



# **St Helens Council**

## **SCHEME FOR FINANCING SCHOOLS**

**1<sup>st</sup> April 2011**

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## **SECTION 1: INTRODUCTION**

### ***1.1 The Funding Framework – Main Features***

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

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

Local authorities must distribute the ISB amongst their maintained schools using a formula which accords with regulations made by the Secretary of State, and enables the calculation of a budget share for each maintained school. This budget share is then delegated to the governing body of the school concerned, unless the school is a new school which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with s.51 of the Act. The financial controls within which delegation works are set out in a scheme made by the authority in accordance with s.48 of the Act and approved by the Secretary of State. The LA must consult with Governing Bodies and all Headteachers regarding any revisions/changes to the Scheme, and seek subsequent agreement of the Schools Forum. The DCSF adjudicates where the Schools Forum does not agree with any LA proposal.

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

An authority may suspend a school's right to a delegated budget if the provisions of the school financing scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. There is a right of appeal to the Secretary of State. A school's right to a delegated budget share may also be suspended

for other reasons (s.17 of the SSAF Act 1998) but in that case there is no right of appeal.

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

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

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

## ***1.2 The role of the scheme***

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

The Governing Body of a school with a delegated budget may deploy the resources provided through the school's budget share as it thinks fit, subject only to such restrictions as may be imposed by or under the scheme, and to the overriding requirement that the budget share may be spent 'only for the purposes of the school'.

This latter requirement precludes the use of funds from the delegated budget to support non- school activities, even where these take place on the school premises and the Governors and Head have overall responsibility for their management. (ERA Section 36(5)).

The LA reserves the right to issue guidance to governing bodies on certain matters such as curriculum planning, good employment practice, pupils with special needs, competitive tendering, specification of contracts, value for money in purchasing, health and safety policy and any other matter it considers appropriate relating to the management of the schools concerned.

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

The scheme covers all community, nursery, special, voluntary, foundation (including Trust Schools) and foundation special schools in the area of the authority, together with any maintained by the Authority but situated

elsewhere; it does not cover those in the Authority's area which are maintained by another authority. Nor does it apply to Academies. Because PRUs are not maintained schools within the meaning of s.20 (7) of the Act, the scheme's coverage excludes them.

Attached is a schedule ([Appendix A](#)) detailing all community, voluntary aided, voluntary controlled, trust and community special schools in St. Helens.

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

A copy of the scheme, along with any approved revisions, will be supplied to the Head Teacher and Governing Body of each school covered by the scheme and will also be published on the St Helens Council [website](#) by the date that any revisions come into force, together with a statement that the revised scheme comes into force on that date.

### ***1.4 Revision of the scheme***

The LA must consult with Governing Bodies and all Headteachers regarding any revisions/changes to the Scheme, and seek subsequent agreement of the Schools Forum. All proposed revisions must be submitted to the schools forum for their approval. 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.

**The publication of the scheme is laid down in regulations made by the Secretary of State and are wider-ranging than the requirement in respect of schools, they extend to LA offices.**

### ***1.5 Delegation of powers to the head teacher***

The Governing Body has responsibility for determining the aims and overall conduct of the school, acting within the framework set by legislation and the policies of the LA.

The Governing Body must consider the extent to which it wishes to delegate its financial powers to the Head Teacher and record its decisions (and any revisions) in the minutes of the Governing Body.

The decisions of the Governing Body will be subject to any requirements of regulations to be made under Section 38 of the Act and Schedule 11 thereto.

The level of financial delegation must be stated within each school's Internal Financial Regulations. These Internal Financial Regulations must be considered annually by the Governing Body and a copy signed by the Head Teacher and Chair of the Governing Body and must be sent to the CYPS Finance Section of the LA. A suggested model of the Internal Financial Regulations has been provided to schools, and has also been placed on the

Frontier website. Further advice can be obtained from the CYPS Finance Section based at Atlas House.

The Governing Body, or a committee of the Governing Body must retain responsibility for approving the first formal budget plan of each financial year. This budget plan must be sent to the LA by a date to be determined each year.

## ***1.6 Maintenance of schools***

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

## **SECTION 2: FINANCIAL REQUIREMENTS; AUDIT**

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

The scheme requires each school to abide by the Financial Regulations issued by the Assistant Chief Executive (Finance), so far as these are compatible with the provisions of the scheme itself. The Governing Body should ensure that all relevant staff within the school are aware of these Financial Regulations.

These regulations include the arrangements for the management of delegated expenditure, authorising officers, the keeping and audit of accounts and records and the provision to the LA of such records and any other document and information the LA may from time to time require from the Governing Body.

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

Schools are required to provide the authority with details of anticipated and actual expenditure and income, in a form and on dates determined by the authority which will not be more often than once every three months except for those connected with tax or banking reconciliation - unless the authority has notified the school in writing that in its view the school's financial position requires more frequent submission or the school is in its first year of operation.

This is different from a requirement for annual budget plans (see 2.4).

Minimum requirements are as follows:

- Monthly bank reconciliation statement with supporting documentation
- Monthly VAT returns from the schools financial accounting system (close down dates to be provided separately on an annual basis)
- Annual out-turn statement which meets the requirements of the DCSF Consistent Financial Reporting framework
- Quarterly budget monitoring reports and balances position to reflect the estimated outturn position for the year
- Details of cashflow plans (if appropriate) when requested

Schools deemed by the authority to be in financial difficulty or in their first year of operation will be required to provide budget monitoring returns on a more frequent basis. Detailed requirements will be sent in writing to these schools.

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

Schools opting out of the LA's payroll buyback service will be provided with separately published administrative procedures.

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

The scheme requires each school to prepare and maintain inventories of plant, machinery, furnishings, fittings, equipment or assets of the Authority, in a format approved by the Assistant Chief Executive (Finance).

The inventories must be checked and certified annually. Any adjustments which may be necessary for surpluses and deficiencies are subject to procedures laid down in the Financial Instructions by the Assistant Chief Executive (Finance).

**Schools are free to determine their own arrangements for keeping a register of assets worth less than £1,000, though they must keep a register in some form.**

### ***2.1.5 Accounting Policies (including year-end procedures)***

The scheme requires each school to abide by the Financial Instructions (which can be found on 'Fronter' website) as laid down by the Assistant Chief Executive (Finance). ***Year end timetables and procedures will be issued to schools each year.***

### ***2.1.6 Writing off of debts***

The scheme requires the Governing Body to abide by the Financial Procedures as laid down by the Assistant Chief Executive (Finance).

## **2.2 Basis of accounting**

Schools must provide the LA with end of year accounts which must be drawn up following the same accounting principles as the LA and will be on an accruals basis, although schools may wish to draw up their internal accounts on a cash basis.

## **2.3 Submission of budget plans**

Every school covered by the Scheme will receive a delegated budget share, derived from the allocation formula, before the commencement of the financial year. The LA will provide schools with all income and expenditure data necessary to facilitate the planning process.

Schools should take full account of estimated deficits/surpluses at the previous 31 March in their budget plan.

The Governing Body will set the annual budget at the start of the financial year. This can be delegated to the Finance Committee providing the budget is then referred to the Full Governing Body at the earliest opportunity for ratification. (If approval is to be delegated to the finance committee this must be included in the school's internal financial regulations).

The approved budget will be signed by the Head Teacher and Chair of Governors and returned to the LA by the stated deadline each year, with a copy of the supporting minutes. (The stated deadline will not be before 1<sup>st</sup> May or later than 30<sup>th</sup> June).

The plan must breakdown the expenditure into standard LEA headings and must include any assumptions such as the use of school balances and / or other sources of funding, and the expected staffing changes included within the costings.

### **2.3.1 Submission of Financial Forecasts**

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

## **2.4 Best value**

Given the very high proportion of local authority spending which flows through delegated budgets, the government considers it desirable that schools should demonstrate that they are following best value principles in their expenditure.

Schools should seek to achieve value for money and efficiencies, taking into account the purchasing, tendering and contracting requirements outlined in section 2.10. Expenditure should reflect the principles of the Best Value regime.

## ***2.5 Virement***

Provided overall spending is contained within the total delegated budget, the Governing body may approve transfers of budget between budget headings. The Governing Body is required to establish a written policy relating to virements as part of its own financial regulations. This policy should set out the criteria for virement and determine whether or not the power to vire is delegated to the Finance Sub or the Head Teacher and if so, the financial threshold above which financial delegation would not apply.

## ***2.6 Audit: General***

The Assistant Chief Executive (Finance) will be responsible for maintaining an independent continuous audit of the financial records, operations and system of control as required by the Code Of Practice for Internal Audit in Local Government in the United Kingdom 2006 for all schools covered by the scheme.

The Assistant Chief Executive (Finance) or his/her nominee will have the right to attend meetings of the governing body to report and advise on matters arising from audit reviews.

Schools covered by the scheme must also co-operate with the LA external audit programme as determined by the Audit Commission.

Wherever any matter arises which involves or is thought to involve irregularities concerning cash, stores or other property of the Council or any suspected irregularity in the exercise of the functions of the Council, the Head Teacher shall immediately inform the Assistant Chief Executive (Finance) who shall take such steps as deemed necessary by way of investigation and report.

**The Governing Body will co-operate with auditors and are required to provide access to all records for both internal and external auditors.**

## ***2.7 Separate external audits***

The scheme allows the Governing Body to use its own budget share to obtain an independent external audit certificate of its accounts, this will be in addition to 2.6

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

The scheme requires schools to provide the LA with audit certificates in respect of voluntary and private funds held by the school and of the accounts of any trading organisations controlled by the school.

## ***2.9 Register of business interests***

The scheme requires each Governing Body to have established a register which lists for each member of the Governing Body, the Headteacher and any member of staff involved with purchasing goods and services any business interests that they or any member of their immediate family have. This register must be kept up to date with notification of any changes and must be reviewed annually. Every governor, Headteacher and member of staff must complete a 'nil' return if they have no such business interests. This register must be available for inspection by the Local Authority, Governors, Staff and Parents.

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

In purchasing supplies and services and arranging contracts on behalf of the school, the Governing Body must satisfy itself that value for money is being obtained. Schools are required to assess in advance, where relevant, the health and safety competence of contractors, taking account of the LA's policies and procedures. The scheme requires schools to abide by the Authority's Financial Procedures and Contract Standing Orders - unless the effect of any section of those regulations and/or standing orders would require schools to:

- (i) do anything incompatible with any of the provisions of the scheme, or any statutory provision, or any EU Procurement Directive;
- (ii) seek LA officer countersignature for any contracts for goods or services for a value below **£60,000** in any one year;
- (iii) select suppliers only from an approved LA list, although the advantages are that they have been vetted for public liability insurance and assurance on health and safety issues
- (iv) seek fewer than three tenders or quotations in respect of any contract with a value exceeding £10,000 in any one year, subject to specific listed exceptions.

A model set of Schools' Internal Financial Regulations can be found at

**Appendix B.** The LA's Financial Procedures, which have been placed on the 'Fronter' website, take precedence over anything contained within a school's internal financial regulations.

The main requirements of the LA's Contract Procedure Rules can be found at **Appendix C.** If a school does not procure goods/services through the LA's Purchasing section or Property Services section and the value of the goods/services require tendering procedures to be followed, then the LA's full set of Contract Procedure Rules should be followed which can also be found on the 'Fronter' website.

If schools wish to set up their own supplier/contractor disk, the school should obtain the following information:

- (i) Company details;
- (ii) Experience in last three years;
- (iii) Examples of work and references;
- (iv) Numbers of directly employed staff;
- (v) Is the work sub-contracted;
- (vi) Health and Safety competence - having regard to the Authority's policies and procedures; (**Appendix D**)
- (vii) Tax / VAT status;
- (viii) Insurance cover;
- (ix) Financial information to assess capability.

The School has a duty to ensure that public money is not used to promote discrimination. To meet this duty the School should ensure that any agency it procures goods or services from operates a valid equality policy.

The School has a duty to ensure that it promotes equality of opportunity, community cohesion, human rights and eliminates discrimination in the execution of its functions, whether delivered in house, in partnership or through a contract agreement.

To meet this duty the school should ensure that an Equality Impact Assessment informs any contract specification, service level agreement or funding arrangement.

The Authority may, from time to time, issue guidance to Governing Bodies on procedures to be followed in relation to the ordering of supplies and services. The Governing Body is required to have regard to such procedures.

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

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

Although Governing Bodies are empowered under paragraph 3 of schedule 10 to the School Standards and Framework Act 1998 to enter into contracts, in most cases they do so on behalf of the LA as maintainer for the school and

the owner of the funds in the budget share. However, other contracts may be made solely on behalf of the governing body when the governing body has clear statutory obligations – for example, contracts made by aided schools for the employment of staff.

### ***2.12 Central funds and earmarking***

The scheme authorises the LA to make allocations of money available to schools from central funds. These allocations will be in addition to and separate from the schools' budget share. The LA will issue guidelines setting out the purpose or purposes for which the allocations are to be used. While these conditions need not preclude virement (except, of course, where the funding is supported by a specific grant, which the LA itself is permitted to vire), this should not be carried to the point of assimilating the allocations into the school's budget share.

Such earmarked funding from centrally retained funds is to be spent only on the purposes for which it is given, or on other budget heads for which earmarked funding is given, and is not to be vired into the school's budget share. There should be an accounting mechanism for schools to be able to demonstrate that this requirement has been complied with.

Earmarked funds which are not spent in-year, or within the period within which schools are allowed to use the funding, will be returned to the LA.

The LA is barred from making any deductions in respect of interest costs to the LA, from payments to schools of devolved specific or special grants.

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

Governing bodies are free to spend budget shares 'for the purposes of the school', subject to regulations made by the Secretary of State and any provisions of this scheme. By virtue of section 50(3A) (which comes 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. Schools are allowed to spend their budgets on pupils who are on the roll of other maintained schools.

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

The scheme makes allowance for Governing Bodies to use their budget shares to meet the cost of capital expenditure on 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.

If the capital expenditure in any one year exceeds **£15,000** for a Primary or Special school or **£20,000** for a Secondary school, the Governing Body must notify the LA and take into account any advice received from the Director of Children's Services as to the merits of the proposed expenditure.

If the premises are owned by the LA or the school has Voluntary Controlled status, the Governing Body must seek the consent of the LA to the proposed works. **Consent will only be withheld on health and safety grounds.**

These requirements would not affect expenditure from any capital allocation made available by the LA outside the delegated budget share.

### ***2.15 Notice of Concern***

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

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

These may include:

- insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;
- insisting that an appropriately trained/qualified person chairs the finance committee of the Governing Body;
- placing more stringent restrictions or conditions on the day to day financial management of a school than the scheme requires for all schools – such as the provision of monthly accounts to the LA;
- insisting on regular financial monitoring meetings at the school attended by LA officers;
- requiring a Governing Body to buy into the LA'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; and
- protecting the LA's interests in the event of a planned school closure

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 LA may take where the Governing Body does not comply with the notice.

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

### ***3.1 Banking Arrangements***

In St. Helens, all schools have currently opted to remain with their National Westminster subsidiary account. This operates very much along the lines of an imprest arrangement where the school draws cheques to incur expenditure. Subsequently, each month, the school's bank account is reimbursed on the basis of net expenditure incurred. Salaries and wages payments will be arranged centrally by the LA. Payments of interest are made by the LA, in lieu of that which would otherwise be received if they opted for an alternative bank. The interest is calculated on average balance levels at the start and end of the financial year.

There are three distinct advantages of this arrangement as opposed to setting up separate bank accounts:

- (i) schools do not have cash flow management problems;
- (ii) there are no transaction charges to schools;
- (iii) the LA interest rate is better than can be gained from a private bank account, even when funds are invested with a withdrawal notice period.

In subsequent years, if a school wishes to opt for an external bank account, the school must give 4 months notice to the LA before the start of the financial year, i.e. 1st December.

### ***3.2 Proportion of Budget Share payable and frequency of instalments.***

If any school opts out of the current banking arrangement the non-employee element of the school's budget share will be made available in 12 equal instalments on a date to be determined.

Schools establishing their own payroll arrangements shall receive bank account advances calculated using the whole budget share, inclusive of employee costs.

### **3.3 Interest clawback**

The frequency and timing of cash advanced each month is such that it will not be necessary for the LA to make a deduction from cash advances to cover any estimated interest lost by the authority in making available these amounts.

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

If, due to an LA error, cash advance payments are paid later than the arrangements described in section 3.2, interest will be added to the late payment at the prevailing Bank of England base rate.

### **3.5 Bank and Building Society accounts**

The scheme allows all schools to have external bank accounts into which the budget share instalments would be paid.

Schools must notify the LA of the bank used, account numbers and authorised signatories for all LA bank accounts. Changes to banks and/or signatories must also be notified.

Where schools have such accounts they will be allowed to retain all interest earned.

Schools will not be allowed to opt for an external bank account if their budget is in deficit, the deficit must be cleared first.

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

Schools will be restricted to using only LA approved banks and building societies, consistent with the authority's Treasury Management policy.

If a school opts for an external bank account then this may be in the name of the school rather than the LA. However, the account mandate should provide that the LA is the owner of the funds in the accounts and is entitled to receive statements, and that it can take control of the account if the school's right to a delegated budget is suspended by the LA.

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

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

Schools are barred from including governors who are not members of staff from being signatories on their bank account.

### ***3.6 Borrowing by schools***

With the exception of the LA School Loans Scheme, schools are only allowed to borrow money with the written permission of the Secretary of State.

Schools may use corporate charge cards in accordance with the LA Charge Card Policy, which can be a useful means of facilitating electronic purchase. Schools may not use credit cards, which are regarded as borrowing.

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

### ***3.7 Other provisions***

There is a requirement for two authorised bank signatories to sign cheques up to the value of £2,499. For all cheque payments to the value of £2,500 and above three signatures will be required. This change was effective from 1<sup>st</sup> September 2009.

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

### ***4.1 The right to carry forward surplus balances***

Schools covered by the scheme will be allowed to carry forward any surplus balance from one financial year to the next. The school's surplus balance at 1st April will be equal to that at 31st March in the same year.

Schools opening a new bank account will have their balance transferred once the authority end of year accounts have been closed.

### ***4.2 Reporting on and control of the use of surplus balances***

**In exceptional circumstances, the Director of CYPS reserves the right to exclude any school from the clawback process.**

Surplus balances held by schools as permitted under this scheme are subject to the following restrictions:

- a) the Authority shall calculate by 30 June each year the surplus balance, if any, held by each school as at the preceding 31 March; (nb This will include the delegated budget share balance, and any Standards Grant, Standards Grant Personalisation and Standards Fund balances);
- b) if the surplus balance is greater than 8% of the preceding year's budget share (secondary schools) or 12% (nursery, primary, and special schools), then the authority shall automatically deduct from the current year's budget share an amount increasing on a sliding scale according to the extent to which the permitted threshold has been exceeded;

1% above the permitted threshold – 5% of the excessive surplus balance will be deducted

2% above the permitted threshold – 7.5% of the excessive surplus balance will be deducted

3% above the permitted threshold – 10% of the excessive surplus balance will be deducted

4% above the permitted threshold – 12.5% of the excessive surplus balance will be deducted

5% above the permitted threshold – 15% of the excessive surplus balance will be deducted

Amounts deducted will continue to rise in accordance with above.

(Budget Share = Delegated Budget + School Standards Grant + School Standards Grant Personalisation + Standards Fund)

(Excessive surplus balance = excess balance above permitted threshold)

- c) The amounts calculated at (b) above will be capped at the following rates:  
Secondary schools: £30,000  
Primary, Special and Nursery schools: £10,000

Funds returning to the LA under the above scheme provision would be applied to the Schools Budget of the Authority.

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

For schools which remain with their National Westminster subsidiary account, payment of interest will be made by the LA in lieu of that which would have

otherwise been received if schools had opted for an alternative bank. The interest will be calculated on average balance levels at the start and end of the financial year.

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

If a school has a deficit balance at the end of the financial year it will be deducted from the following year's budget share i.e. at 1st April. The school's deficit balance at 1st April will be equal to that at 31st March of the same year.

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

The scheme precludes schools from planning for a deficit budget.

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

The scheme permits the authority to charge interest on deficit balances. The interest will be calculated on average balance levels at the start and end of the financial year.

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

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

#### ***4.8 Balances of closing and replacement schools***

In the event of a school closure or amalgamation, any balance remaining, surplus or deficit, will revert to the LA. It will not be transferred as a balance to any other school, even where the school is a successor to the closing school except that a surplus transfers to an academy where a school converts to academy status under section 4(1)(a) of the Academies Act 2010.

#### ***4.9 Loan schemes***

The LA operates a loans scheme but only for the following purposes:

- IT equipment
- Implementation of energy saving measures
- Security anti-vandalism measures
- Building improvements and adaptations (subject to approval)

The details of the scheme are included at [Appendix E](#).

#### ***4.10 Leasing by schools***

Schools wishing to enter into any leasing agreements must do so via the Authority's Treasury Management consultants to ensure that only operating leases are entered into.

### **SECTION 5: INCOME**

#### ***5.1 Income from lettings***

Schools are allowed to retain income from lettings of the school site, subject to alternative provisions arising from joint use or PFI/PPP arrangements. Schools are allowed to set their own charges but there must be no net cost to the budget share. Schools are allowed to set charges lower for community and voluntary use as long as this is subsidised by income from other lettings. Guidelines relating to VAT and the Authority's recommended Lettings Procedures can be obtained via the CYPS Finance Section, as permitted under SSFA 1998 for various categories of schools.

Income received from lettings must be paid directly into the school delegated budget.

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

Schools are allowed to retain income from fees and charges unless the service is provided by the LA from centrally retained funds, subject to any policy statements on charging issued by the LA.

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

Schools are allowed to retain income from fund-raising activities.

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

Schools must follow the LA's procedure for the sale and disposal of assets, provided by the Central Purchasing Section. Schools are allowed to retain the proceeds from the sale of assets except in cases where the asset was purchased with non-delegated funds. In such circumstances the LA will decide who should receive the proceeds. If the asset concerned is land or buildings forming part of the school site and is owned by the LA, then the proceeds from any sale will be retained by the LA.

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

The procedures to be followed are contained within the Authority's Financial Instructions, **and apply only for income which has accrued to the LA.**

The procedures to be followed for the collection of school meals income are contained within the Authority's School Meals Arrears Policy.

## ***5.6 Purposes for which income may be used***

Any income from the sale of assets purchased from the school budget share may only be spent for the purposes of the school.

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

### ***6.1 General provision***

The LA is allowed to charge a schools budget share if any of the circumstances listed in 6.2 below occur. The LA does not need the consent of the Governing Body but schools will be consulted on the intention to charge and they will be notified when the charge has been made.

Such cases will arise only where the LA has incurred the expenditure to be charged to the school. Where the authority cannot incur a liability because the statutory responsibility rests elsewhere (e.g. in some cases the governing body of a Voluntary Aided or Foundation school) no charging is possible.

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

#### **6.1.1 Salary costs**

The LA is required to charge salaries on school based staff to school budgets at actual cost.

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

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

6.2.2 Other expenditure incurred to secure resignations where the school had not followed authority advice;

6.2.3 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

6.2.4 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;

6.2.5 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;

6.2.6 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)

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

6.2.8 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 regulatory authorities as a result of school negligence.

6.2.9 Correction of authority errors in calculating charges to a budget share (eg pension deductions)

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

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

6.2.12 Costs of necessary health and safety training for staff employed by the authority, where funding for training had been delegated but the necessary training not carried out.

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

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

6.2.15 Costs incurred by the 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 that statement;

6.2.16 Costs incurred by the authority due to submission by the school of incorrect data;

6.2.17 Recovery of amounts spent from specific grants on ineligible purposes;

6.2.18 Costs incurred by the authority as a result of the governing body being in breach of the terms of a contract.

6.2.19 Costs incurred by the authority or another school as a result of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster.

### **6.3 General Teaching Council**

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

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

In order to ensure the performance of the duties to deduct and remit the fee imposed on employers by the Regulations the following conditions are imposed on the Authority and governing bodies of all maintained schools covered by this Scheme in relation to their budget shares.

- (1) By virtue of section 46 of the School Standards and Framework Act 1998 and the regulations made under that section (at present the Financing of Maintained Schools (England) Regulations 2001 (S.I. 2001 No.475, Part II and Schedule 1) the costs of payroll administration for teachers in the Authority's maintained schools fall to be met from the budget shares which are allocated to governing bodies pursuant to section 47 of the Act, and which are delegated to them pursuant to sections 49-50. Accordingly, by virtue of Chapter IV of Part II of that Act and this Scheme, governing bodies of maintained schools are responsible for making suitable arrangements (or ensuring

that such arrangements are made) for the administration of payroll services in respect of their teachers.

- (2) A governing body of a community school, community special school or a voluntary controlled school, though not the employer of the teachers at such a school, shall:-
  - (a) where the governing body has entered into any arrangement or agreement with the Authority to provide payroll services, ensure that any such arrangement or agreement is amended to allow for the deduction and remittance of fees by the Authority to the GTC. The governing body shall meet any consequential costs from the school's budget share;
  - (b) where the governing body has entered into any arrangement or agreement with a person other than the Authority to provide payroll services, ensure that any such arrangement or agreement is amended to allow for the deduction and remittance of fees by that person to the Authority or directly to the GTC where this has been agreed between the GTC and the Authority. The governing body shall meet any consequential costs from the school's budget share; and
  - (c) where the governing body directly administers the payroll, deduct and remit the fees to the Authority or directly to the GTC where this has been agreed between the GTC and the Authority. The governing body shall meet any consequential costs from the school's budget share.
  
- (3) A governing body of a foundation school, a foundation special school or a voluntary aided school, as the employer of its teachers, is by virtue of the Regulations under a duty to deduct (or arrange for the deduction of) the fee and to remit the fee to the GTC. Accordingly, a governing body shall:-
  - (a) where the governing body has entered into any arrangement or agreement with the Authority to provide payroll services, ensure that any such arrangement or agreement is amended to allow for the deduction and remittance of the fees by the Authority to the GTC on the governing body's behalf. The Authority shall agree to any such amendment. The governing body shall meet any consequential costs from the school's budget share;
  - (b) where the governing body has entered into any arrangement or agreement with a person other than the Authority to provide payroll services, ensure that any such arrangement or agreement is amended to allow for the deduction and remittance of the fees by that person to the GTC or to the governing body for onward transmission to GTC. The governing body shall

meet any consequential costs from the school's budget share;  
and

- (c) where the governing body directly administers the payroll, deduct and remit the fees to the GTC. The governing body shall meet any consequential costs from the school's budget share.
- (4) All this shall be done whether the funding for the salary payments is paid to the Authority by the school from budget share instalments which have been held by the school in an independent bank account, or the salary costs are directly charged by the Authority to the school's budget share account.

## **SECTION 7: TAXATION**

### ***7.1 Value Added Tax***

Schools must comply with tax legislation and should follow the procedures set out in any relevant procedure issued by the Assistant Chief Executive (Finance), with regard to the following matters:

- Record and reclaim of VAT;
- Construction Industries Tax Scheme (CITS).
- Deduction of income tax in relation to staff employed at the school

Amounts reclaimed for VAT will be passed back to the school.

HM Revenue and Customs have agreed that VAT incurred by schools when spending any funding made available by the LA is treated as being incurred by the LA and qualifies for reclaim by the LA. This does not include expenditure by the governors of a voluntary aided school in relation to costs for which the Governing Body is responsible (ie where the Governing Body does not act as the agent of the Local Authority). See also section 13 – community facilities.

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

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

The LA alone will determine on what basis services from centrally retained funds, including premature retirement costs and redundancy payments, will be provided to schools.

The LA will not be able to discriminate in its provision of services on the basis of categories of schools except where:

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

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

From 1st April 2001, schools will be offered to buy services from the LA for a period of one year. The term of any arrangement with a school to buy services or facilities from the LA is limited to a maximum of three years from the date of the agreement, and periods not exceeding five years for any subsequent agreement relating to the same services. This may be extended to five and seven years respectively for contracts for the supply of catering services.

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

### **8.2.1 Packaging**

The following services will be offered on either a Service Level Agreement (SLA) or under a buy-back arrangement:

- Finance
- Grounds Improvements
- Gym Equipment Maintenance
- Legal
- Long Term Supply
- Personnel/Payroll
- Property Services - Tenant Responsibility
- Purchasing
- Schools Library Service - Secondary schools only
- School Meals
- Maternity Leave, Approved Union and Public Duties
- Governor training
- School Clerking
- In-service training 
- Pest control

School Sports Co-ordinator  
CRB  
Shared Network Costs

An SLA is where the school retains the funds and purchases the service from the LA.

Buy-back is where the delegated funds are given back to the LA in order that the service will continue to be provided in the current manner.

All SLAs and buy-back services are on an individual basis. However, if schools choose to opt-out of any buy-back services, they will not be allowed to operate buy-back in future years.

The Scheme permits the LA to offer packages of services which offer a discount for schools taking up a wider range of services.

### ***8.3 Service level agreements***

The schedule provided to schools detailing all Service Level Agreements and buy backs must be approved by the governing body or finance committee and returned to the CYPS Finance Section by 28<sup>th</sup> February to be effective for the next financial year, and schools must have at least a month to consider the terms of agreements.

8.3.1 Services will be available on a basis which is not related to an extended agreement though may also be offered as an extended agreement in the future.

Where 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.

8.2/8.3 Centrally arranged premises and liability insurance is excluded from these requirements.

### ***8.4 Teachers' Pensions***

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

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

A governing body of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or

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

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

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

### ***9.1 Private Finance Initiatives/Public-Private Partnerships***

Where an agreement is to be entered into as a Private Finance Initiative or Public-Private Partnership, the agreement must be in accordance with relevant regulations and guidance issued by the LA. The LA retains the power to charge the school's budget share with amounts agreed under a PFI/PPP agreement entered into by the Governing Body of a school.

## **SECTION 10: INSURANCE**

### ***10.1 Insurance cover***

Schools are advised to take out insurance as arranged by the LA and it will be paid from the schools' delegated budget. Where schools wish to consider making alternative arrangements for insurance, prior to doing so, they must demonstrate to the LA that cover relevant to the LA's insurable interests is at least as good as the relevant minimum cover arranged by the LA if the LA makes such arrangements.

The scheme requires the authority to have regard to the actual risks which might reasonably be expected to arise at the school in question in operating

such a requirement, rather than applying an arbitrary minimum level of cover for all schools.

## **SECTION 11: MISCELLANEOUS**

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

The LA can require a Governing Body to supply all financial and other information which it deems necessary to satisfy itself as to the school's management of its delegated budget share and/or the use made of any central expenditure by the Authority on the school.

### ***11.2 Liability of governors***

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

### ***11.3 Governors' expenses***

The LA shall have the power to delegate to the Governing Body of a school yet to receive a delegated budget, funds to meet governors' expenses. Governing Bodies will not have discretion in the amounts of such allowances: these will be set by the LA.

Under schedule 11 of the School Standards and Framework Act 1998, 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 also barred from payment of expenses duplicating those paid by the Secretary of State to additional governors appointed by him to schools under special measures.

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

Any legal costs incurred by the Governing Body, although the responsibility of the LA as part of the cost of maintaining the school unless they relate to the statutory responsibility of aided school governors for buildings, may be charged to the school's budget share unless the Governing Body acts in accordance with the advice of the Authority. See Section 6, 6.2.11.

Where there is a potential conflict of interest between the LA and the governing body a request should be made, as early as possible, to the

Director of CYPS for separate legal representation. The Director of CYPS, in conjunction with the LA's legal section, will determine if separate legal representation is appropriate and similarly if the cost of that representation should or should not be met by the LA.

### ***11.5 Health and Safety***

Governing Bodies are required to have due regard to duties placed on the LA in relation to health and safety, and the LA's policy on health and safety matters in the management of the budget share. See [Appendix D](#).

### ***11.6 Right of attendance for Assistant Chief Exec (Finance)***

The Assistant Chief Executive (Finance) or their representative is permitted to attend meetings of the Governing body at which any agenda items are relevant to the exercise of her or his responsibilities. The LA will give prior notice of such attendance unless this is impracticable.

The Chief Finance Officer's attendance shall normally be limited to items which relate to issues of probity or overall financial management and shall not be regarded as routine.

### ***11.7 Delegation to new schools***

The LA is empowered to delegate some spending powers selectively and optionally to the Governing Bodies of schools which have yet to receive delegated budgets - the LA to decide whether and to what extent to exercise the power in each individual case.

By virtue of section 49 of the SSFA 1998 a new school must receive a delegated budget in the funding period prior to the funding period within which it opens (that is to say, the funding period during which it first admits pupils), unless the authority has obtained the Secretary of State's approval to make arrangements in place of those in the regulations.

### ***11.8 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).

## **11.9 'Whistleblowing'**

The procedures to be followed by persons working at a school or school governors who wish to complain about the financial management or financial propriety of that school are set out in [Appendix F](#). All complaints will be dealt with in complete confidence.

## **11.10 Child Protection**

Schools are required to release staff to attend Child Protection case conferences and other related events as the monies have been delegated in the school budget share.

## **11.11 In year budget adjustments**

The LA may increase school budgets during the year by the allocation of funds from central contingencies to cover exceptional, unforeseen circumstances on an individual basis and, more generally, exceptional costs resulting from pay and price increases.

The LA may redetermine a school's budget share at any time over a three year funding period but would normally only do so in exceptional circumstances, e.g. where a school's rateable value is reduced resulting in an over-allocation of funds, retrospective adjustments to SLASC data used in calculating a school's budget allocations or pupil exclusions.

## **11.12 Redundancy Costs**

The 2002 Education Act sets out how premature retirement and redundancy costs should normally be funded. Further guidance is provided at [Appendix H](#)

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

### **12.1 LA and governor responsibilities**

In respect of all buildings on the school site, the LA and governor responsibilities will be as set out in [Appendix G](#)

Governors will be required to act as the responsible custodian of the premises and will therefore need to:

- (i) maintain schools to the standards defined in The Education (School Premises) Regulations 1998.

- (ii) ensure that appropriate arrangements are in place to carry out emergency repairs both during and outside normal school hours.
- (iii) ensure that service/inspection contracts for plant and fixed and loose equipment are in place in order to comply with Health and Safety Legislation as directed by the Authority's Principal Health and Safety Adviser.
- (iv) plan, budget and manage projects for which they are responsible in line with agreed Asset Management Plans - see Section 6, paragraphs 6.2.4 and 6.2.5.
- (v) obtain all necessary approvals of the CYPS Department, Planning and Building Control when considering and undertaking any new build or alteration work.
- (vi) comply with all the Financial Regulations and Standing Orders of the Authority in terms of the letting of contracts and tendering procedures.
- (vii) comply with all Health and Safety Legislation relating to the specification of building works and the safe working of contractors on school premises.

## ***12.2 Delegated funding***

The LA will continue to delegate all revenue funding for repairs and maintenance to schools as part of their delegated budget. Only capital expenditure is to be retained by the LA. In addition to this schools are in receipt of Devolved Formula Capital to carry out work that can be defined as capital.

## ***12.3 Examples of capital expenditure items***

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

# **SECTION 13: COMMUNITY FACILITIES**

## ***13.1 Introduction***

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

First, regulations made under s.28 (2), if made, can specify activities which may not be undertaken at all under the main enabling power. Secondly, the school is obliged to consult its LA and have regard to advice from the LA. Thirdly, the Secretary of State issues guidance to governing bodies about a range of issues connected with exercise of the power, and a school must have regard to that.

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

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

This section of the scheme does not extend to joint-use agreements; transfer of control agreements, or agreements between the LA 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 LA – Financial aspects***

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

Schools are required to write to the Director of CYPS for advice prior to exercising their community facilities power. The Director, or a nominated representative, will respond to the school within 14 days.

### ***13.3 Funding agreements – LA powers***

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

Any such agreement should be submitted to the Director of CYPS for comments at least 28 days prior to the commencement of the provision. The Director, or a nominated representative, will respond to the school within 14 days.

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

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

Section 28 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 which exercise the community facilities power must provide the LA 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 LA, on giving notice to the school that it believes there to be cause for concern as to the school's management of the financial consequences of the exercise of the community facilities power, will require such financial statements to be supplied every three months and, if the LA sees fit, will require the submission of a recovery plan for the activity in question.

### ***13.6 Audit***

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

Schools are required to ensure that funding agreements contain adequate provision for access by the LA 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 LA to satisfy itself as to the propriety of expenditure on the facilities in question.

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

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

Schools will be allowed to carry retained net income over from one financial year to the next as a separate community facilities surplus, or, subject to the

agreement of the LA at the end of each financial year, transfer all or part of it to the budget share balance.

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

### **13.8 Health and safety matters**

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

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

### **13.9 Insurance**

It is the responsibility of the governing body to ensure adequate arrangements are made for insurance against risks arising from the exercise of the community facilities power, taking professional advice as necessary. Such insurance should not be funded from the school budget share. The school should seek the LA's advice before finalising any insurance arrangement for community facilities.

The LA may undertake its own assessment of the insurance arrangements made by a school in respect of community facilities, and if it judges those 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.

### **13.10 Taxation**

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

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

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

### **13.11 Banking**

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

Schools should not borrow money without the written permission of the Secretary of State. This requirement does not extend to monies lent to schools by the LA.

## APPENDIX A - Schools covered by the Scheme

<b>NURSERY SCHOOLS</b>
Rainhill Community Nursery
<b>PRIMARY SCHOOLS</b>
<b>Community</b>
Allanson Street Primary
Ashurst Primary
Bleak Hill Primary
Rainford Brook Lodge Community Primary
Broad Oak Community Primary
Carr Mill Primary
Chapel End Primary
Eaves Primary
Eccleston Mere Primary
Garswood Primary
Grange Valley Primary
Legh Vale Primary, Early Years and Childcare Centre
Longton Lane Community Primary
Lyme Community Primary
Merton Bank Primary
Newton-le-Willows Primary
Oakdene Primary
Rivington Primary
Robins Lane Community Primary
Sherdley Primary
Sutton Manor Community Primary
Thatto Heath Community Primary
Willow Tree Primary
<b>Voluntary Aided</b>
Blackbrook St Mary's Catholic Primary
Corpus Christi Catholic Primary
Haydock English Martyrs Catholic Primary
Holy Cross Catholic Primary
Holy Spirit Catholic Primary
Nutgrove Methodist Community Primary
Parish CE Primary
Rectory CE Primary
St Aidan's CE Community Primary (Billinge)
St Anne's Catholic Primary
St Ann's CE Primary
St Austin's Catholic Primary
St Bartholomew's Catholic Primary
St James' CE Primary
St John Vianney Catholic Primary
St Julie's Catholic Primary

St Mary's & St Thomas' CE Primary
St Mary's Catholic Infants - Newton
St Mary's Catholic Junior - Newton
Birchley St Mary's Catholic Primary
St Peter's CE Primary
St Peter & St Paul Catholic Primary
St Teresa's Catholic Primary
St Theresa's Catholic Primary
St Thomas of Canterbury Catholic Primary
<b>Voluntary Controlled</b>
The District CE Primary
Eccleston Lane Ends Primary
Queen's Park CE/URC Primary
Rainford CE Primary
Sutton Oak CE Primary
Wargrave CE Primary
<b>SECONDARY SCHOOLS</b>
<b>Community</b>
Cowley Language College
Haydock Sports College
Rainford High Technology College
Newton-le-Willows Community High
<b>Voluntary Aided</b>
De La Salle
St Aelred's Catholic Technology College
St Augustine of Canterbury Catholic High
St Cuthbert's Catholic CC for B & Ed
<b>Trust</b>
Rainhill High School Media Arts College
<b>COMMUNITY SPECIAL SCHOOLS</b>
Penkford
Mill Green
Lansbury Bridge School and Sports College



## **APPENDIX B- Internal Financial Regulations**

**SCHOOL**

### **INTERNAL FINANCIAL REGULATIONS**

#### **1.0 GENERAL**

- 1.1 The whole of the finances of the school shall be subject to regulation, supervision and control by the Governing Body. The inclusion or exclusion of any specific matters in any other regulation or resolution shall not be construed as limiting in any way the scope of these regulations. The supervision and control by the Governing Body should be subject to the terms and reference of the Finance Committee.
- 1.2 The Head Teacher shall be responsible for ensuring that, on matters which fall under the Head Teacher's jurisdiction, these Financial Regulations are complied with and that appropriate standards, systems of control and monitoring are established and maintained by officers within the school.
- 1.3 These regulations relate solely to financial matters within School.

#### **2.0 ACCOUNTING**

- 2.1 The Assistant Chief Executive (Finance), or his agent shall be responsible for advising the school on all financial matters and for issuing instructions for safe and efficient arrangements for the receipt of monies payable to and for payments made by the school. The Head Teacher shall seek the advice of LA Finance Officers with regard to all matters financial.
- 2.2 All the LMS accounting and costing records of the school shall be agreed by the Assistant Chief Executive (Finance). The Assistant Chief Executive (Finance) shall offer advice to the Head Teacher with regard to the supervision and control over the form and standard of all LMS financial records, statements and accounts kept in the school.

### 3.0 **BUDGETARY CONTROL**

3.1 The Governors have delegated the following powers to the Finance Committee:-

- (i) to allocate money to budget headings at the start of the financial year having regard to school improvement plan priorities;
- (ii) to set the annual budget, provided that the budget is then referred to the full Governing Body at the earliest opportunity for ratification.  
The approved budget is to be signed by the Head Teacher and Chair of Governors and returned to the LA by the stated deadline each year, with a copy of the supporting minutes.
- (iii) to monitor expenditure against the set budget at each meeting to ensure the school remains within the agreed budget and to report to each Governing Body meeting;
- (iv) to consider and make recommendations to the full Governing Body on the priorities of spending additional monies which may become available during the year after having regard to the School Improvement Plan.

3.2 The Governing Body, on the advice of the Finance Committee, has made the following rules:-

(i) **VIREMENTS:**

The Head Teacher has the power to vary the level of the staffing budget as a result of a permanent amendment to the staffing structure, providing approval has been agreed by the Personnel Committee and the full Governing Body, and is recorded in the minutes of these meetings.

The Head Teacher has the power to vary the level of the staffing budget as a result of a temporary amendment to the staffing structure, and to vary the amount of non-staffing budgets up to a value of £5000. Between £5001 and £10000 the Head Teacher must seek the approval of the Finance Committee.

Over £10000 the Head Teacher and the Finance Committee shall seek the approval of the full Governing Body, and ensure that the decision is minuted accordingly.

All virements approved by the Head Teacher or Finance Committee under these rules should be reported to the full Governing Body retrospectively.

(ii) ORDERING OF WORKS, GOODS & SERVICES.

The Head Teacher has the authority, in accordance with Contract Procedure Rules (See Section 4 below), to make arrangements for the ordering of works, goods and services up to a value of £5000 but between £5001 and £10000 the Head Teacher must seek the approval of the Finance Committee. For expenditure greater than £10000 the Head Teacher and Finance Committee shall seek the approval of the full Governing Body;

Any proposed contract greater than one year shall only be approved by the Governing Body.

(iii) FINANCIAL MONITORING:

Where there is an underspend in any financial year the Head Teacher shall present to the Finance Committee a list of priorities in line with the School Improvement Plan. The Finance Committee shall then make recommendations to the Governing Body. The Governing Body shall be updated each term with the projected year end balance, and spending priorities put in place if the projected balance is deemed to be excessively high.

The Head Teacher shall ensure that any predicted overspend is reported to the Finance Committee and the Governing Body, and provide advice as to the appropriate remedial action.

4.0 **CONTRACT PROCEDURES**

- 4.1 The Governing Body will abide by the Council's Standing Orders.
- 4.2 The Head Teacher shall ensure best value for money from any purchase or contract of less than £10,000 by obtaining and recording at least three alternative prices. The Governing Body must have in place instructions for staff for the procedure to be followed for the letting of contracts and the placing of orders.
- 4.3 Where the estimated value or amount of the contract or sub-contract for the supply of goods, materials, services or the execution of work is between £10,001 and £50,000 the Head Teacher must ensure that a minimum of three separate written quotes/tenders are obtained and that he / she will be capable of demonstrating this.
- 4.4 Where the estimated value or amount of the contract or sub-contract for the supply of goods, materials, services or the execution of work is between £50,001 and £100,000 the Head Teacher will refer the matter to the Assistant Chief Executive (Finance).

- 4.5 For contracts greater than £100,000 the Governing Body will seek advice from the Local Authority with a view to ensuring that the council's formal tendering process is adhered to.
- 4.6 The Head Teacher shall make arrangements to ensure that a register which lists for each member of the Governing Body and all staff, any business interests that they or any member of their immediate family have. This register shall be kept up to date with notification of any changes and shall be reviewed annually. Each member of staff/governor shall complete a 'nil' return if they have no such business interests.

## 5.0 **LEASING**

- 5.1 The Scheme for Financing Schools prohibits any school from entering into a finance lease. This is to safeguard the capital controls of the LA. The Governing Body are required to consult with CYPS Finance when considering any leasing agreement to ascertain whether the lease is a finance lease or an operating lease.
- 5.2 Any leasing arrangements shall be subject to the LA's Contract Procedure Rules. The value of the lease for these purposes will be calculated as the total value of the contract, including any associated costs, chargeable over the full life of the lease.

## 6.0 **ORDERS FOR WORK, GOODS AND SERVICES**

- 6.1 Official orders or requisitions shall be in a prescribed form approved by the Assistant Chief Executive (Finance) and consecutively numbered. The Head Teacher shall be responsible for making adequate arrangements for the safe custody and issue of such forms.
- 6.2 All work, goods and services shall be ordered through the SIMS FMS system. Orders shall only be given verbally in cases of extreme urgency and shall be immediately confirmed by a written order.
- 6.3 The persons authorised to sign orders are listed in Appendix 1, as amended by a written order.
- 6.4 Each order shall clearly indicate the nature of the work or quantity of supplies and services required, the agreed charge or estimated cost and other appropriate details.
- 6.5 The school's requisitioning, ordering and payment systems shall not be used for private purposes.

## 7.0 **PAYMENT OF ACCOUNTS**

- 7.1 The Head Teacher or senior persons as named in Appendix 1 shall be responsible for the examination, verification and certification of invoices for payment and for the allocation of expenditure to the relevant account.
- 7.2 All invoices shall be signed by the Head Teacher or persons named in Appendix 1 and shall include responsibility for verifying that:-
- (i) the goods or services to which the invoice relates have been received;
  - (ii) the prices, calculations, trade discounts, other allowances and VAT are correct and the invoice has not previously been passed for payment;
  - (iii) the relevant expenditure has been properly and legally incurred and is within the relevant estimate provision and that proper entries have been made in inventories, stores and other records where appropriate.
- 7.3 The Head Teacher or persons named in Appendix 1 shall examine all accounts passed for payment and shall be entitled to receive such information and explanations as may be required. The Head Teacher shall pay all accounts which represent legal payments and are in order.
- 7.4 The Head Teacher shall ensure that all documents relating to the above mentioned transactions are held securely for a period to be advised by the LA.

## 8.0 **CHARGE CARDS**

- 8.1 The Head Teacher may apply to the LA for a corporate charge card where a need for a card has been identified. The Governing Body will formally minute an agreement to approve the issue of the card and to accept responsibility for its use.
- 8.2 The card will be issued to an appropriate member of staff who will sign a cardholder agreement and will abide by the conditions set out in the LA's policy for the issue and control of school charge cards.

## 9.0 **SALARIES AND WAGES**

- 9.1 The Head Teacher shall notify the Authority in the appropriate manner of all appointments, promotions, regradings, resignations, dismissals, retirements, suspensions, secondments and absences from duty or any other circumstances affecting the salaries, wages and emoluments of any employee in the school and shall consult with the Assistant Chief Executive (Finance) or his representative on matters relating to the application of salaries and wages scales.
- 9.2 The Head Teacher shall be responsible for ensuring the proper payment of salaries and wages. In carrying out this responsibility the Head Teacher may employ the services of external agencies providing that agency has been agreed by the Governing Body. At present this function has been contracted out to the LA's Payroll Section.
- 9.3 Timesheets, or other pay documents, in a form approved by the Assistant Chief Executive (Finance), shall be prepared as necessary and certified by the Head Teacher.
- 9.4 The outside agency shall be responsible for the payment of all payroll payments information supplied by the school. The Head Teacher shall provide the outside agency with all information necessary to maintain records of service, superannuation, income tax, national insurance, statutory sick pay, etc.

## 10.0 **INCOME**

- 10.1 The arrangements for the collection of all monies due to the Council shall be subject to the approval of the Assistant Chief Executive (Finance).
- 10.2 Details of charges for work done, goods supplied or services rendered on behalf of the Council and of all other income due to the Council shall be promptly notified by the Head Teacher to the Assistant Chief Executive (Finance) in an agreed form. Such form shall include, as necessary, for the allocation of income to the relevant head of account. Value Added Tax should be allocated separately where appropriate.
- 10.3 All monies received on behalf of the Council shall be acknowledged at once by the issue of an official receipt, voucher or ticket and shall be paid promptly to the Assistant Chief Executive (Finance).
- 10.4 All accounts, statements or letters requiring monies to be paid to the Council shall specify that payment must be made to the Assistant Chief Executive (Finance) unless otherwise agreed.
- 10.5 No account due to the Council shall be written off as irrecoverable without the authorisation of the Assistant Chief Executive (Finance).

10.6 All receipt forms, books, tickets, licences and other documents representing receipts for money shall be in a form approved by the Assistant Chief Executive (Finance).

#### 11.0 **BANKING ARRANGEMENTS**

11.1 The assistant Chief Executive (Finance) shall make all arrangements for the opening of bank accounts in the name of the Council.

11.2 The Head Teacher shall maintain, monthly, a bank reconciliation statement and forward this to the LA Finance Section promptly.

11.3 Any discrepancies relating to the bank reconciliation shall be referred to the Authority immediately.

#### 12.0 **INVESTMENTS AND BORROWINGS**

12.1 No borrowing shall be made by the school other than that within the school bank account which occurs as a result of the delay in being reimbursed by the LA.

12.2 Investments shall only be made after approval of the Assistant Chief Executive (Finance).

#### 13.0 **AUDIT**

13.1 The Assistant Chief Executive (Finance) shall be responsible for maintaining an independent continuous audit of the financial records, the operations and systems of control as laid down in the CIPFA statements on internal audit practice. For that purpose the Assistant Chief Executive (Finance) or authorised representative shall have the authority:-

- (i) to enter the premises under the control of the school without prior notification to examine all records, documents and correspondence;
- (ii) to require and receive such explanations as deemed necessary in order to satisfy her/himself on any matter under consideration;
- (iii) to require the production of any information or items deemed necessary for the efficient and effective conduct of the audit.

- 13.2 The Head Teacher has authorised the Assistant Chief Executive (Finance) or authorised representative to audit the SIMS FMS package.
- 13.3 Wherever any matter arises which involves or is thought to involve irregularities concerning cash, stores or other property of the Council or any suspected irregularity in the exercise of the functions of the Council, the Head Teacher shall immediately inform the Assistant Chief Executive (Finance) who shall take such steps as deemed necessary by way of investigation and report.
- 13.4 Reports produced by Audit shall be put to the Governing Body.

14.0 **INVENTORIES AND CONTROL OF ASSETS**

- 14.1 The Head Teacher shall be responsible for maintaining proper custody and security over all assets under her/his control.
- 14.2 The Head Teacher shall be responsible for preparing and maintaining inventories of plant and machinery, furnishings, fittings, equipment or assets of the Council and these shall be in a form approved by the Assistant Chief Executive (Finance).
- 14.3 The Head Teacher shall arrange for inventories to be checked annually and shall certify that the records are correct. Any adjustments which may be necessary for surpluses or deficiencies shall be subject to procedures approved by the Assistant Chief Executive (Finance). Attractive and portable items such as computers, cameras and video recorders should be identified with security markings as belonging to the school.
- 14.4 No property of the school or Council shall be removed otherwise than for the school's purposes except in accordance with specific instructions issued by the Head Teacher.

15.0 **COMPUTER RECORDS**

- 15.1 The Head Teacher shall ensure that the information held by the school on its computers is registered under the Data Protection Act.
- 15.2 The Head Teacher shall ensure that access to the SIMS FMS information is restricted to her/himself or the nominated member of staff.
- 15.3 The Head Teacher shall ensure that the information contained within the FMS package is properly backed-up and, if not backed up

remotely, this back-up data shall be kept on site in a fireproof container.

15.4 The Head Teacher shall ensure that only authorised software shall be used on the school's computers.

15.5 The Head Teacher shall ensure that the school has in place an ICT Service Continuity Plan which has been approved by the Governing Body.

**SIGNED**

\_\_\_\_\_

**Chair of**

\_\_\_\_\_ **School**

**Head Teacher**

\_\_\_\_\_

**Date**

\_\_\_\_\_

**APPENDIX 1**

**SCHOOL DELEGATED BUDGET**

**Persons authorised to sign orders:**

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**Persons authorised to certify invoices:**

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**Additional cheque signatories:**

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## APPENDIX C - Contract Procedure Rules

### Main Requirements.

#### Contracts.

'Contract' means any agreement for:

- \* The supply of services to or for the Governing Body including the use of consultants
- \* The purchase, leasing and hiring of goods by the Governing Body (providing that arrangements involving hire purchase or leases shall only be entered into in accordance with arrangements approved by the Chief Finance Officer)
- \* The execution of works for the Governing Body

Where payment is spread over a number of years e.g. in the case of a lease or simple hire arrangement, then, when assessing the appropriate 'method for letting a contract', the value of the contract for these purposes shall be **the total value of the service over the full lease or hire period. I.e. The total value of the agreement being entered into regardless of when payment will take place.** E.g. Computers which have a purchase value of £100,000 may be acquired by a leasing agreement which spans 3 to 5 years. For the purposes of assessing the method of letting a contract the value of the contract is still £100,000, **plus** the cost of leasing/leasing charges, **plus** any other associated costs which could potentially be rolled into one contract and for which there could be potentially more than one supplier.

#### Grouping of Contracts.

A contract may include a series of transactions for the purchase of goods and services or the execution of works which are of the same type so that the estimated value of the sum total of this series of transactions should be taken as the estimated contract price for the purpose of the rules. It would therefore not be appropriate to break a contract down into a number of smaller transactions in order to avoid complying with the correct method for letting a contract, where all of these transactions could potentially form one larger contract.

#### Adequate Budget Provision.

The Governing Body is not allowed to enter into a contract unless it has adequate budget provision. This provision may be in the form of a 'one-off' budget to fund either staged payments or regular annual payments - either way the school budget plan should demonstrate that such payments have been properly taken into account **before** entering into any commitment.

#### Appointment of Consultants or Agents.

In cases where a Consultant or Agent is employed to act on behalf of the Council/School in tendering and letting of contracts, the requirement to comply with these rules shall be included in the Consultant's Terms of Appointment.

## **Council Approved List of Contractors.**

The Council maintains approved lists of contractors and the Governing Body must try to invite tenders from the contractors on the list. Such contractors are vetted for their health and safety record, quality of work, public liability insurance arrangements and financial standing etc. (Contractors, which are on the select list, should still be subject to competition under the Contract Procedure Rules).

## **Methods of Letting Contracts.**

In the case of contracts where the estimated value exceeds £50,000 it is advisable that tendering arrangements are made using the services of the Assistant Chief Executive (Finance). In the first instance contact the Finance Section of the Children and Young People's Services Department. **Where schools elect not to follow this course, any tendering and contract letting procedures must mirror those of the Council's Contract Procedure Rules.** (Copies can be provided on request).

Where the estimated value or amount of the contract or sub-contract for the supply of services or the execution of work is:

- \* **Less than £10,000**, the Governing Body must ensure that value for money is obtained. The Governing Body should obtain and record three alternative prices, where these are available – this could be by telephone calls, catalogue prices or written quotes.
- \* **More than £10,000 but less than £50,000** and alternative prices are available, a minimum number of three separate written quotations or tenders shall be invited.
- \* **More than £50,000 but less than £100,000** and alternative prices are available, a minimum of four competitive tenders shall be invited and the procedures referred to in rules 5,11 and 14 of the Contract Procedure Rules adopted. These are standard and specific tendering procedures, which must be followed by all sections of the Council. (Governing Bodies to seek advice from CYPS Finance Section).
- \* **More than £100,000** the contract or sub-contract shall be let in accordance with Rules 5,11 and 14 except to the extent that such rules conflict with relevant provisions contained in E.U. Public Procurement Directives, which shall apply. In such instances it may be necessary to advertise the contract in the European Journal. This is determined by the level of the threshold which prevails at any given point in time and is a legal requirement – as at August 2007 this threshold is £144,371 for supplies & services, and just over £3.6m for works contracts. (Governing Bodies to seek advice from CYPS Finance Section).

The above refers to situations where 'alternative prices are available'. There will be instances where there are not any reasonable alternatives available e.g. where there is actually only one contractor or the nature of items being purchased is so unique that there is only one supplier. In such instances there may be an exception to normal tendering procedures providing the Head Teacher is satisfied that there are no reasonable alternative prices, and that reasonable steps have been taken to seek alternatives. The Head Teacher should report retrospectively to the Governing Body the details of any such contract.

The Governing Body must have in place instructions for staff for the letting of contracts and placing orders. These should mirror those of the Council.

## **APPENDIX D - Health and Safety Policy**

### **Organisation of Health and Safety in St. Helens Council**

#### **2.1 Chief Executive**

The Chief Executive has ultimate responsibility for health and safety within St. Helens Council and will ensure that the policy is fully implemented. Through the consultative mechanism of the Safety and Risk Management Forum, the Chief Executive will ensure that the health and safety standards required by this policy are being delivered in all Council departments. The Chief Executive, with the support of the Safety, Risk & Resilience Manager, will initiate a review of this policy on a regular basis.

#### **2.2 Directors/Assistant Chief Executives/Heads of Service**

Directors/Assistant Chief Executives/Heads of Service are responsible and accountable for the health and safety of personnel under their control. They are expected to lead by example and to follow St. Helens Council Policy. Although Directors delegate specific duties to others, they will remain responsible for the safety of their personnel.

Directors/Assistant Chief Executives/Heads of Service must ensure that written safe working procedures are in place for all services or significant tasks undertaken in their department. Safe working procedures must, in each case, conform to a defined external standard and have been issued on a recorded basis to relevant personnel.

Directors/Assistant Chief Executives/Heads of Service must ensure that a programme of risk assessment, as required by the Management of Health and Safety at Work Regulations (1999), has been carried out for all services under their control. Risk assessments will be recorded via the St. Helens Council assessment form which conforms to the HSE guidance: 'Five steps to risk assessment' (INDG 163 (rev2)).

Directors/Assistant Chief Executives/Heads of Service must ensure that a procedure is in place for the reporting and recording of all personal injuries, accidents and near-misses. In accordance with the Assault at Work Code of Practice, an incident report form should be completed reporting assaults or verbal abuse within their department.

Directors/Assistant Chief Executives/Heads of Service must ensure that emergency procedures to deal with fire and terrorist action are in place for all premises under their control. A record of fire drills, alarm tests and equipment checks must be maintained at each location.

Directors/Assistant Chief Executives/Heads of Service must ensure that adequate resources, financial or otherwise, are allocated for health and safety.

### **2.3 Assistant Directors/Assistant Treasurers/Headteachers**

Assistant Directors/Assistant Treasurers/Headteachers must ensure that written safe working procedures have been developed and implemented for the significant tasks or services for which they are responsible. Additionally, Headteachers will develop a site specific policy for their school, using the framework document provided by the LA and HSE Document: Safety Policies in the Education Sector.

They must ensure that a programme of risk assessment has been undertaken which effectively controls the risks associated with the significant tasks or services for which they are responsible. Risk assessments will be subject to ongoing monitoring at management meetings in order to ensure their continuing effectiveness.

Assistant Directors/Assistant Treasurers/Headteachers will ensure that Health and Safety matters are addressed as a regular item at management team meetings. They will also ensure that regular consultation takes place with relevant Trades Unions regarding health and safety matters.

Assistant Directors/Assistant Treasurers/Headteachers will ensure that adequate resources, financial or otherwise, are allocated for health and safety and inform their Director of any likely shortfall.

### **2.4 Section Heads/Operations Managers/Contracts Managers**

Section Heads/Operations Managers/Contracts Managers, with the support of the Health and Safety Section, will develop written safe working procedures for all significant tasks or services for which they are responsible. It will be ensured that written safe working procedures conform to a relevant external standard.

They will also, with the assistance of the Health and Safety Section, complete a programme of risk assessment for the significant tasks or services for which they are responsible as required by the Management of Health and Safety at Work Regulations (1999). A written record of risk assessments will be maintained by completion of the St. Helens Council Risk Assessment Form.

Section Heads/Operations Managers/Contracts Managers, with the support of the Health and Safety Section, will ensure that a comprehensive programme of assessment has been completed under the following legislation:

Control of Substances Hazardous to Health  
Regulations (2002)  
Health and Safety (Display Screen Equipment)  
Regulations (1992)  
Manual Handling Operations Regulations  
(1992)  
The Control of Noise at Work Regulations (2005)

Personal Protective Equipment at Work Regulations (1992) amended

The Work at Height Regulations (2005) amended

They will also ensure that a record of assessment is kept and copies are provided to their management team. In order to ensure their continuing effectiveness, assessments will be reviewed as a regular item at management meetings.

## **2.5 Line Managers/Team Leaders/Officers in Charge**

Line Managers/Team Leaders/Officers in Charge will ensure that relevant safe working procedures have been issued to all personnel for whom they are responsible. They will also maintain a record of issue and monitor, on an ongoing basis, that safe working procedures are being followed by personnel for whom they are responsible.

Line Managers/Team Leaders/Officers in Charge will take all necessary steps to ensure that personnel for whom they are responsible are familiar with the control measures, identified by assessment as necessary for safe working, and that they are used at all times. They will report any problems with identified control measures to their Section Head/ Operations Manager/Contracts Manager.

They will ensure that all personnel for whom they have responsibility are provided with appropriate Personal Protective Equipment (PPE). A record of PPE issued will be maintained and employees who consistently misuse or fail to use equipment will be reported to the Section Head/Operations Manager/Contracts Manager.

Line Managers/Team Leaders/Officers in Charge must ensure that all personnel for whom they are responsible are familiar with the department accident reporting procedure. They will also carry out an initial investigation following a personal injury accident, ensure that a St. Helens Council Accident Form is completed and take any necessary steps to prevent a recurrence.

They will ensure that personnel are competent, by virtue of appropriate safety training, to carry out their work tasks. A record of employee safety training will be maintained and updated as necessary. Line Managers/Team Leaders/Officers in Charge must be alert to any examples of ill health which may be attributable to working conditions, procedures and practices: they should investigate and report those found to be of a serious nature and, where necessary, take practical steps to prevent recurrence.

Technical advice and assistance concerning examples of ill health, that may be attributable to work, can be obtained from the Council's Occupational Health Nurse (telephone 01744 676980).

## 2.6 Employees

Employees must read this policy and follow its advice at all times. Failure to follow the guidance contained in this policy may mean that you are committing a criminal offence under the Health and Safety at Work Act (1974).

Employees must follow the guidance contained in written safe working procedures particularly with respect to the use of machinery, equipment and substances. If you are unsure about the procedures that apply to your job, contact your supervisor immediately.

Report any hazards, defective safety devices or damaged equipment to your supervisor immediately. Items of Personal Protective Equipment that become lost or damaged must be reported to your Line Manager/Team Leader/Officer in Charge immediately.

If you have any concerns relating to health and safety, that you feel have not been adequately dealt with by your Line Manager/Team Leader/Officer in Charge, you may wish to contact your Union Safety Representative. If you feel that you have become ill due to your work, advice can be obtained by contacting the Council's Occupational Health Unit (telephone 01744 676980).

Report all accidents, ***no matter how trivial***, to your supervisor and complete a St. Helens Council Accident Report Form as soon as possible.

## 2.7 Health and Safety Advisers

The key task of the Safety, Risk & Resilience Manager, located in the Chief Executive's Department, will be to provide timely and accurate advice to the Chief Executive and Senior Management Team concerning their Health and Safety responsibilities.

The Safety, Risk & Resilience Manager will co-ordinate the work of the Safety Advisers in order to ensure a consistency of approach in the development of safe working procedures and the completion of risk assessments.

The Safety, Risk & Resilience Manager will maintain a corporate record of accidents notifiable to the HSE and provide a regular statistical review of notifiable accident rates to the Safety and Risk Management Forum.

The Safety Advisers will maintain a record of all accidents, identify trends, investigate all notifiable accidents and provide an annual statistical summary for their Director. The Safety Advisers will provide technical assistance to Section Heads/Operations Managers/Contracts Managers to enable them to complete a programme of assessment as required by the following legislation:

Control of Substances Hazardous to Health  
Regulations (2002)  
Health and Safety (Display Screen Equipment)  
Regulations (1992)

Management of Health and Safety at Work Regulations (1999)  
Manual Handling Operations Regulations (1992)  
Personal Protective Equipment at Work Regulations (1992)  
The Control of Noise at Work Regulations (2005)  
The Work at Height Regulations (2005) as amended

The Safety Advisers will carry out regular workplace/site inspections in order to monitor the effectiveness of the control measures identified by assessment and that safe working procedures have been implemented. They will report any nonconformance to the relevant departmental management team. In conjunction with the appropriate Personnel Officer, they will ensure that safety training records are maintained for all personnel within departments.

## **2.8 Occupational Health**

St. Helens Council Occupational Health Unit comprises two Occupational Health Nurses with a Consultant attending on a sessional basis. The objectives of the Occupational Health Unit are to prevent work-related ill health, provide advice on the effects of work on health and to promote the benefits of good health.

The Key priorities for the services reflect those set out in the HSE documents 'Revitalising Health and Safety' and 'Securing Health Together'. Musculo-skeletal disorders and workplace mental wellbeing are currently priority areas for action.

All employees will be provided with the Occupational Health Leaflet: 'General Information for Employees' which sets out the range of services available and the opportunity for self-referral.

## **2.9 Consultative Procedures**

St. Helens Council practices full and effective consultation with recognised Trade Unions on matters of Health and Safety. Managers will be available to any Trade Union appointed Safety Representative and will cooperate with them so far as is reasonable in their efforts to carry out their function. They will also receive written reports from any such Safety Representatives and respond in writing within a reasonable time.

St. Helens Council welcomes the appointment of Safety Representatives and the setting up of Departmental and Central consultative groups to consider health and safety issues.

## **Arrangements for implementing the Health and Safety Policy**

### **3.1 Consultation and Communication**

This Policy will be communicated to all Council employees who will be provided with a copy on a personal issue basis. The policy will be supported by detailed safe working procedures and codes of practice relating to specific departments, sections or functions of the Council. It is intended, whenever possible, to bring forward safe working procedures and policy documents on a corporate basis through the mechanism of the Safety and Risk Management Forum.

The Safety and Risk Management Forum, chaired by the Chief Executive and attended by the Council's Senior Management Team, Safety Advisers and Trades Unions, will meet on a regular basis in order to monitor the effectiveness of this policy and current health and safety arrangements. The Safety and Risk Management Forum will also provide a consultative framework for the consideration of corporate and departmental safety policy.

A St. Helens Council Safety Policy and Procedures Manual has been developed to incorporate this policy along with safe working procedures and assessments. A copy of the manual will be issued to all St. Helens Council Managers.

### **3.2 Training**

St. Helens Council will ensure the competence of its personnel by the provision of training to all managers and employees appropriate to their responsibilities for health and safety. All new personnel will receive a planned induction which includes the St. Helens Council Health and Safety Policy, relevant safe working procedures, first aid provision and emergency procedures.

A record will be kept of the safety training received by each employee. St. Helens Council is committed to ensuring that all its Senior Managers achieve the Institute of Occupational Safety and Health (IOSH) Managing Safely Certificate.

### **3.3 Accident Prevention**

Hazardous conditions, arising out of St. Helens Council activities, which present a significant health and safety risk will be controlled by a programme of risk assessment undertaken using the St. Helens Council Risk Assessment Form. Control measures and remedial action identified by the assessment process will form the basis of written safe working procedures.

Risk assessment for a particular task or function will normally be carried out by the relevant Section Head/Operations Manager/Contracts Manager with technical assistance provided by the Health and Safety Section. On a day-to-day basis, it will be the responsibility of the Line Manager/Team

Leader/Officer in Charge to ensure that the measures identified by the risk assessment are implemented. Review of assessment will take place on an annual basis or more frequently if circumstances change.

### **3.4 Accident Investigation and Reporting**

All personal injuries, accidents and near-misses must be reported. They will be investigated to determine the cause and, where appropriate, remedial action will be taken to prevent a recurrence.

A reporting procedure is contained in the Policy and Procedures Manual and an accident database will be maintained by the Health and Safety Section. A copy of all F2508 accident forms will be sent to the Safety, Risk and Resilience Manager in the Chief Executive's Department.

The Health and Safety Section will maintain a corporate accident database for all incidents notifiable to the Health and Safety Executive under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (1995).

### **3.5 First Aid**

First Aid facilities within St. Helens Council will meet the requirements of the Health and Safety (First Aid) Regulations 1981. All premises will have sufficient trained first aiders and appointed persons in accordance with the Approved Code of Practice: First Aid at Work. The names and location of trained first aiders will be displayed in a prominent position in all St. Helens Council premises.

### **3.6 Premises**

In all St. Helens premises, in which personnel are habitually employed, the welfare facilities and environment will meet the requirements of the Health and Safety at Work etc. Act 1974 and the Workplace (Health, Safety and Welfare) Regulations 1992.

Directors/Assistant Chief Executives/Heads of Service will have responsibility to ensure that standards are maintained in premises for which they are responsible.

A programme of surveys to detect asbestos containing materials has been completed in Council premises. Copies of the survey reports will be held by Building Design, Safety and Risk Management and Site Managers. Health and Safety Advisers will undertake regular workplace inspections covering all Council premises.

In accordance with the requirements of the Regulatory Reform (Fire Safety) Order 2005, a fire risk assessment will be completed for all relevant sites.

### **3.7 Emergency Procedures**

Directors will ensure that adequate emergency procedures exist to deal with terrorist threats and fire in premises for which they are responsible.

Section Heads/Operations Managers/Contract Managers will ensure that there are a sufficient number of Fire Wardens in each of their premises to meet the needs of emergency procedures.

The Safety, Risk & Resilience Manager, with the assistance of the Public Buildings Manager, will ensure that a programme of regular fire drills is in place in all

public buildings. Fire drills will take place once a term in all St. Helens Council Schools.

A Fire Safety Log Book will be maintained at all sites.

### **3.8 Monitoring and Record Keeping**

Section Heads/Operations Managers/Contracts Managers will ensure that a record is kept of assessments required under health and safety legislation for the significant tasks or services for which they are responsible.

The Health and Safety Section will keep a record of all assessments and safe working procedures. They will carry out a regular review of assessments in order to ensure that they remain valid to the changing needs and structure of St. Helens Council. Copies of assessments will be made available on request to Trade Union Safety Representatives.

The Health and Safety Section, in conjunction with Human Resources, will ensure that an individual record of safety training will be kept for all personnel.

### **3.9 Equipment, Material and Substances**

It will be ensured, whenever practical, that equipment, plant and substances used by St. Helens Council will conform to a relevant British or European Standard.

All substances that come under the requirements of the Control of Substances Hazardous to Health Regulations (2002) will be subject to an assessment prior to use. It is the policy of St. Helens Council to purchase, whenever practical, the least harmful materials and substances.

All equipment and plant will be fit for the purpose for which it is to be used and will be maintained in accordance with suppliers' instructions. Line Managers/Team Leaders/Officers in Charge will monitor the use of plant and equipment, reporting any defects or problems to their Section Head/Operations Manager/Contracts Manager.

All electrical equipment will be subject to regular electrical tests and visual inspection in accordance with the requirement of the Electricity at Work Regulations (1989) and the advice contained in the HSE publication HS(G) 107: 'Maintaining portable and transportable electrical equipment'.

Line Managers/Team Leaders/Officers in Charge will ensure that a programme of formal visual inspection is maintained for electrical equipment used in their section or premises.

### **3.10 Management of Contractors**

Every effort will be made to identify and use competent contractors. No contractor will be accepted onto the Council approved list until they have submitted a copy of their safety policy to the Health and Safety Section for approval.

All contractors will be provided with a copy of the Council document: Safety Guidelines for Contractors prior to the commencement of work.

The performance of contractors will be monitored on an ongoing basis by the Health and Safety Section and a report prepared for the Assistant Chief Executive for Asset Management and construction Procurement, detailing those contractors who fail to discharge their statutory obligations.

Contractors' personnel will be required to wear an identification badge incorporating a photograph and detailing employee name and company name when undertaking work on behalf of the Council.

## **APPENDIX E - Loan Scheme**

### **1.0 INTRODUCTION**

- 1.1 The DCFS is keen to promote the use of school balances by the operation of loan schemes in local authorities. Overall the balances in St. Helens are consistently running at a level in excess of £5 million, and, given previous years' trends, it is difficult to envisage them ever reducing to less than £3 million.
- 1.2 All schools are eligible to participate in a loans scheme whereby at any one time up to £1 million of schools' balances will be available to loan to other schools for specific purposes. In view of this sum being significantly less than the overall level of balances, this is estimated to be sufficiently low as to not prevent any schools from drawing on their full level of balances.
- 1.3 The scheme is centrally administered via a fund known as the Schools Loan Fund.

### **2.0 PURPOSES**

- 2.1 Loans are made for the following purposes:
- IT equipment
  - Implementation of energy saving measures
  - Security anti-vandalism measures
  - Building improvements and adaptations (subject to usual approvals)

### **3.0 VALUE OF LOANS**

- 3.1 Initially the maximum value of any loan, or the total value of all loans outstanding for a school at any one time, will be limited to the lower of £80,000 or 4% of the delegated budget share for secondary schools, or the lower of £40,000 or 4% of the delegated budget share for primary and special schools.
- 3.2 The minimum value of a loan will be £10,000 for secondary schools and £5,000 for primary and special schools.
- 3.3 The above values will be reviewed annually.

#### **4.0 QUALIFICATION CRITERIA**

- 4.1 Schools are required to demonstrate that the purpose of the loan is a feature of the school development plan, and a decision of the Governing Body approving the loan proposal is required.
- 4.2 In the year of making the loan, schools with a forecast year end balance which is deemed to be high may not be permitted to borrow, or may have borrowing requests restricted. (The Assistant Chief Executive (Finance) reserves the right to make a judgement).
- 4.3 Schools are required to demonstrate, by the production of a financial plan covering the duration of the loan, an ability to make repayments. The plan is to be subject to the approval of the Director of Children and Young People's Services.
- 4.4 Schools need to demonstrate compliance with the Council's Contracts Procedures in two respects:
  - that alternative funding arrangements have been explored and that borrowing represents value for money.
  - That alternative prices (where appropriate by inviting tenders) have been obtained for the goods or services being procured

#### **5.0 LOANS**

- 5.1 Loans are made over a period of between 3 and 5 years and, subject to interest rate changes, repayments made in equal annual instalments (regardless of the point in the year at which the loan is taken out).
- 5.2 Interest will be charged each year at a rate equivalent to the estimated cost of borrowing as identified in the Treasury Policy and Strategy Documents of the Authority. The rate will therefore be variable. In addition, a one-off charge of £100 will be made to cover administration costs.
- 5.3 Loan repayments due will represent the first call on a school's delegated budget.
- 5.4 Loan repayments and interest will be charged at the start of the financial year by journal transfer.
- 5.5 Repayments of principle will be credited to the School Loans Fund and made available for calling in by schools with credit balances.
- 5.6 All interest charged on loans will be paid into the Corporate Investment Interest Account to cover the cost of interest payments to schools with credit balances.

## **6.0 APPLICATIONS**

6.1 Applications will be made to the Director of Children and Young People's Services who shall consider these in consultation with the Assistant Chief Executive (Finance). Applications shall be made in two stages:

- In principle
- Final consent

6.2 It is envisaged that the demand for loans will not place any pressure on the total sum of balances available. However, in the event that this does occur, the Director of Children and Young People's Services may restrict the amount of loans made in any given year.

6.3 Contact CYPS Finance Section for application forms.

## **APPENDIX F - Confidential Reporting Policy**

### **1. PREAMBLE**

1.1 Employees are often the first to realise that there may be something seriously wrong within the Council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council. They may also fear harassment or victimisation. In these circumstances it may be easier to ignore the concern rather than report what may just be a suspicion of malpractice.

1.2 The Council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment we expect employees and others that we deal with, who have serious concerns about any aspect of the Council's business, to come forward and voice those concerns.

1.3 This policy document makes it clear that you can do so without fear of victimisation, subsequent discrimination or disadvantage. This Confidential Reporting Policy is intended to encourage and enable employees to raise serious concerns within the Council rather than overlooking a problem or "blowing the whistle" outside.

1.4 The policy applies to all employees and those contractors working for the Council on Council premises. It also covers suppliers and those providing service under a contract with the Council in their own premises.

1.5 These procedures are in addition to the Council's complaints procedures and other statutory reporting procedures applying to some departments. You are responsible for making service users aware of the existence of these procedures.

1.6 This policy has been discussed with the relevant trade unions and professional organisations and has their support.

### **2. AIMS AND SCOPE OF THIS POLICY**

2.1 This policy aims to:

- encourage you to feel confident in raising concerns and to question and act upon concerns about practice
- provide avenues for you to raise those concerns and receive feedback on any action taken
- ensure that you receive a response to your concerns and that you are aware of how to pursue them if you are not satisfied
- reassure you that you will be protected from possible reprisals of victimisation if you have a reasonable belief that you have made any disclosure in good faith

2.2 There are existing procedures in place to enable you to lodge a grievance relating to your own employment. The Confidential Reporting Policy is intended to cover major concerns that fall outside the scope of other procedures. These include:

- conduct which is an offence or a breach of law;
- disclosures relating to miscarriages of justice;
- health and safety risks, including risks to the public as well as other employees;
- damage to the environment;
- the unauthorised use of public funds;
- possible fraud and corruption;
- sexual or physical abuse of clients;
- other unethical conduct; or
- concealment of the above.

2.3 Thus, any serious concerns that you have about any aspect of service provision or the conduct of Members or Officers of the Council, or others acting on behalf of the Council, can be reported under the Confidential Reporting Policy. This may be about something that

- makes you feel uncomfortable in terms of known standards, your experience or the standards you believe the Council subscribes to; or
- is against the Council's Standing Orders and policies; or
- falls below established standards of practice; or
- amounts to improper conduct

2.3 This policy does not replace the corporate complaints procedures.

### 3. SAFEGUARDS

3.1 The Council is committed to good practice and high standards and wants to be supportive of employees.

3.2 The Council recognises that the decision to report a concern can be a difficult one to make. If what you are saying is true, you should have nothing to fear, because you will be doing your duty to your employer and those for whom you are providing a service.

3.3 The Council will not tolerate any harassment or victimisation (including informal pressures) and will take appropriate action to protect you when you raise a concern in good faith. This would include taking action against anyone who harassed or victimised you.

3.4 Any investigation into allegations of potential malpractice will not influence, or be influenced, by any disciplinary or redundancy procedures that already affect you.

## 4. CONFIDENTIALITY

4.1 All concerns will be treated in confidence and every effort will be made not to reveal your identity if you so wish. The identity of the complainant will not be revealed to the person(s) complained about unless this is incompatible with a proper investigation. At the appropriate time, however, you may need to come forward as a witness.

## 5. ANONYMOUS COMPLAINTS

5.1 This policy encourages you to put your name to your allegation whenever possible.

5.2 Concerns expressed anonymously are much less powerful but will be considered at the discretion of the Council.

5.3 In exercising this discretion the factors to be taken into account would include

- the seriousness of the issues raised;
- the credibility of the concern; and
- the likelihood of confirming the allegation from attributable sources

5.4 Where the Council decides to pursue an anonymous complaint it will be the subject of action as identified in Section 8.

## 6. UNTRUE ALLEGATIONS

6.1 If you make an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against you. If, however, you make an allegation frivolously, maliciously or for personal gain, disciplinary action may be taken against you.

## 7. HOW TO RAISE A CONCERN

7.1 As a first step, you should normally raise concerns with your immediate manager or their superior. This depends, however, on the seriousness and sensitivity of the issue involved and who is suspected of the malpractice. For example:

a) if you believe Management or a Member of the Council is involved you should approach either the Chief Executive, Mrs. Carole Hudson (Tel. No. 676100), the Council's Monitoring Officer, Mr. Peter Blackburn (Tel. No. 673203) or the Assistant Treasurer (Audit, Scrutiny & IT), Cath Fogarty (Tel. No. 676885);

b) if you are employed at a school, or otherwise, in the provision of services to children or young people, you could approach the Director of Children and Young People's Services, Susan Richardson (Tel. No. 671801) or the Senior Assistant Director Children's Services, Chris Williams (Tel. No. 671803);

c) those employed in Social Services residential establishments who feel that it is inappropriate to raise issues with their immediate manager can approach the Director of Adult Social Care and Health, Mike Wyatt (Tel. No. 673609);

d) those employed in Personal Care Services can approach the Director of Adult Social Care and Health, Mike Wyatt (Tel. No. 676309) or the Commission for Social Care Inspection (CSCI) Regional Office (Tel. No. 0151-949 9540).

7.2 However, the important thing is that you raise your concern and therefore you can raise concerns with any senior manager in the organisation with whom you feel comfortable.

7.3 Concerns may be raised verbally or in writing. Staff who wish to make a written report are invited to use the following format:

- The background and history of the concern (giving relevant dates)
- The reason why you are particularly concerned about the situation

7.4 The earlier you express the concern, the easier it is to take action.

7.5 Although you are not expected to prove beyond doubt the truth of an allegation, you will need to demonstrate to the person contacted that there are reasonable grounds for your concern.

7.6 You may find it easier to consider discussing your concern with a colleague first and you may find it easier to raise the matter if there are two or more of you who have had the same experience or concerns.

## 8. HOW THE COUNCIL WILL RESPOND

8.1 The Council will respond to your concerns. Do not forget that testing out your concerns is not the same as either accepting or rejecting them.

8.2 Where appropriate, the matters raised may

- be investigated by Management, Internal Audit or through the disciplinary process
- be referred to the school governing body.
- be referred to the Police
- be referred to the External Auditor
- form the subject of an independent inquiry

8.3 In order to protect individuals and those accused of misdeeds or possible malpractice, initial inquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. The overriding principle which the Council will have in mind is the public interest.

8.4 Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required this will be taken before any investigation is conducted.

8.5 Within ten working days of a concern being raised, the person with whom you raised your concern will write to you

- acknowledging that the concern has been received;
- indicating how it is proposed to deal with the matter;
- giving an estimate of how long it will take to provide a final response;
- telling you whether any initial inquiries have been made;
- supplying you with information on staff support mechanisms; and
- telling you whether further investigations will take place and if not, why not

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

8.7 Where any meeting is arranged, off site if you so wish, you can be accompanied by a union or professional association representative or a friend.

8.8 The Council will take steps to minimise any difficulties which you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings, the Council will arrange for you to receive advice about the procedure.

8.9 The Council accepts that you need to be assured that the matter has been properly addressed. Thus, subject to any legal constraints, we will inform you of the outcome of any investigation.

## 9. THE RESPONSIBLE OFFICER

9.1 The Monitoring Officer has overall responsibility for the maintenance and operation of this policy. That Officer maintains a record of concerns raised and the outcomes (but in a form which does not endanger your confidentiality) and will report as necessary to the Council. The effectiveness of the policy will be continually monitored based on the experience of its use.

## 10. HOW THE MATTER CAN BE TAKEN FURTHER

10.1 This policy is intended to provide you with an avenue within the Council to raise concerns. The Council hopes you will be satisfied with any action taken. If you are not, and you feel it is right to take the matter outside the Council, the following are possible contact points:

- the Council's External Auditor
- your trade union
- your local Citizens Advice Bureau
- relevant professional bodies or regulatory organisations
- the Police

- the Public Concern at Work help line service for employees (020 7404 6609).

This organisation is an independent charity, which can provide free, independent, confidential advice to anyone worried about malpractice in the workplace.

10.2 If you do take the matter outside the Council, you should ensure that you do not disclose confidential information.

## APPENDIX G – LA Capital/Revenue Split

LA Capital/Revenue split and items which are the separate responsibility of governors in VA schools

Illustrative examples in line with DCSF interpretation of the CIPFA code of practice

NB Actual interpretation of CIPFA code of practice for these purposes will be for each LA

ELEMENT	CAPITAL: AS CIPFA CODE OF PRACTICE	REVENUE: REPAIRS & MAINTENANCE
<b>Roofs</b>		
<u>Flat</u>	Structure. New (not replacement) structure	Repair/replacement of small parts of an existing structure
	Structure. Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure	Replace small areas of rotten or defective timber, make good minor areas of spalling concrete where reinforcing bars exposed
	Screed / insulation in a new building/extension	Repair/replacement of screed/ insulation where defective.
	Screed / insulation. Replacement/repair of substantially all. Improve effectiveness of insulation	Work to improve insulation standards, during work to repair/ replace small areas of roof.
	Finish on new build. Replacement of all/substantially all on existing roof	Replacement of roof finish on existing building. Re-coating chippings to improve life expectancy
	Edge Trim/ Fascia on new build	Repairs/ replacement. (uPVC) Repainting.
	Edge Trim/ Fascia, Replacement of	Repairs/ replacement. (uPVC) Repainting.

all/substantially all  
on existing roof

Drainage on new  
build

Clearing out gutters  
and downpipes.  
Replacement/repair/  
repainting of/ individual  
gutters/pipes

Other e.g.  
Flashings,  
Rooflights on new  
build Replacement  
of all/substantially all  
on existing roof

Repair/ Replacement/  
cleaning of individual  
items

Pitched

Structure. New (not  
replacement)  
structure

Repair/replacement of  
small parts of an  
existing structure

Structure.  
Replacement of all  
or substantial part of  
an existing structure  
to prevent imminent  
or correct actual  
major failure of the  
structure

Replace/ repair small  
areas of rotten/  
defective joists, rafters,  
purlins etc.  
Not complete trusses

Insulation in a new  
building/extension

Repair/replacement/  
increasing thickness of  
insulation in an existing  
roof

Insulation.  
Replacement /repair  
of substantially all.  
Improve insulation  
to current standards

Roof finish in a new  
building/extension,  
replacement of  
all/substantially all  
on existing roof

Replace missing/  
damaged small parts

Bargeboards/ Fascias in a new building/extension, replacement of all/substantially all on existing roof

Repairs/ replacement/ Repainting

Drainage in a new building/extension

Clearing out gutters and downpipes. Replacement/repairs of individual pipes/gutters

Drainage. Replacement of all/substantially all on existing roof

Other e.g. Flashings, Roof windows in a new building/extension, replacement of all/substantially all on existing roof

Repair/ Replacement /cleaning

#### Other

Provide new covered link etc. between existing buildings

Minor repairs, maintenance to existing covered link

Rebuild or substantially repair structure of existing covered link  
Add porch etc. to existing building

Minor repairs, maintenance to existing structure

Rebuild or substantially repair structure of existing porch

#### **Floors**

##### Ground Floor

Structure and dpc in new building

Repair/replacement of small parts of an existing structure

Structure and dpc -  
Replacement of all or  
substantial part of an  
existing structure to  
prevent imminent or  
correct actual major  
failure of the structure

Screed and finish in  
new build, replacement  
of all/substantially all  
on existing floor - e.g.  
replacement of most  
carpets/ tiles in a room

Replacement and  
repair of screed and  
finishes/ Replacement  
of  
mats/ matwells.  
Maintenance e.g.  
revarnishing wooden  
floors.

Upper  
Floor

Structure - as ground  
floor

As ground floor

Screed and Finish - as  
ground floor

Repairs of finishes/  
Replacement - as  
ground floor

**Ceilings**

Top/ only  
storey

Suspension

Repair/ replacement  
incl. From water  
damage, & necessary  
decoration

Membrane

Fixed

Repair/ replacement  
inc. from water  
damage

Access panels

Repair/ replacement

Lower  
storeys

Suspension

Repair/ replacement

Membrane

Fixed

Repair/ replacement

<u>All</u>	Specialist removal/ replacement of damaged/ disturbed Asbestos based materials, planned or emergency	Inspection/ air testing Applying sealant coats to asbestos surfaces for protection
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**External  
walls**

<u>Masonry/ cladding</u>	Structure Underpinning/ propping for new build External Finish on new build	Repairs Preventive measures e.g. tree removal Repair/replacement of small parts of an existing structure. e.g. repointing/ recladding a proportion of a wall where failure has occurred.
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External Finish on  
existing build where  
needed to prevent  
imminent or correct  
actual major failure of  
the structure. e.g.  
repointing/recladding  
work affecting most of  
a building  
/replacement build

<u>Windows and Doors</u>	Framing - new build	Repair/ replacement of individual frames. Repainting frames
	Framing - structural replacement programme	Repair/ replacement of individual windows. Repainting frames
	Glazing - new build	Replacing broken glass
	Glazing Upgrading existing glazing	
	Ironmongery	Repair/ replacement,

	Improved security	upgrading locks etc.
	Jointing including mastic joints	
	Internal and external decorations to new build	Internal and external decoration to include cleaning down and preparation.
<u>Masonry chimneys</u>	Structure	
	Jointing including expansion and mortar joints/ pointing/ DPC	Repair/ re-pointing
<b>Internal walls</b>		
<u>Solid</u>	Complete including various internal finishes, linings and decorations	Repairs and redecoration to internal plaster/ linings tiles, pin boards etc.
	Refurbishment and alterations	Minor alterations
<u>Partitions</u>	Complete structure including linings, framing, glazing, decoration etc.	Repairs and redecoration.
	Refurbishment and alterations	Minor alterations
<u>Doors &amp; Screens</u>	Framing/ Screens/ Doors to new buildings including glazing, ironmongery, jointing and internal decorations	Internal maintenance and redecoration. Repair/ replacement of defective doors and screens

<u>All</u>	Glazing to meet statutory Health & Safety requirements	Replacement of broken glass
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**Sanitary Services**

<u>Lavatories</u>	In new buildings provision of all toilet fittings, waste plumbing and internal drainage.	Repair/ replacement of damaged sanitary ware, fittings, waste plumbing etc.
	Large scale toilet refurbishment	Small areas of refurbishment
	Provision of disabled facilities, and specialist facilities related to pupils with statements	Repair/ replacement of damaged fittings, waste plumbing etc.

Kitchens

Kitchens in new buildings, complete with fittings, equipment, waste plumbing and internal drainage. Internal finishes and decorations.	Maintain kitchen to requirements of LA
	Cleaning out drainage systems
	Redecoration
General refurbishment	Repairs
Large and costly items of equipment	Repairs/ replacement parts

**Mechanical services**

<u>Heating/ hot water</u>	Complete heating and hot water systems to new	General maintenance of all boiler house plant including replacement
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	<p>projects, including fuel, storage, controls, distribution, flues etc.</p> <p>Safe removal of old/ damaged asbestos boiler and pipework insulation, where risk to Health &amp; Safety.</p> <p>Planned replacement of old boiler/ controls systems past the end of their useful life</p> <p>Emergency replacement of boiler plant/ systems</p>	<p>of defective parts. Regular cleaning. Energy saving projects</p> <p>Monitoring systems</p> <p>Health &amp; safety issues</p> <p>Replacement of defective parts</p>
<u>Cold water</u>	<p>Provision of cold water services, storage tanks, distribution, boosters, hose reels etc. in major projects</p>	<p>Maintenance and repair/ replacement of defective parts such as servicing pipes. Annual servicing of cold water tanks.</p>
<u>Gas</u>	<p>Distribution on new and major refurbishment's, terminal units</p>	<p>Repairs, maintenance and gas safety All servicing</p>
<u>Ventilation</u>	<p>Mechanical ventilation/ air conditioning to major projects</p>	<p>Provision of local ventilation. Repair/ replacement of defective systems and units</p>
<u>Other</u>	<p>Swimming pool plant and its complete installation, including heat</p>	<p>Repair/ replacement of parts to plant, pumps and controls. Water treatment equipment and all distribution</p>

	recovery systems	pipework. Simple heat recovery systems. Solar heating plant and equipment.
<b>Electrical services</b>		
<u>General</u>	Main switchgear and distribution in major projects.	Testing/ replacement of distribution boards. The repair and maintenance of all switchgear and interconnecting cables including that in temporary buildings.
	Replacement of obsolete and dangerous wiring systems, including distribution boards	All testing, earthing and bonding to meet Health & Safety. All servicing.
<u>Power</u>	Control gear, distribution, fixed equipment, protection etc.	All testing, repair and replacement of small items of equipment
<u>Lighting</u>	Provision of luminaires and emergency	Replacement of luminaires, all testing, adjustments and improvements to emergency
<u>Other</u>	Lightning protection in new build Alarm systems, CCTV, lifts/ hoists etc.,	Repair/ replacement  Repair and maintenance
	New installation of communication systems, radio/ TV, call, telephone, data transmission, IT etc. and provision in new build.	Repair/ replacement/ maintenance, including all door access systems

## **External Works**

<u>Pavings</u>	Provision of new roads, car parks, paths, court, terraces, play pitches, steps and handrails, as part of major project, including disabled access	Maintenance and repair Car park and playground markings.
<u>Miscellaneous</u>	Provision of walls, fencing, gates and ancillary buildings as part of major project	Maintenance and repair of all perimeter/ boundary/ retaining walls, fencing and gates.
<u>Drainage</u>	Drains, soakaways, inspection chambers and sewage plant as part of new projects	Maintenance and repair of drains, gullies, grease traps and manholes between buildings and main sewers. Cleaning of the above and unblocking as necessary.
<u>Open air pools</u>	Structure, Hygiene/ safety in new build	Hygiene, cleaning, maintenance and repairs, including replacement parts. Simple energy saving systems.
<u>Services distribution</u>	Heating mains gas mains water mains electricity mains, renewal of any above.	Annual servicing

## **Notes**

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

Where local authorities use de minimis limits for defining capital and revenue in their financial accounts, the same de minimis limits must be used in

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

## **APPENDIX H – Responsibility for Redundancy and Early Retirement Costs**

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

Section 37 of the 2002 Education Act says:

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

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

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

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

Charge of dismissal/resignation costs to delegated school budget

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

- Where the school has excess surplus balances and no agreed plan to use these
- Where a school has refused to engage with the local authority's redeployment policy

#### Charge of premature retirement costs to local authority non-schools budget

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

Costs of new early retirements or redundancies can also be charged to the central part of the Schools Budget if the Schools Forum agree and the local authority can demonstrate that the "revenue savings achieved by any termination of employment are equal to or greater than the costs incurred". The Schools Forum must agree to any increase in this budget over the previous financial year. If the Schools Forum does not agree with the local authority's proposal, then the authority can appeal to the Secretary of State. The Schools Forum would also be involved if the additional expenditure resulted in a breach of the central expenditure limit, whereby central expenditure increases faster than the Schools Budget as a whole.

An example of where a charge to the central Schools Budget might be appropriate would be a school reorganisation. A reorganisation involving the closure of a number of schools would be likely to result in savings because there would be a reduced amount being allocated through the formula for factors such as flat rate amounts to all schools or floor area. If the savings in the formula exceeded the ongoing costs of the VER/redundancy then this would qualify.

It would be possible to consider savings at an individual school level as well, but this needs to be carefully managed so that there are clear ground rules in place for applications, recommendations and approval. It may be sensible to agree criteria for eligibility which are consistent with the general approach as to when costs should be centrally funded.

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

There are clearly difficulties in setting a budget, whether inside or outside the Schools Budget, at a point prior to the beginning of the financial year before schools have set their budgets and made staffing decisions. Local authorities can only make a best estimate of what may be needed, based on past experience, local knowledge of the financial position of individual schools and the context of that year's funding settlement. There are dangers in raising expectations that costs will be met centrally if the budget is set too high, and so an alternative would be to keep the budget tight and use contingency or schools in financial difficulties budgets if there is an unexpected need for staffing reductions and it is not appropriate for delegated budgets to fund VER/redundancy costs. To achieve best use of resources, local authorities should also have an active redeployment policy, to match staff at risk to vacancies.

One of the permitted uses of the contingency is where "a governing body has incurred expenditure which it would be unreasonable to expect them to meet from the school's budget share" while local authorities are also allowed to retain funding for schools in financial difficulties "provided that the authority consult the schools forum on their arrangements for the implementation of such support."

For staff employed under the community facilities power, the default position is that any costs must be met by the governing body, but not from the delegated budget. Section 37 states:

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

(8)Any amount payable by virtue of subsection (7) by the governing body of a maintained school to the local education authority shall not be met by the governing body out of the school's budget share for any financial year.

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

(We will review this provision in the context of the forthcoming changes which will allow other community facilities costs to be charged to delegated budgets from 1 April 2011, but this remains the legal position for the time being).