools to which the scheme applies**

<b>LA number</b>	<b>Establishment number</b>	<b>School name</b>
213	3306	All Souls CofE Primary School
213	2032	Barrow Hill Junior School
213	3316	Burdett-Coutts and Townshend Foundation CofE Primary School
213	3653	Christ Church Bentinck CofE Primary School
213	7042	College Park School
213	1046	Dorothy Gardner Centre
213	2189	Edward Wilson Primary School
213	2208	Essendine Primary School
213	2778	George Eliot Primary School
213	2799	Hallfield Primary School
213	3351	Hampden Gurney CofE Primary School
213	1052	Mary Paterson Nursery School
213	3381	Our Lady of Dolours RC Primary School
213	1053	Portman Early Childhood Centre
213	7184	Queen Elizabeth II Jubilee School
213	2844	Queen's Park Primary School
213	2816	Robinsfield Infant School
213	3451	Soho Parish CofE Primary School

213	4723	St Augustine's CofE High School
213	3414	St Augustine's CofE Primary School
213	3418	St Barnabas' CofE Primary School
213	3424	St Clement Danes CofE Primary School
213	3432	St Edward's Catholic Primary School
213	3440	St Gabriel's CofE Primary School
213	3446	St George's Hanover Square CofE Primary School
213	3453	St James & St John Church of England Primary School
213	3473	St Joseph's RC Primary School
213	3496	St Luke's CofE Primary School
213	3511	St Mary Magdalene CofE Primary School
213	3532	St Mary of the Angels RC Primary School
213	3520	St Mary's Bryanston Square CofE School
213	3539	St Matthew's School, Westminster
213	3580	St Peter's CofE School
213	3582	St Peter's Eaton Square CofE Primary School
213	3590	St Saviour's CofE Primary School
213	3598	St Stephen's CofE Primary School
213	3611	St Vincent de Paul RC Primary School
213	3610	St Vincent's RC Primary School
213	1026	Tachbrook Nursery School

213	3623	Westminster Cathedral RC Primary School
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## **ANNEX B – Responsibility for redundancy and early retirement costs**

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

Section 37 of the Education Act 2002 states:

### **Section 37: Payments in respect of dismissal, etc.**

- (1) It shall be for the governing body of a maintained school to determine—
  - (a) whether any payment should be made by the local education authority in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of the school, and
  - (b) the amount of any such payment.
- (2) Subsection (1) does not, however, apply in relation to a payment which the local education authority are required to make—
  - (a) by virtue of any contract other than one made in contemplation of the impending dismissal or resignation of the member of staff concerned, or
  - (b) under any statutory provision.
- (3) The local education authority—
  - (a) shall take such steps as may be required for giving effect to any determination of the governing body under subsection (1), and
  - (b) shall not make, or agree to make, a payment in relation to which that subsection applies except in accordance with such a determination.
- (4) Subject to subsection (7), costs incurred by the local education authority in respect of any premature retirement of a member of the staff of a maintained school shall be met from the school's budget share for one or more financial years except in so far as the authority agree with the governing body in writing (whether before or after the retirement occurs) that they shall not be so met.

- (5) Subject to subsection (7), costs incurred by the local education authority in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school shall not be met from the school's budget share for any financial year except in so far as the authority have good reason for deducting those costs, or any part of those costs, from that share.
- (6) The fact that the authority have a policy precluding dismissal of their employees by reason of redundancy is not to be regarded as a good reason for the purposes of subsection (5); and in this subsection the reference to dismissal by reason of redundancy shall be read in accordance with section 139 of the Employment Rights Act 1996 (c. 18).
- (7) Where a local education authority incur costs—
- (a) in respect of any premature retirement of any member of the staff of a maintained school who is employed for community purposes, or
  - (b) in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school who is employed for those purposes,
- they shall recover those costs from the governing body except in so far as the authority agree with the governing body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable.

As set out in the provisions in Section 37 (5), the following examples set out a non-exhaustive list of situations in which exceptions to the default position might be taken by the Local Authority in relation to redundancy costs.

Charge of dismissal / resignation costs to delegated school budget:

- If a school has decided to offer more generous terms than the Authority's policy, then it would be reasonable to charge the excess to the school
- If a school is otherwise acting outside the Local Authority's policy
- Where the school is making staffing reductions which the Local Authority does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit

- Where staffing reductions arise from a deficit caused by factors within the school's control
- Where the school has excess surplus balances and no reasonable or agreed plan with the Authority to use these
- Where a school has refused to engage with the Local Authority's redeployment policy

The Authority will consider proposals to meet the costs of a redundancy payment, however such a decision will be taken by the Director of Children's Services Finance upon reviewing the proposal.

The following matters must be satisfied in order for the Authority and Director of Children's Services Finance to consider a proposal:

1. The Director of Finance for Children's Services has confirmed in writing to the governing body that the school is in financial difficulty or has a licensed deficit budget, which requires staffing reductions as part of the improvement plan. Confirmation must be sought before the start of any organisational change processes.
2. The headteacher has confirmed in writing to the Director of Finance for Children's Services that:
  - i. The school does not have reserves greater than £200,000. Where a school holds reserves greater than £200,000, they will be expected to finance any restructure from these funds.
  - ii. The changes are not as a result of the school experiencing financial issues that are within their control.
  - iii. There is a headcount reduction in the school's staffing establishment.
  - iv. The redundancy process is not as a result of changes solely related to the delivery of the curriculum.
  - v. The number of similar posts in the school is not anticipated to increase within two years after the effective date of termination.

- vi. No employee made redundant from the school will be reemployed within the school in any capacity for the next two academic years.
- vii. The school has assessed the feasibility of, or implemented, voluntary measures short of redundancy such as: vacancy management, a reduction in working hours or redeployment.

### **Community facilities power**

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

## ANNEX C – Responsibility for repairs and maintenance

Capital and revenue expenditure: Illustrative examples in line with the CIPFA Code of Practice

ELEMENT	CAPITAL	REVENUE
<b>Roofing</b>		
Flat Roofs Structure	Replacement of, or major repair to the roof structure, i.e. structural members such as beams, joists, structural concrete slabs, etc.	Repairs and replacements of roof structure, as referred to under Capital
Structure	N/A	Application of paint finishes, specialist protection or sealants, to roof structure above.
Roof covering	Replacement of roof coverings (e.g. asphalt or felt) together with any necessary associated replacement deck, improved insulation, screeds, fascias, soffits, edge & upstand details, rooflights, flashings, associated rainwater gutters and outlets, lightning protection, walkways and services support and/or protection.	Repairs and replacements of roof coverings and associated parts/sub-elements as referred to under capital.
Roof covering	N/A	Application of paint finishes, specialist protection or sealant to roof covering etc.. Any necessary cleaning, e.g. to roof glazing or washing down of aluminium framework and uPVC - clearance of weed growth, debris and resultant blockages to drainage.



		Replacement of broken or defective glass and window glazing fittings and gaskets etc.
Pitched Roofs Structure	Replacement of, or major repair to the roof structure i.e. structural members such as timber or metal beams, joists, rafters, trusses, etc.	Repairs and replacements of roof structure as referred to under Capital
Structure	N/A	The application of paint finishes, specialist protection or sealant to roof structure above.
Roof covering etc.	Replacement of roof coverings (e.g. slate, tile, asbestos cement or other profiled sheeting) together with any necessary associated replacement or improvement of insulation, battens, close boarding felt, fascias, soffits, bargeboards, ventilation, rainwater goods, flashings, velux or similar roof windows or roof glazing, lightning protection etc.	Repairs and replacements of roof coverings and associated parts or sub-elements referred to under capital.
Pitched Roofs (Contd.) Roof covering etc.	N/A	The application of paint finishes, specialist protection or sealant to roof covering etc. above. Any necessary cleaning e.g. to roof glazing or washing down of aluminium framework and uPVC, clearance of weed growth, debris and resultant blockages to drainage. Replacement of broken or defective glass and window/glazing fittings and gaskets etc.
Chimney Stacks	Replacement, rebuilding or major structural repairs or repointing to chimney stacks and	Repairs and replacements and repointing of chimney stacks and flues and associated parts or sub-elements referred to under capital.

	flues including associated flashings, dpc's, restraint, lighting protection etc.	
Chimney Stacks	N/A	Inspection of free standing chimney stacks for stability e.g. stainless steel stacks. Cleaning and clearance of all flue ways.
<b>External Walls</b>		
Masonry & Structural Frames	Replacement, rebuilding or major structural repairs to external walls e.g. repairs and repointing to brickwork and blockwork, lintels, underpinning, major concrete repairs to a structural frame. Temporary support of major structural defects.	Repairs and replacement to external walls and associated parts or sub-element referred to under capital.
Masonry and Structural frames (contd.)	N/A	Tree management to alleviate structural movement.  Application of paint finishes, specialist protection or sealants.  Hammer testing and other inspection/testing of concrete frames.
Cladding	Replacement or major structural repair of concrete cladding panels, render timber uPVC or metal framed cladding and window walling including associated improvement to insulated panels, double glazed units fitments etc.	Repairs and replacement to all cladding panels and window walling including all parts and sub-elements referred to under capital

Cladding	N/A	<p>Inspection and maintenance of safety glazing including the application and replacement of any necessary safety film.</p> <p>Replacement of broken or defective glass, ironmongery and locks. Protective coatings, sealants and washing down of aluminium frames.</p>
Windows & Doors	Major replacement of windows and doors including improved double glazed units and associated fitments and locks.	Repair of windows and doors and fitments including overhaul of metal framed windows.
Windows & Doors	N/A	<p>External painting and repairs to decaying timber joinery; maintenance of safety glazing including the application and replacement of any necessary safety film.</p> <p>Replacement of broken or defective glass, gaskets, glass, ironmongery and locks. Protective coatings, sealants and washing down of aluminium frames.</p>
<b><i>Internal</i></b>		
Loadbearing Partitions	Major repairs and replacement of loadbearing partitions due to structural movement.	Repairs and replacement of loadbearing partitions.
	N/A	<p>Repairs and replacement of plaster, lining, tiling and other surface finishes.</p> <p>All decoration, specialist protective coatings and sealants.</p>

Non-loadbearing Partitions or demountable partitions	N/A	Repair or replacement of non-loadbearing partitions and demountable partitions including repairs and replacement of all plaster, lining, tiling and other surface finishes. All decoration, specialist protective coatings and sealants.
Internal Doors, Screens, Window/ Hatches	N/A	Repair or replacement of all internal doors, screens, window hatches etc., including associated finishes and fitments. Replacement of broken glass, ironmongery and locks. All decoration, specialist protective coatings and sealants.
Ceilings	Major replacement of failing lathe and plaster ceilings.	Repairs and replacement of lathe and plaster ceilings.
	N/A	All repairs and replacement of other types of ceiling e.g. suspended ceilings (suspension system and tiles) and fixed boarded ceiling of all materials and timber slatted ceilings, including all access panels and associated insulation. Decoration, specialist protective coatings and sealants.
Floors & Floor Finishes	Major repairs or replacement of failing structural floors eg. ground bearing slabs; suspended concrete and timber ground and upper floors and major repair or replacement of dpm's, concrete screeds, asphaltic dpm screeds, floor boarding and timber woodstrip or woodblock floor finishes (except where failure caused by overlaying with carpet/vinyl etc.) and quarry tiles.	Repairs to structural floors, dpm's, screeds, floor boards, woodstrip or woodblock floor finishes and quarry tiles.

Floors & Floor Finishes	N/A	Sanding and sealing of woodstrip or woodblock floor finishes. Repair or replacement of latex levelling screeds to receive final floor finishes e.g. carpet/vinyl/linoleum/matting. Regrouting of and sealant to quarry tiles.
	N/A	Repair and replacement of floor finishes other than as above, including carpets, vinyl and linoleum coverings and all matting.
Sanitary Ware	N/A	Repair and replacement of all sanitary ware, fittings and associated fitted units or work surfaces.
Fitted Units	N/A	Repair and replacement of all fitted cupboard units, shelves, work surfaces and supports etc. to kitchens serveries, staffrooms, classrooms etc.
Staircases	Major repairs or replacement of staircases and associated balustrades and guarding	Repair or replacement of staircases and associated balustrades and guarding.
	N/A	Repairs to staircase finishes.
<b><i>Mechanical Services</i></b>		
Heating & Hot Water Services	Major repair or replacement of boiler plant, distribution pipework, ductwork and heating emitters.  Upgrading of tanks	Repair or replacement of boiler plant, distribution pipework, ductwork and heating emitters.  Upgrading of tanks.
	N/A	All servicing of boiler plant and associated controls and equipment; descaling of plant and systems; testing for

		gas soundness; testing of electrical services to boiler plant rooms; maintenance of tanks; testing and maintenance of pressurised systems; maintenance and replacement of mixer valves.
Cold Water Services	Major repair, replacement and upgrading of storage tanks, distribution pipework, incoming main, booster pumps etc.	Repair, replacement and upgrading of storage tanks, distribution pipework, incoming mains, booster pumps etc.
	N/A	Servicing including cleaning and sterilisation of all tanks and distribution equipment e.g. booster pumps.
Gas Services	Major repair or replacement of incoming main and/or distribution pipework.	Repair or replacement of incoming main and/or distribution pipework.
Gas Services (cont/d)		Inspection and testing for soundness, ventilation and shut-off requirements.
Ventilation & Air Conditioning	Major repair or replacement of ventilation systems and air conditioning equipment including plant, ductwork, grilles etc.	Repair or replacement of ventilation systems and air conditioning plant including plant, ductwork, grilles etc.
		Servicing of all plant and associated equipment including cleaning of fans. Cleansing and disaffecting of all ductwork and grilles.
<b>Electrical Services</b>		

General Supply & Sub-Main Distribution	Major repair or replacement of obsolete incoming main cables, mains switchgear, sub-mains and distribution boards.	Repairs and replacements of obsolete incoming main cables, mains switchgear, sub-mains and distribution boards.
	Major repair or replacement of obsolete power distribution to current standards.	Repairs and replacements of obsolete power distribution to current standards.
	Major repair or replacement of obsolete lighting distribution and fittings to current standards.	Repairs and replacements of obsolete lighting distribution and fittings to current standards.
	Major repairs and replacements to fire alarms, fire detection systems, emergency lighting, lifts and hoists.	Repairs and replacements to fire alarm and detection systems, lifts and hoists.
	N/A	<p>Servicing of all electrical systems light fittings etc. and associated equipment described above. Cleaning of fans light fittings etc.</p> <p>All electrical testing of distribution system and equipment.</p>
	N/A	Repairs, replacement, servicing and testing of communication systems, IT data cabling systems, security alarms, CCTV, door entry and call systems.
<b>Drainage</b>		
Foul and Surface Systems	Major repairs and replacements to internal, external, surface water and foul water drainage systems above and below ground including all associated access points and soakaways.	Repairs and replacements to internal, external, surface water and foul water drainage systems above and below ground including all associated access points and soakaways.

		Cleansing of all gutters, downpipes and drainage pipework, gullies, manholes catch pits etc., and clearance of blockages.
Sewage Plant	Major repairs and replacements to sewage plant and pumped drainage systems.	Repairs and replacements to sewage plant and pumped drainage systems.
	N/A	Servicing and clearance of blockage to above.
<b>External Works</b>		
Paving	Major repair or replacement of hard surfaces to playgrounds, car parks and footpaths, steps and ramps etc. incorporating any necessary guarding and barriers.	Repair or replacement of hard surfaces to playgrounds, car parks, and footpaths, steps and ramps etc. incorporating any necessary guarding and barriers.
	N/A	Marking of playgrounds and car parks.  Repair or replacement of soft surfaces e.g. rubber crumb surfaces, bark and chipping surfaces under play equipment.
Walls & Fencing	Major repair and replacement of retaining walls.	Repair and replacement of retaining walls.
	N/A	Repair and replacement of non-retaining walls and all fencing, gates and barriers.
Swimming Pools (maintenance accepted)	Major repair or replacement of the tank structure and tiling; heating and filtration plant and circulation plant and pipework etc.	Repair or replacement to the pool tank structure and tiling; heating and filtration plant and distribution pipework etc.



'Designated Pools'  Swimming Pools PTA Pools	N/A	Servicing of all plant and equipment. Winterising costs. Replacement of liners.
	Major repair or replacement of circulation plant and pipework and any enclosing structure accepted for maintenance in 'on-ground' permanent pool tanks.	Repair and replacement of circulation plant and pipework and any enclosing structure if accepted for maintenance and 'in-ground' permanent pool tanks.
	N/A	All works to PTA pools other than above.
	<b>General</b>	
Asbestos	Major removal or encapsulation of asbestos either as a separate project where the material cannot be safely managed in situ or where it is likely to be disturbed in association with a capital funded maintenance project above.	Removal of broken or removal or encapsulation of disturbed asbestos materials. Removal of asbestos in association with revenue maintenance projects.
Asbestos (Contd.)	N/A	Updating asbestos registers. Inspection, encapsulation or resealing of asbestos based materials as necessary.
Fire Precautions	N/A	Repairs and maintenance of all fire precautions (previously included above) together with all signage and minor improvement required to fire precautions.

Miscellaneous	N/A	All repairs and replacements for buildings of an ancillary nature eg sheds; cycle racks, shelters (other than in permanent construction); refuse containers, litter bins etc.
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