



SCHEME FOR FINANCING SCHOOLS

Revised with effect from: 1st January 2007

Updated to reflect changes:

to Loans Scheme:	March 2007
re Children's Services Department	May 2008
revised approved banking institutions	January 2009

Previous version dated: 23rd November 2004

Wandsworth Borough Council
Scheme for Financing Schools - Index

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WANDSWORTH BOROUGH COUNCIL

SCHEME FOR FINANCING SCHOOLS

INTRODUCTION

Funding Framework

1. 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 (SSFA 1998).
2. Under this legislation, local authorities (LAs) determine for themselves the size of their Schools Budget and LEA 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. 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 LEA budget must be retained centrally (although earmarked allocations may be made to schools).
3. 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 Council in accordance with s.48 of the Act and approved by the Secretary of State. All revisions to the scheme must also be approved by the Secretary of State, who has power to modify schemes or impose one.
4. 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.
5. The Council 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.
6. The Council is obliged to publish each year a statement setting out details of its planned School Budget and LEA Budget, showing the amounts to be centrally retained, the budget share for each school, the formula used to calculate those budget shares, and the detailed calculation for each school. After each financial year, the 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.
 7. The detailed publication requirement for financial statements and for schemes are set out in regulations, but each school must receive a copy of the scheme and any amendment, and each year's budget and out-turn statements so far as they relate to that school or central expenditure.
 8. Regulations also require a local authority to publish their scheme and any amendments to it in a manner they determine.

The Role of the Scheme

9. This scheme sets out the financial relationship between the Council and the schools which it funds. The scheme sets out duties and responsibilities of both schools and the Council as well as the detailed requirement in meeting those responsibilities.

Application of the Scheme in Wandsworth Borough Council

10. From the 1 September 1999, the scheme applies to all the Community, Voluntary Aided and Foundation schools listed in Appendix 1.

Publication of the Scheme and Revisions to the Scheme

11. A copy of this scheme will be supplied to the headteacher and to the governing body of each school noted in Appendix 1 or placed on a publicly accessible website. Any subsequent revisions will be notified to every school following consultation with schools and approval by the Secretary of State.

Duties and Responsibilities

12. Governors are responsible for the overall management of the school and the financial records. As part of this responsibility, Governors must ensure that appropriate staff are made aware of and comply with any relevant standing orders, codes of practice, guidelines or practice notes of the Council, these regulations and any subsequent amendments. A list of relevant documents will be provided to the Chair of Governors and to the Head. Governors are responsible for complying with the requirements of the Data Protection Act and the registration of relevant computer based systems.
13. Governors are responsible for ensuring that all payments made from school monies, or on behalf of the school, are duly authorised, and represent value for money in relation to that purpose. Under Section

59 (7) of SSFA 1998, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share provided that they act in good faith.

14. The Governing Body of the school must establish by 31st December 1999, a register which lists for each member of the Governing Body (including the headteacher) any business interests they or any member of their immediate family have, to keep the register up to date by at least an annual review. This register must be available for inspection by the authority, governors, staff and parents.
15. Although Governors may delegate certain powers to the Head and/or other employees, they still retain overall responsibility for any actions taken. Where the Governors decide to delegate duties to the Head, these should be specific as to their limits, formally approved and recorded (including any revision) in the minutes of the governing body. The duties which Governors may wish to delegate authority to the Head and other school staff to carry out, include:-
 - (a) Authorisation of Payroll Documentation
 - (b) Authorisation of Orders and Payments within specified financial limits
 - (c) Cheque signatories
 - (d) Virement within specified limits

Unofficial Funds

16. Governors have overall responsibility for all unofficial funds of the school. The Head is responsible for keeping the Governors informed of all unofficial funds.
17. The Head is responsible to the Governors for the maintenance of accurate financial records and banking arrangements of all unofficial funds.
18. The Head is responsible for presenting annually all accounts of unofficial funds, after an independent audit, to the Governors for their approval.
19. The Head must make available the records of unofficial funds for audit inspection.

Maintenance of Schools

20. 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 aided school where some of the expenses are, by statute, payable by the governing body.) Part of the way an authority maintains schools is through the funding system put in place under sections 45 to 53 of the Schools Standards and Framework Act 1998.

FINANCIAL REQUIREMENTS

The Application of Financial Controls

21. The Director of Finance is responsible for the proper administration of the financial affairs of the Council and consequently, accounting procedures, systems and records relating to the management of school money, must be maintained to a standard approved by the Director of Finance.
22. Schools must abide by any accounting instruction issued by the Director of Finance in his capacity as the officer responsible for the maintenance of the Council's accounts. Schools must also comply with any instructions issued by the Director of Children's Services on year-end procedures in order to comply with the Director of Finance's procedures for closing the Council's accounts.
23. Any breach of the requirement of the scheme or further guidance and instructions published may be reported to the Corporate Resources Overview and Scrutiny Committee of the Council and where appropriate, to the Children and Young People's Services Overview and Scrutiny Committee and the Council's Executive. Any persistent or serious breach of the scheme and associated publications by the school may result in the Council suspending delegation.
24. Schools must make available to the Council such documents which relate to their accounting or other records as appear to the Council to be necessary.

Budget

25. Governors are responsible for ensuring that accurate returns are made to the Director of Children's Services to enable the preparation of the school's annual delegated budget to be completed.
26. The Director of Children's Services will notify each school of its annual budget in accordance with the Council's published allocation formula prior to 1st April.
27. The Head will prepare an allocation of this budget for Governors, in accordance with the format specified by the Director of Children's Services. Budget plans will need to take account of any estimated carried forward balances in accordance with section 85 of this scheme.
28. This budget plan, as approved by Governors, will be notified to the Director of Children's Services by 1st May each year.
29. The budget plan must be accompanied by a statement from the Governors confirming that the principles of Best Value are adhered to, as set out in Appendix 2 to the scheme.

30. The Council may require schools to submit a financial forecast covering each year of a multi-year period for which schools have been notified of budget shares beyond the current year.
31. Where overspending of the budget is forecast by Governors on information provided by the Head, the Director of Children's Services shall be informed immediately. A report to the Children and Young People's Services Overview and Scrutiny Committee and the Council's Executive will be made where necessary and any Council requirements notified to the Governors. Any overspending will be deducted from the following year's budget for the school.
32. It is the responsibility of the Governors to ensure that all their school budgets are not overspent. Schools can vire freely between budget heads in the expenditure of their school budgets. Where additional funds have been 'earmarked' and allocated to the school by the Council for a specific purpose, those funds may only be used for that purpose.

Provision of Financial Information and Reports

33. All schools will be required to provide the Council with details of both actual expenditure and income incurred in a format and at times that will be determined by the Director of Children's Services. These details will be required no more than once every three months except for these connected with tax or banking reconciliation – unless the Council 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. The Director of Children's Services will supply schools with information on their own school's income and expenditure incurred centrally on behalf of schools in sufficient detail to enable Governors to fulfil their management role effectively. An annual timetable will be provided to all schools for the provision of this information.
34. The Director of Finance is responsible for the maintenance and production of the Council's statutory accounts which incorporate school income and expenditure transactions. The Accounts and Audit Regulations require that transactions should be entered into the statutory accounts as close to the date of the transaction as possible.

Control of Assets

35. Governors are responsible for ensuring that proper security is maintained for all buildings, furniture, equipment, cash, etc. under their control.
36. Governors are responsible for ensuring that there is adequate control of the access to the use of computer terminals.
37. Governors should follow the advice of the Director of Children's Services as necessary on all matters relating to security.

38. The Head is responsible to the Governors for ensuring that suitable arrangements are made for secure custody of keys to buildings, safes and any other place of security.
39. No school asset shall be used by an employee other than in the execution of duties and no school asset shall be removed from school premises, unless such use has been approved by the Head who will be responsible for ensuring the provision of necessary security and insurance cover.

Inventories

40. Governors are responsible for ensuring that an up to date inventory of equipment is maintained at the school.
41. The Head is responsible to the Governors for keeping an up to date inventory of equipment, valued £1,000 and above and, belonging to the school in accordance with the instructions issued by the Director of Children's Services. Items valued between £100 and £999 also need to be included in an up to date inventory and it is suggested that the instructions issued for items valued £1,000 and above are followed.
42. The Head shall be responsible for ensuring that a check of inventory items is performed at least once a year. The headteacher or his/her authorised delegated senior staff member shall certify the accuracy of the inventory at the time this check is performed.
43. Governors shall annually authorise the write-off and disposal of obsolete equipment. Any proceeds from the disposal of any equipment shall be credited to the delegated budget.

Payment of Salaries

44. Schools are subject to the Council's procedures for the payment of salaries which will be published separately.
45. **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. 3995) come 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) 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.'

Teachers Pension Scheme

- 46. In order to ensure that the performance of the duty on the Authority to supply Teachers Pensions with information under the Teachers' Pensions Regulations 1997, the following conditions are imposed on the Authority and governing bodies of all maintained schools covered by this Scheme in relation to their budget shares and come into effect on 1 November 2002:
- 47. The conditions only apply to governing bodies of maintained schools who have not entered into an arrangement with the Authority to provide payroll services.
- 48. A governing body of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or agreement with a person other than the Authority to provide payroll services, shall ensure that any such arrangement or agreement is varied to require that person to supply salary, service and pensions data to the Authority which the Authority requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The Authority will advise schools each year of the timing, format and specification of the information required. A governing body shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions (AVCs) are passed to the Authority within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

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

Internal and External Audit

50. The Council has a statutory duty to maintain an adequate and effective internal audit of the accounts of the Council and has delegated this to the Director of Finance. As part of this duty, there is also a responsibility for auditing accounts relating to the delegated budget, appraising the adequacy of procedures employed by Governors to secure economy, efficiency and effectiveness in the use of their resources, and to consider the system of internal financial controls and their operation.
51. Schools are subject to the Council's external audit regime as determined by the Audit Commission.
52. The Director of Finance, or an authorised representative, shall have the right to:
- a) access at all times to such records and documents, including computer data and correspondence relating to any financial and other transactions of the school, as appear to him/her to be necessary for the audit;
 - b) require and receive such explanations as are necessary, in his/her opinion, concerning any matter under examination;
 - c) require any employee at the school to produce cash or any other Council property under his/her control.
53. Cases of suspected fraud, misappropriation of money, materials or equipment, or any mismanagement of money or other assets, or any irregularities, either official or unofficial must be reported immediately to the Head of Audit who in consultation with the Director of Children's Services will decide if and when referral to the police is appropriate.
54. Where an irregularity is disclosed after investigation, a report will be submitted by the Head of Audit to the Director of Children's Services. The Director of Children's Services will advise the governors as appropriate.
55. The Director of Children's Services will issue instructions on internal financial control and on the maintenance of financial records in accordance with guidance from the Director of Finance.

56. All schools will also be subject to audit by the Council's external auditors. Schools, may if they wish, use their budget share to pay for their own independent external audit.
57. All schools are required to provide an annual audit certificate for all voluntary and private funds held by the school.
58. The Director of Finance has a right to attend Governors meetings where items are relevant to the exercise on his/her duties.

Purchasing, Tendering and Ordering

59. All contracts shall be made in accordance with the Council's contracts code of practice except where compliance with the Council's Code would require schools:
 - a) to do anything incompatible with any of the provisions of the scheme, or any statutory provision, or any EU Procurement Directive;
 - b) to seek Local Authority officer countersignature for any contracts for goods or services for a value below £60,000 in any one year;
 - c) to select suppliers only from an approved list; and
 - d) to seek fewer than three tenders in respect of any contract with a value exceeding £10,000 in any one year.
60. When considering potential contractors, schools must take into account (where relevant) the Health and Safety competence of the contractors.
61. Governors and schools must comply with the Council's detailed purchasing, tendering and ordering instructions, which will be published separately.
62. 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 Council as maintainer of the school and the owner of the funds in the budget share. Other contracts may be made solely on behalf of the governing body, when the governing body has clear statutory obligations e.g. contracts made by aided or foundation schools for the employment of staff.
63. Where governors have decided that their school shall be included in the authority arranged contract for services provided under competitive tendering arrangements, governors shall comply with the terms and conditions of the authority's contracts in relation to these services.

Centrally arranged Contracts

64. The children's Services Department arranges a number of contracts on behalf of schools for the supply of services such as cleaning and ground maintenance. All schools have the option of joining these

contracts and will be consulted about the specification and the tendered prices. No school is committed to being part of the contract until it accepts the tendered price. However, once the price has been accepted, a school is committed for the length of contract.

65. Any school who agrees to be included in the current central catering arrangements are committed to the present catering contractors until the end of the contract period, unless the Director of Children's Services gives written permission for a school to make other arrangements.
66. The Director of Finance has arranged a banking contract with Barclays Bank which expires in 2011. All community and voluntary aided schools, apart from one primary school and two secondary schools, participate in the contract. Schools included in the current contract arrangements during the 2006/07 financial year are committed to the present banking contract until March 2011. Schools who wish to change to a new bank or building society are required to give notice as specified in paragraph 82.

Specific Central Funding

67. The Director of Children's Services will from time to time, notify schools of sums of money which are available to the school but do not form part of the schools budget share. Schools will be given sufficient time and information to make any necessary bids. The Director of Children's Services will publish details of any allocation methodology. These sums of money will normally be for specific purposes and will be subject to conditions setting out the purpose for which the funding may be used.
68. The sums of money must be separately accounted for in accordance with instructions issued by the Director of Children's Services. They must not be used for any purpose other than the one stated in the allocation notification unless permission for virement has been given by the Director of Children's Services.
69. The Council will not charge schools for any interest costs incurred by the Council due to payments to schools of devolved specific or special grant.

Spending for Purposes of the School

70. Budget share should only be used for the purposes of the school in accordance with Section 50(3/b) of the School Standards and Framework Act 1998. If a school has any doubts as to whether an item of expenditure is for school purposes, they must consult the Director of Children's Services.

Capital Spending

71. Capital expenditure falls outside the scheme. However, all schools may spend part of their budget share on capital developments such as new building and equipment. In order to comply with current legislation on capital expenditure limits, any school undertaking such expenditure

from their budget share must notify the Director of Children's Services. If the premises are owned by the Local Authority, or the school has voluntary controlled status the school must obtain permission from the Director of Children's Services before making any alterations to buildings since this could affect the Council's liabilities. However, permission can only be withheld on Health and Safety grounds.

Financial Management Standard in Schools

72. All maintained schools must demonstrate compliance with the DCSFs Financial Management Standard in Schools in line with the timetable determined by the authority, and at any time thereafter.
73. The authority may require schools to demonstrate compliance through the submission of evidence showing that the school has undergone an external assessment. External assessment must be carried out by the authority or by a third party that has been approved to carry out such assessment by either the DCSF or the local authority.

Notice of Concern

74. 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 local authority or the school.
75. 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:
 - a) insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;
 - b) insisting that an appropriately trained/qualified person chairs the finance committee of the governing body;
 - c) placing more stringent restrictions or conditions on the day to day financial management of a school than the scheme requires for all schools – such as the provision of monthly accounts to the local authority;
 - d) insisting on regular financial monitoring meetings at the school attended by local authority officers;
 - e) requiring a governing body to buy into a local authority's financial management systems; and
 - f) 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.

76. The notice will clearly state what these requirements are and the way in which and the time by which such requirements must be complied with in order for the notice to be withdrawn. It will also state the actions that the authority may take where the governing body does not comply with the notice.
77. Where a notice of concern is issued, once the governing body complies with the requirements imposed, the notice will be withdrawn.

INSTALMENTS OF THE BUDGET SHARE AND BANKING ARRANGEMENTS

Instalments of the Budget Share

78. Payments of the schools budget share will be made in 12 or 13 instalments, in accordance with the details set out in Appendix 4. Payment of instalments from 1st May onwards each year will be subject to the receipt of a satisfactory budget plan.
79. Payments of budget shares will be made by BACS direct to the school bank account.

Interest Clawback

80. The Council does not at present, intend to clawback interest lost by the Council in making the budget share available in advance.

Interest on late budget share payments

81. Budget share instalments paid to schools by the Council are profiled to ensure that there is no cash flow disadvantage to the Council or schools. In the event that budget share instalments are not paid in accordance with this profile the Council will add interest to late payments of budget share instalments, where such late payment is the result of a Council error. The interest rate used will be the current Bank of England base rate.

Bank and Building Society Accounts

82. Schools using the Council's bank who wish to change to a new bank or building society must give 4 months notice of such a change.
83. Bank accounts may only be opened with the institutions listed in Appendix 3 to the scheme, subject to the current contractual arrangement with Barclays Bank which expires in March 2011, or others which the Director of Finance may authorise in the future. Schools with external bank accounts can retain all interest payable on the account unless they have an account with a Local Authority contract.

84. Former GM schools can nominate as their account for budget share payment the account used in 1998-99 for payments of AMG by the FAS.
85. Schools may have accounts in their own name, rather than that of the Council. If a school does not have a bank account in its own name the bank account mandate should provide that the Council is the owner of the funds in the account. The Council is entitled to receive bank statements and can take control of the account if the school's right to a delegated budget is suspended by the Council.
86. If a school, currently in the Council's bank contract, opens an external bank account, the Council will, immediately transfer to the account an amount agreed by both school and Council as the estimated surplus balance.
87. All cheques should require and be signed by two authorised signatories. The authorised signatories must be employees of the Council or the School.
88. All disbursements from the bank account and petty cash shall be supported by adequate vouchers and records.
89. The Head is responsible for the operation of the school's bank accounts in accordance with any instructions of the Director of Children's Services.

Borrowing by Schools

90. Schools may only borrow funds external to the Council with the written permission of the Secretary of State.
91. Schools may apply for interest free loans from the Council in accordance with the terms and conditions of the Council's loans scheme. These include the following:

Definition and amount of loan

A "loan" is used here to describe a planned deficit in a school's budget in order to finance a major planned item of expenditure, which has been agreed by the Authority as allowable in anticipation of the school's future budget share.

The minimum and maximum loan (s) to be granted to an individual school, would be:

- minimum: £2,000
- maximum: £75,000 for nursery schools, £150,000 for primary schools, £200,000 for special schools and £250,000 for secondary schools.

Period of loan and interest rates

Principal and interest to be repaid over a minimum period of two years and a maximum of 10 years (maximum 5 years for equipment).

Schools will be invoiced at the beginning of the financial year. Thus the first repayment will be made from the budget share in the year following the one in which the loan is granted. Consideration will be given to loans for a period of more than five years that are not building works based on the merits of the proposals.

Type of project to be funded

The type of projects for which a loan would be considered are:

- a) repairs, maintenance or improvements to school properties;
- b) investment projects which produce a future revenue saving (for example, schemes to improve energy efficiency);
- c) projects to improve security in schools;
- d) purchases of major items of equipment, including computer equipment.

Approval of loan

Loans will be subject to joint approval of the Directors of Children's Services and Finance.

The granting of all loans will be at the discretion of the relevant chief officer and subject to the financial circumstances of the Council at the time.

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

Surplus and Deficit Balances

- 92. Any short fall or excess in expenditure relative to the schools budget share for the year (i.e. the balance) will be carried forward to the following financial year.
- 93. All balances of schools maintained by the Council at 31st March each year will be carried forward into the following financial year. Estimated carried forward balances from the previous financial year must be included in the schools approved budget plan for the year. School budget plans must be contained within the total of the schools budget share plus the estimated carried forward balance. Plans showing deficits at the year end will not be accepted unless, in exceptional circumstances, this has been approved by the Director of Children's Services. Approval will only be granted on the production of an agreed plan showing how the deficit will be eliminated within a specified timescale as agreed between the Director of Children's Services and the School, the maximum time scale being 5 years.

The maximum deficit that will be approved is 20% of the School Budget Share.

Deficits may be approved for the following purposes:

To enable the full curriculum to be delivered while expenditure is

reduced in a planned manner over an agreed timescale.

To support a school/s who is required to re-structure or reduce expenditure immediately, due to a significant in year reduction in funding. This would normally be related to a reduction in pupil numbers.

To support a school/s who is required to carry out emergency building repairs and who do not have sufficient resources available within their overall funding.

The maximum total of approved deficits will not exceed 20% of the school balances.

Deficit balances cannot be written off by the Council.

94. If, in accordance with paragraph 85, a planned deficit has been approved by the Director of Children's Services, and the school proposes to spend amounts received by it in respect of School Standards Grant on purposes other than reducing the approved deficit, the Council will agree to such a proposal unless in the Director of Children's Services view the proposed expenditure is unreasonable in the school's financial circumstances.

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

- a. the Authority shall calculate by 31 May each year the surplus balance, if any, held by each school as at the preceding 31 March. For this purpose the balance will be the recurrent balance as defined in the Consistent Financial Reporting Framework;
- b. the Authority shall deduct from the calculated balance any amounts for which the school has a prior year commitment to pay from the surplus balance and any unspent Standards Fund grant for the previous financial year;
- c. the Authority shall then deduct from the resulting sum any amounts which the governing body of the school has declared to be assigned for specific purposes permitted by the authority, and which the authority is satisfied are properly assigned. To count as properly assigned, amounts must not be retained beyond the period stipulated for the purpose in question, without the consent of the Authority. In considering whether any sums are properly assigned the Authority may also take into account any previously declared assignment of such sums but may not take any change in planned assignments to be the sole reason for considering that a sum is not properly assigned.
- d. if the result of steps a-c is a sum greater than 5% of the current year's budget share for secondary schools, 8% for primary and special schools, or £10,000 (where that is greater than either

percentage threshold), then the Authority shall deduct from the current year's budget share an amount equal to the excess.

96. Funds deriving from sources other than the Authority will be taken into account in this calculation if paid into the budget share account of the school, whether under provisions in this scheme or otherwise.
97. Funds held in relation to a school's exercise of powers under s.27 of the Education Act 2002 (community facilities) will not be taken into account unless added to the budget share surplus by the school as permitted by the Authority.
98. The total of any amounts deducted from schools' budget shares by the Authority under this provision are to be applied to the Schools Budget of the Authority.

Interest on Balances

99. Interest will be payable or chargeable on the balances of Schools in the Councils banking contract with Barclays Bank which commenced on 1 April 2001. The interest will be calculated in accordance with guidance issued to schools by the Director of Finance.

Balances of Closing or Amalgamated (Replacement) Schools

100. Any balance at the date of closure or amalgamation (replacement) of a school reverts to the Council.

INCOME

101. All income from lettings, fees and charges (unless they relate to a service provided from central Council funds) and other funding raising activities, will be retained by the school as an addition to the school budget share and paid into the official school bank account.
102. Schools may cross-subsidise lettings for voluntary and community use from income from other lettings, provided no charge is thus made on the budget share.
103. Income from the sale of assets (which were purchased with delegated funds) may be retained by the school as an addition to the school budget share. Income from the sale of land or buildings owned by the Council reverts to the Council.
104. The Governors' policy on charging for school activities shall be reviewed by them at least annually and any revisions formally approved. All charges shall conform to current legislation.
105. Charges made for the letting of school premises other than use for further education or other purposes sponsored by the Council are the responsibility of the governors. The scale of charges for such lettings should be reviewed annually by the governors, who should formally approve any revised scale of charges and agree the policy on the number and type of free lettings allowed. Any free lettings policy

should ensure there should be no net cost to the school budget share from lettings.

106. Charges made for the Council sponsored lettings referred to above shall be at rates determined by the authority.
107. Governors are responsible for the security, collection and banking of school money and shall ensure compliance with the procedures defined by the Director of Finance.
108. The recommendation as to whether or not to take action to collect amounts of school money which are unpaid shall be made by schools, but any such amount shall be referred to the Director of Finance under the Accounts and Audit Regulations for approval to collect or to write off as considered appropriate.
109. Governors shall ensure that all income is supported by adequate receipts and vouchers.

THE CHARGING OF SCHOOL BUDGET SHARES

Direct Charges against School Budget Shares

110. Charges by the Council against the schools budget share will require the agreement of the Governing Body (or if authority is delegated, the Head) unless the expenditure falls into one of the following categories. The Council will consult schools as to the intention to charge and notify schools when it has been done.
111. Where the Council is operating a payroll for the school, the Council will charge salaries of school-based staff to school budget shares at actual cost.

Circumstances in which Charges may be made

112. Where premature retirement costs have been incurred without the prior written agreement of the Council to bear such costs (the amount chargeable being only the excess over any amount agreed by the Council).
113. Other expenditure incurred to secure resignations where the school had not followed Council advice.
114. Amounts of Tax and National Insurance deductible on remuneration payments made direct to staff by schools in error.
115. Awards by courts and Employment tribunals against the Council, or out of court settlements arising from action or inaction by the governing body contrary to the Council's advice.
116. Expenditure by the Council in carrying out health and safety work or capital expenditure for which the Council is liable where funds have been delegated to the governing body for such work, but the governing body has failed to carry out work required following notice from the

Director of Children's Services.

117. Expenditure by the Council incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the Council or the school has voluntary controlled status, following notice from the Director of Children's Services.
118. Expenditure incurred by the Council 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 Council.
119. 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 Council.
120. Recovery of penalties imposed on the Council by the Board of Inland Revenue, the Contributions Agency or HM Customs and Excise, Teachers Pensions or regulatory authorities as a result of school negligence.
121. Correction of Council errors in calculating charges to a budget share (e.g. pension deductions).
122. Additional transport costs incurred by the Council arising from decisions by the governing body on the length of the school day, and failure to notify the Council of non-pupil days resulting in unnecessary transport costs.
123. Legal costs which are incurred by the Council because the governing body did not accept the advice of the Council.
124. Cost of work done in respect of teacher pension remittance and records for schools using non-Local Authority payroll contractors, the charge to be the minimum needed to meet the cost of the Council's compliance with its statutory obligation.
125. Costs of necessary health and safety training for staff employed by the Council, where funding for training had been delegated but the necessary training not carried out, following notice from the Director of Children's Services.
126. 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.
127. Expenditure incurred by the Council in order to make the provision required in a pupils statements of Special Educational Needs, if the Governing body has failed to make the necessary provision despite the delegation of funds in respect of that statement.
128. Expenditure incurred by the Council in order to provide the required Education Welfare provision, if there is evidence that the school has

not taken sufficient or appropriate steps to follow up and report irregular absence or periods of ten day absence or to meet their attendance targets.

129. Costs incurred by the Council due to submission by the school of incorrect data.
130. Recovery of amounts spent from specific grants on ineligible purposes.
131. Costs incurred by the Council as a result of the governing body being in breach of the terms of a contract.
132. Consequential costs incurred by the Council when schools do not supply financial information in the required format and at the required time.

TAXATION

133. Schools will need to account for all VAT separately in accordance with instructions issued by the Director of Finance. The amounts paid for VAT will then be reimbursed to schools quarterly in accordance with the returns made by schools. Schools must abide by the procedures issued by the Director of Finance on Construction Industry Taxation Scheme (CIS).

PROVISION OF SERVICES AND FACILITIES BY THE COUNCIL

134. The Council determines the basis for the provision of services it offers to schools on the basis of trading arrangements or otherwise. Each year the Director of Children's Services will notify all schools of the individual services which are being offered by the Council to schools. Schools will have at least a month to consider the terms of the trading account agreements but must sign up by the last Friday in May for the trading account to be effective for the current financial year. All schools will be entitled to buy into these services and no school will be discriminated against on the basis of its category. Any agreement to purchase a service will be for a minimum of 1 year and a maximum of 3 years from the inception of this scheme. For subsequent periods, the maximum length of any agreement will continue to be 3 years.
135. The Director of Children's Services has issued separate guidance on the circumstances in which the cost of PRC and redundancy payments may be charged to school budget shares.
136. Services will normally be provided on an individual basis and schools will be free to choose whichever service(s) they wish to buy into. Any packaging of services will ensure that it does not unreasonably restrict schools freedom of choice amongst the services available.
137. When a service is provided for which expenditure is not retainable centrally by the Council under the Regulations made under section 46 of the Act; it must be offered at prices which are intended to generate income which is no less than the cost of providing those services. The

total cost of the service must be met by the total income even if schools are charged differentially.

Property

138. Governors of County/Community schools shall ensure that lessees and/or other prospective occupiers shall not be allowed to take possession or enter on to land in the ownership of the Council until a lease or agreement, in a form approved by the Borough Solicitor in consultation with the Director of Finance and the Director of Children's Services as appropriate, has been signed.

INSURANCE

139. Where a school makes its own insurance arrangements, then it will need to demonstrate to the satisfaction of the Director of Finance that the insurance cover it has arranged, is at least as good as the cover arranged by the Council under its central insurance contracts. The Council shall 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.
140. Governors and schools are subject to the Council's insurance procedures which are published separately.

MISCELLANEOUS

Governors Expenses

141. 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. No payment of any other allowances should be made. Where a school is under special measures, the school may not pay expenses to those additional governors appointed and paid by the Secretary of State.

Liability of Governors

142. The Governing Body is a corporate body and under the terms of s.50(7) of the SSAF Act, 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.

Health & Safety Policy

143. Both the Governing Body and the Council retain certain responsibilities in respect of Health and Safety.
144. In carrying out its responsibilities for managing the delegated budget, the Governing Body must have regard to the Council's published policy on Health & Safety.

Delegation to New Schools

145. Where a new school has not yet been given delegation of its budget share, the Council may decide to delegate responsibility for managing part or all the budget to the Governing Body.

Optional Funding

146. Where a school is able to exercise the option of a particular item then the school can only take up this option from the start of a financial year by giving notice in writing to the Director of Children's Services at least one month in advance of the financial year.

Legal Advice

147. Where there is a conflict of interest between the Council and the Governing Body, the Governing Body should seek independent legal advice. The Borough Solicitor can provide a list of appropriate firms of solicitors.

Whistleblowing

148. School staff are required to immediately report suspected fraud, corruption or financial irregularity directly to the Head of Audit rather than through line management, as in the case of other types of concerns. Internal Audit will be responsible for undertaking the investigations including liaison with senior management and other such officers as are necessary and for referral to and liaison with the police.

Child Protection

149. Staff may need to be released to attend child protection case conferences and other related events. The schools have to meet the costs of staff attending meetings but any related staff suspensions will be funded centrally.

School Meals

150. Governing bodies must pay regard to the Council's school meal policy document when discharging their duties in relation to school meals as these have been delegated along with the funding.

RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

151. All expenditure on the repair and maintenance of premises is the responsibility of the Governing Body and must be met from the schools budget share. In carrying out repair and maintenance work, Governors must comply with the Code of Practice and other guidance issued by the Directors of Children's Services and Finance.
152. The Council retains **strategic** responsibility for **major** capital expenditure to premises. Capital expenditure, as defined by S.40 of the Local Government and Housing Act 1989 is for the enhancement or provision of buildings and sites. Enhancement must lengthen substantially the

useful life of the asset or increase substantially the open market value of the asset; or increase substantially the extent to which the asset can be used for the functions of the LEA.

153. Appendix 5 gives examples of the types of expenditure falling into capital and revenue. Voluntary aided schools should note the information in Appendix 5, which should be read alongside the information in 'Funding for premises-related work at Voluntary Aided schools in England' effective from 1 April 2002.
154. Schools reading this electronically can access further advice from the DCSF Teachernet web sites which give general advice on the types of capital funding available with various links to the specific sources of capital available. [Voluntary Aided Schools Capital Funding](#) gives more specific advice for Voluntary Aided schools, with various links.
155. Schools should note that the Council operates a de minimus level for works of a capital nature, below which expenditure of a capital nature should be met from revenue budgets. It is currently £2,000 for schools.
156. Schools also have access to Devolved Formula Capital which is Standards Fund Grant for capital works in school buildings. Devolved formula capital can be spent directly by schools on works of a capital nature that are a priority in the School's Asset Management Plan. Devolved Formula Capital can be used for Condition or Suitability related work. All works must be undertaken in accordance with the Code of Practice and other guidance issued by the Directors of Children's Services and Finance. Community and Foundation Schools should seek approval to use Devolved Formula capital and for the release of resources into the school's budget from the Planning Development and Governor Support Team, using Form DevCap1. Voluntary aided schools should follow the published guidance, which is also available on the above website. Schools seeking specific advice can obtain this by email from sdaniels@wandsworth.gov.uk or dwmain@wandsworth.gov.uk

COMMUNITY FACILITIES POWER

Introduction

157. 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 the Council and to have regard to advice from the Council. 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.
158. However, under s.28(1), the main limitations and restrictions on the power will-be
 - a) those contained in schools' own instruments of government, if any;

and

b) in this scheme for financing schools.

159. Schools are therefore subject to prohibitions, restrictions and limitations in the scheme for financing schools.
160. This section of the scheme does not extend to joint-use agreements; transfer of control agreements, or agreements between the Council and schools to secure the provision of adult and community learning.
161. The budget share of a school may not be used to fund community facilities – either start-up costs or ongoing expenditure - or to meet deficits arising from such activities.
162. Mismanagement of community facilities funds can be grounds for suspension of the right to a delegated budget.

Consultation with the Council – Financial Aspects

163. Before exercising the community facilities power, governing bodies must consult the Council, and have regard to advice given to them by the Council.
164. Schools are required to provide written business plans for the proposed community facility. This information should be provided at least three months before the proposed starting date for the provision of any new facilities by the school. The business plan will include details of the purpose of the facility, financial projections for the next two years and how it will be operated by the school. The Council will provide advice within one month of receiving the information detailed in this paragraph.
165. Schools are required to inform the Council what action has been taken following the Council's advice.

Funding Agreements – the Council's Powers

166. The provision of community facilities in many schools may be dependent on the conclusion of a funding agreement with a third party which will either be supplying funding or supplying funding and taking part on the provision. A very wide range of bodies and organisations are potentially involved.
167. Schools must submit any proposed funding agreement with a third party to the Council for its comments. Schools are required to submit these funding proposals at least three months before they intend to sign the agreement.
168. If an agreement has been or is to be concluded against the wishes of the Council, or has been concluded without informing the Council, which in the view of the Council is seriously prejudicial to the interests of the school or the Council, that may constitute grounds for suspension of the right to a delegated budget.

Other Prohibitions, Restrictions and Limitations

169. If the Council believes that the proposed project carries significant financial risks, the governing body concerned shall make arrangements to protect the financial interests of the Authority by obtaining indemnity insurance for risks associated with the project in question, as specified by the LEA.

Supply of Financial Information

170. Schools which exercise the community facilities power shall provide a summary financial statement every six months to the Council. The statement shall show 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.
171. If the Council 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, on giving notice to the school financial statements shall be supplied every three months and, if the Council sees fit, a recovery plan for the activity in question shall be submitted.

Audit

172. School shall 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.
173. Schools, in concluding funding agreements with other persons pursuant to the exercise of the community facilities power, shall ensure that such agreements contain adequate provision for access by the Council 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 Council to satisfy itself as to the propriety of expenditure on the facilities in question.

Treatment of Income and Surpluses

174. Schools shall retain all net income derived from community facilities except where otherwise agreed with a funding provider, whether that be the Council or some other person.
175. School shall carry such retained net income over from one financial year to the next as a separate community facilities surplus, or, subject to the agreement of the Council at the end of each financial year, transfer all or part of it to the budget share balance.
176. If the school is a community or community special school, and the Council ceases to maintain the school, any accumulated retained income obtained from exercise of the community facilities power reverts to the Council unless otherwise agreed with a funding provider.

Health and Safety Matters

177. The health and safety provisions of the scheme extend to the community facilities power.
178. 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.

Insurance

179. The governing body is responsible for ensuring adequate arrangements are made for insurance against risks arising from the exercise of the community facilities power, and should, as an integral part of its plans, undertake an assessment of the insurance implications and costs, taking professional advice as necessary. Such insurance should not be funded from the school budget share. The school should seek the Council's advice before finalising any insurance arrangement for community facilities.
180. The Council, in order to protect itself against possible third party claims 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 shall not be charged to the school's budget share.

Taxation

181. Schools should seek the advice of the Council 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 Council's VAT reclaim facility.
182. If any member of staff employed by the school or Council in connection with community facilities at the school is paid from funds held in a school's community facilities bank account, the school is likely to be held liable for payment of income tax and National Insurance, in line with Inland Revenue rules.
183. Schools are required to follow LEA advice in relation to the Construction Industry Scheme where this is relevant to the exercise of the community facilities power.

Banking

184. Schools shall maintain separate bank accounts for community facilities which are not part of school budget accounts. The requirements shown in paragraphs 82-89 of the scheme relating to banks and building societies also apply to community facilities.
185. In the case of a bank account which is used by the school in connection with community facilities the account mandate should not show the Council as the owner of the community facilities funds in the

account except insofar as these funds have been provided by the Council itself.

Borrowing

186. Schools are reminded that they may only borrow funds external to the Council with the written permission of the Secretary of State.

SCHOOLS SUBJECT TO THE SCHEME

Community Schools

Primary

Alderbrook School
Allfarthing School
Beatrix Potter School
Belleville School
Brandlehow School
Broadwater School
Chesterton School
Earlsfield School
Falconbrook School
Fircroft School
Franciscan School
Furzedown School
Granard School
Heathmere School
High View School
Hotham School
John Burns School
Penwortham School
Ravenstone School
Riversdale School
Ronald Ross School
Sellincourt School
Shaftesbury Park School
Sheringdale School
Sir James Barrie School
Smallwood School
Southmead School
Swaffield School
The Alton School
West Hill School
Westbridge
Wix School

Secondary

Battersea Technology College
Ernest Bevin College

Special

Bradstow School
Elsley School
Garratt Park School
Greenmead School
Linden Lodge School
Nightingale School
Oak Lodge School
Paddock School

Appendix 1

Voluntary Aided Schools

Primary

All Saints CE School
Christchurch School
Gatton School
Holy Ghost RC School
Our Lady of Victories School
Our Lady Queen of Heaven School
Roehampton CE School
Sacred Heart (Battersea) School
Sacred Heart (Roehampton)
St Anne's CE School
St Anselm's RC School
St Boniface RC School
St Faith's CE School
St George's CE School
St Joseph's RC School
St Mary's CE School
St Mary's RC School
St Michael's RC School
Trinity St Mary's School

Secondary

John Paul II RC School
Salesian College
St Cecilia's, Wandsworth

Foundation Schools

Primary

Albemarle School
Eardley School
Hillbrook School
Honeywell Infants School
Honeywell Junior School

Secondary

Burntwood School
Chestnut Grove School
Elliott School
Graveney School
Southfields Community College

SCHOOL :

The Governors of this school are committed to achieving Best Value in all decisions made. We use the principles of Best Value as they apply to securing continuous improvement in this school and will :

- ➡ Regularly review the functions of the school, challenging how and why services are provided and setting targets and performance indicators for improvement;

- ➡ Monitor outcomes and compare performance and expenditure with similar schools and within the school;

- ➡ Consult appropriate stakeholders before major decisions are made;

- ➡ Promote fair competition through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way.

We will strive to ensure that the school is using its resources effectively to meet the needs of pupils.

We will submit our Best Value statement with the annual budget plan. The progress of the annual budget plan and the Best Value statement will be monitored with the school development plan in order to determine the extent of continuous improvement.

The school has in place a strategy and a set of guidelines, updated annually, which will ensure that Best Value will be reviewed and demonstrated.

SIGNED HEADTEACHER :

SIGNED CHAIR OF GOVERNORS :

DATE :

APPROVED BANKING INSTITUTIONS

Bank Accounts can be opened with the following Institutions – subject to the notice period required under the current contractual arrangements with Barclays Bank, which expires in March 2011.
(Institutions listed in alphabetical order)

Abbey National plc
Barclays Bank plc
Bank of Scotland plc
HSBC Bank plc
Lloyds TSB Bank plc
Nationwide Building Society
The Royal Bank of Scotland plc

Appendix 4

Instalments of the Budget Share

Schools which operate their own payroll

Payments of the schools budget share will be made in 13 instalments.

½ monthly school budget share	1 st April
April – February: 1/12 of annual school budget share	3 days prior to schools monthly pay date
March: ½ of the monthly school budget share	3 days prior to schools monthly pay date

Schools may opt to receive the total budget share gross of pay costs. Those schools operating their own payroll will automatically receive their total budget share in instalments specified above. Schools using the Council payroll service will automatically receive budget instalments net of pay as detailed below.

Schools which do not operate their own payroll

Average monthly non payroll costs	1 st of each month
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Appendix 5

Responsibility for Repairs and Maintenance

Local Authority Capital/Revenue Split

Illustrative Examples in line with DfES interpretation of the CIPFA Code of Practice

NB: Actual interpretation of CIPFA Code of Practice for these purposes will be for each Local Authority

Element	Capital: As CIPFA Code Of Practice	Revenue: Repairs & Maintenance
Roofs <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 all/substantially all on existing roof	Repairs/replacement (uPVC) Repainting
	Drainage on new build	Clearing out gutter 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

Element	Capital: As Cipfa Code Of Practice	Revenue: Repairs & Maintenance
<u>Pitched</u>	Structure. New (not replacement) structure	Repair/replacement of small parts of an existing structure
	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
	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
	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
<u>Other</u>	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
	Rebuild or substantially repair structure of existing porch	
Floors <u>Ground Floor</u>	Structure and dpc in new building	Repair/replacement of small parts of an existing structure

Element	Capital: As Cipfa Code Of Practice	Revenue: Repairs & Maintenance
	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 eg. Revarnishing wooden floors
<u>Upper Floor</u>	Structure – as ground floor	As ground floor
	Screed and Finish – as ground floor	Repair of finishes/ Replacement – as ground floor
Ceilings <u>Top/only storey</u>	Suspension	Repair/replacement incl. From water damage and necessary decoration
	Membrane	
	Fixed	Repair/replacement inc. from water damage
	Access panels	Repair/replacement
<u>Lower storeys</u>	Suspension	Repair/replacement
	Membrane	
<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
External walls <u>Masonry/cladding</u>	Structure Underpinning/propping for new build	Repairs Preventive measures e.g. tree removal
	External Finish on new build	Repair/replacement of small parts of an existing structure e.g. repointing/recladding a proportion of a wall where failure has occurred
	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	

Element	Capital: As Cipfa Code Of Practice	Revenue: Repairs & Maintenance
<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 Improved security	Repair/replacement 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
Internal Walls <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 Refurbishment and alterations	Repairs and redecoration Minor alterations
<u>Doors and 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
Sanitary Services <u>Lavatories</u>	In new buildings provision of all toilet fittings, waste plumbing and internal drainage. Large scale toilet refurbishment	Repair/replacement of damaged sanitary ware, fittings, waste plumbing etc. Small areas of refurbishment

Element	Capital: As Cipfa Code Of Practice	Revenue: Repairs & Maintenance
	Provision of disabled facilities, and specialist facilities related to pupils with statements	Repair/replacement of damaged fittings, waste plumbing etc
<u>Kitchens</u>	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 projects, including fuel, storage, controls, distribution, flues etc. Safe removal of old/damaged asbestos boiler and pipework insulation, where risk to Health & Safety Planned replacement of old boiler/control systems past the end of their useful life Emergency replacement of boiler plant/systems	General maintenance of all boiler house plant including replacement of defective parts. Regular cleaning. Energy saving projects Monitoring systems Health & Safety issues Replacement of defective parts
<u>Cold Water</u>	Provision of cold water services, storage tanks, distribution, boosters, hose reels etc. in major projects	Maintenance and repair/replacement of defective parts such as servicing pipes. Annual servicing of cold water tanks
<u>Gas</u>	Distribution on new and major refurbishment's terminal units	Repair, maintenance and gas safety All servicing
<u>Ventilation</u>	Mechanical ventilation/air conditioning to major projects	Provision of local ventilation. Repair/replacement or defective systems and units
<u>Other</u>	Swimming pool plant and its complete installation, including heat recovery systems	Repair/replacement of parts to plant, pumps and controls. Water treatment equipment and all distribution pipework. Simple heat recovery systems. Solar heating plant and equipment

Element	Capital: As Cipfa Code Of Practice	Revenue: Repairs & Maintenance
<u>Electrical Services</u> <u>General</u>	Main switchgear and distribution in major projects Replacement of obsolete and dangerous wiring systems, including distribution boards	Testing/replacement of distribution boards. The repair and maintenance of all switchgear and interconnecting cables including that in temporary buildings 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 luminaries and emergency	Replacement of luminaires, all testing, adjustments and improvements to emergency
<u>Other</u>	Lightning protection in new build Alarm system, CCTV, lifts/hoists etc New installation of communication systems, radio/TV, call, telephone, data transmission, IT etc. and provision in new build	Repair/replacement Repair/replacement/ Maintenance, including all door access systems
<u>External Work</u> <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</u> <u>Distribution</u>	Heating mains, gas mains, water mains, electricity mains, renewal of any above	Annual servicing