



Families and Wellbeing Directorate

***Scheme
For Financing Schools***

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Section 1: Introduction

1.1 The Funding Framework

The funding framework which replaces Local Management of Schools is set out in the legislative provisions in sections 45-53 of the School Standards and Framework Act 1998. Regulations are codified by the School and Early Years Finance (England) Regulations 2012 made under the Act.

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 (LA) 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. LA's may deduct funds from their schools budget for purposes specified in regulations made by the Secretary of State under s.45A of the Act (the centrally retained expenditure). The amounts to be deducted for these purposes are decided by the authority concerned, subject to any limits or conditions (including gaining the approval of their Schools Forum or the Secretary of State in certain instances) as prescribed by the Secretary of State. The balance of the schools budget left after deduction of the centrally retained expenditure is termed the Individual Schools Budget (ISB). Expenditure items in the non-schools education budget must be retained centrally (although earmarked allocations may be made to schools).

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

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

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

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

The detailed publication requirements for financial statements are set out in directions issued by the Secretary of State.

1.2 The role of the scheme

This scheme sets out the financial relationship between Warrington BC and the maintained schools that it funds. It contains requirements relating to financial management and associated issues, which are binding on both the LA and on the schools.

1.2.1 Application of the scheme to the LA and maintained schools

This scheme applies to all community, nursery, voluntary, foundation, community special or foundation special schools, and Pupil Referral Units maintained by the LA (whether within the area of the Authority or elsewhere). The schools which the LA will be maintaining are listed in Annex A. It does not apply to schools within the Authority's area maintained by another LA, and nor does it apply to Academies.

1.3 Publication of the scheme

Regulations also require a LA to publish their scheme and any revisions to it on a website accessible to the general public, by the date that any revisions come into force, together with a statement that the revised scheme comes into force on that date. The current version of the scheme may be found at:

http://www.warrington.gov.uk/info/200327/school_management_and_financing/502/school_finance

Further copies of the scheme will be made available to the Governing Body and the Headteacher of each school covered by the scheme, and any approved revisions will be notified to each such school.

1.4 Revision of the scheme

Any proposed revisions to the scheme will be the subject of consultation with schools (governing bodies and headteachers) and will require the approval of the Schools Forum by members representing maintained schools only. 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.

It is also possible for the Secretary of State to make directed revisions to Schemes after consultation. Such revisions become part of the Scheme from the date of direction.

1.5 Delegation of powers to the Headteacher

The Governing Body of every maintained school should consider the extent to which it wishes to delegate its financial powers to the Headteacher. The LA does not set a limit to this delegation, though schools may seek its opinion on an appropriate level. However, Governors should have regard to the Headteacher's responsibility for day to day operation of the school and their overall responsibility for the school's budget. Any delegation of powers, or revisions to this, must be recorded in the minutes of the Governing Body.

The Governing Body is responsible for securing the approval of the first formal budget plan of each financial year, though it may delegate this power annually to a Finance Subcommittee. The Headteacher's role is to support Governors in the preparation of the budget plan.

1.6 Maintenance of Schools

The LA 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 a LA maintains schools is through the funding system put in place under sections 45 to 53 of the School Standards and Framework Act 1998.

Section 2: Financial Controls

2.1 General Procedures

2.1.1 Application of financial controls to schools

The Governing Body is responsible for managing and controlling the finances of the school within the framework prescribed in this Scheme and within rules set out in the Financial Regulations for Schools and the Schools Financial Regulations and Guidance

2.1.2 Provision of financial information and reports

The Governing Body should provide the LA with details of anticipated expenditure and income on an annual basis in the form of their draft budget. Details of actual income and expenditure should be sent to the LA on a monthly (or other frequency by agreement) basis as part of the Local Bank Account Reconciliation return and VAT Long Summary.

If the LA notifies a school in writing that in its view, the school's financial position requires more frequent submission, the school should provide information accordingly.

Information provided should take account of the Consistent Financial Reporting framework.

2.1.3 Payment of salaries; payment of bills

If delegated funds for the provision of Payroll services are utilised by schools to contract an external provider, then certain standards are required and some statutory responsibilities remain with the LA, as follows:

- Clear guidance should be obtained by the Section 151 Officer and I.T. before a contract for payroll services is entered into.
- The LA remains the employer for all Teachers and Local Government Pension related functions and therefore information at specific times in the year will be required to enable the LA to carry out its function.
- The LA retains reporting responsibility and therefore the school should provide such information necessary to facilitate the correct reporting of establishment expenditure.

The Section 151 Officer will undertake the payment of all invoices, except where an agreed local financial processing scheme is in operation e.g. a school bank account.

The Governing Body shall ensure that all claims and invoices are checked and certified by an authorised person as being correct for payment, and sent to the Executive Director of Families and Wellbeing Services for payment or processed locally, in sufficient time for payment to be made by the due date, and in sufficient time for any due discount to be claimed. At minimum, schools should ensure that payments for invoices are made within 30 days of the invoice date. This is a policy of both LA and central government. Where an invoice is in dispute, a query should be raised with the supplier as soon as possible. All invoices should be cleared, or queries raised, prior to long holiday periods.

The names and specimen signatures of all those officers are authorised to sign claim forms and invoices shall be submitted by schools to the Section 151 Officer and Executive Director of Families and Wellbeing Services, along with notification of any changes.

Wherever possible, the person certifying the invoice should not be the person who signed the order or checked the receipt of the goods or services.

In certifying an invoice the authorised person shall ensure that:

- The goods and/or services have been received.
- The price is in accordance with the quotation, tender or contract.
- Due account has been taken off any discounts available.
- The invoice is arithmetically correct.
- The invoice is addressed to Warrington Borough Council and therefore legally payable by the Borough Council.
- The invoice has not been previously paid, and where in exceptional cases a photocopy rather than the original suppliers invoice has to be submitted, the invoice shall be certified as “not previously pass for payment” do that duplicate payments are avoided.
- It is a proper detailed invoice rather than a statement of account and is in the correct form for VAT purposes.
- That any VAT amounts have been correctly identified within the coding of the invoice.
- That the expenditure, has been coded to the appropriate, valid, cost centre and GL code combination for the school, and is within the sum available in the appropriate school budget.
- That the order and school record have been updated to record that the invoice has been passed for payment.

Suppliers should be asked to quote on their invoices; the name of the school, the official Borough Council order number, the work and where it was undertaken or the goods delivered, and the delivery note number. They should also be instructed to send any invoices to the address specified on the official order form.

Where a payment is subject to VAT, a VAT invoice shall be obtained, and the VAT element shall be properly identified within the coding of the invoice. Failure to ensure that the VAT is properly reclaimed will result in costs being met out of school budgets unnecessarily.

The Section 151 Officer may examine all accounts passed for payment and request any further information or access to related documents as deemed necessary.

Where the decision has been made to retain invoices at the school following payment, the Governing Body shall be responsible for enforcing statutory regulations regarding their retention and access for inspection by HM Revenue and Customs.

Where, as a result of a school’s decision to opt for a local financial processing option, invoices are retained at the school, they should be clearly marked to indicate that they have been paid, and thereby avoid the risk of making duplicate payments.

2.1.4 Control of assets

Recording assets, ensuring their safe custody and their proper management, is the responsibility of the Governing Body, which should maintain proper security for all furniture, equipment, plant, stores and other assets.

The Governing Body is also responsible for the security of the school’s building and land and should ensure that procedures are operated to control access to the building and land at all times. Keys should be held by a responsible officer who should have the responsibility to ensure that buildings are securely locked when not in use.

An inventory should be maintained of all permanent, valuable and transportable items including vehicles, visual aid equipment, computer equipment, expensive tools, camping and sports equipment. Low cost i.e. below £1,000, or consumable items should not normally be included, although the school may retain such information for its own purposes. However, we encourage schools to register anything that is portable and attractive (such as a camera).

Items should be clearly and permanently marked as being Warrington Borough Council property and should be included in the inventory as soon as they are received. Whenever an item is disposed of, the inventory entry should be deleted with a reference to the reason or circumstances. A copy of the inventory, specifying the source of the funding for each item, should also be kept away from the school site.

The Governing Body should ensure that procedures are operated within the school to check the inventory at least annually and certify that it is correct. Any major discrepancies in the inventory should be investigated and reported to the Governing Body and to the Section 151 officer, Internal Audit Section.

No Borough Council property should be removed from the school except in the ordinary course of school business and no items can be used for other than school business without specific written permission from the Governing Body, when the item's removal should be fully documented and its subsequent return recorded.

Any surplus furniture, equipment, vehicles and plant may be disposed of by the Governing Body in order to obtain the best return for the item. The Section 151 Officer should be notified of the receipt of such proceeds.

2.1.5 Accounting Policies (including year-end procedures)

Financial Records and accounts kept by schools and Governing Bodies must be in a form which is compatible with those of the Borough Council, as it is the latter which form the statutory records and accounts for each school.

All accounting codes used shall conform to the approved standard code list, copies of which are available from the Section 151 Officer.

All financial transactions which affect the school's budget must be processed through the Borough Council's bank account, the school's bank account or imprest bank account, as approved by the Borough Council under an appropriate local financial processing scheme.

Financial statements are compiled using the concept that all revenue amounts are recognised as they are EARNED or INCURRED, and NOT as money received or paid. This is known as the 'accruals concept'.

Schools' financial year runs from 1st April to 31st March; schools must make all possible effort to ensure that all material financial commitments within this year are accounted for in the year-end process. A *de minimis* limit, decided annually by the LA, shall apply. Internal transactions between school and LA may not be accrued for.

2.1.6 Writing off debts

Local debt may only be written off with the express approval of the Governing Body. Indebtedness between the school and local authority must be subject to approval from the Section 151 officer or recognised deputy.

2.2 Basis of Accounting

Reports and accounts submitted to the LA should be on an accruals basis, i.e. expenditure and income must be allocated in the financial year in which it is incurred or earned. The school internal system may operate on a cash basis, but the school should ensure that the cost of modification is met to provide output required by the authority.

2.3 Submission of budget plans

After the budget share for the school has been determined by the LA and notified to schools (which it undertakes to do before 31st March each year), the Governing Body is required to set a detailed operational budget for the school for the financial year April to March. In order to be in a position to do this governing bodies are advised to identify provisional budgets in light of advice and guidance that they will have received from the LA.

Each Governing Body shall prepare and formally approve a detailed allocation of its budget, set to encompass all anticipated expenditure and income during the forthcoming financial year, in order to achieve their educational objectives in line with the School Improvement Plan. This may include expenditure on pupils at other maintained schools and community facilities.

Schools can take account of estimated deficits/surpluses at the previous 31st March in their initial budget setting. The allocation shall be prepared in the format specified by the Section 151 officer and when formally agreed should be sent to the Schools' Finance Team by 1st May each year.

2.3.1 Submission of financial forecasts

From the 2021 to 2022 funding year each school must submit a 3-year budget forecast each year, at a date determined by the local authority between 1 May and 30 June. This date will be notified in the Schools Funding Pack.

These forecasts will be used to confirm that schools are undertaking effective financial planning, used as evidence to support the authority's assessments of Schools Financial Value Standards, inform the authority's balance monitoring and review, and support the agreement of a short-term deficit arrangement, if applicable.

2.4 School Resource Management

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

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

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

2.5 Virement

Provided overall spending is contained within the total delegated budget, the Governing Body may approve transfers of budget between budget heads to facilitate a more effective deployment of resources and thereby aid their budget management. Budget virement should not however be undertaken merely to match budgets to actual expenditure and income.

The Governing Body should establish and approve a written policy in terms of budget virement. This should state which members of the school's staff have authority to undertake virement and at what financial level, and that the Governing Body's approval is necessary for any virement in excess of a specified amount or which relates to a significant change of policy.

Budget virement should only be undertaken for significant amounts, as detailed in individual schools' financial regulations.

2.6 Audit: General

An independent internal audit of the school's activities shall be provided by the Section 151 Officer as part of the Director's statutory obligations to ensure the correct use of public funds. The main purpose of the audit is to assure, alert and advise the Governing Body on the control and systems employed by them, to assist the school in achieving optimum economy, efficiency and effectiveness.

The Internal Audit staff shall have full access to schools' assets and LA records and transactions. They are entitled to ask for any information and explanations to help them complete their research.

The Headteacher will be provided with a report following every internal audit review of the school's activities, which the Headteacher shall present to the next meeting of the full Governing Body.

A draft internal audit programme will be laid before Schools Forum on an annual basis. This programme may involve a detailed examination of all/the majority of an individual schools' procedures, or it may focus on particular processes across a range of schools.

The Authority's external audit regime may require a similar level of record access to be afforded to the external auditors, and may involve sample visits to schools.

2.7 Separate external audits

The LA's external audit may require information from a school, or a site visit to school, as part of its duties.

Schools can, from their budget share, obtain an external audit certification of its accounts, separate from any LA internal or external audit process.

Any matters which involve, or are thought to involve, irregularities affecting cash, stores, other school property or the unofficial fund, shall be notified by the Headteacher to the Chair of Governors and to the Section 151 Officer and Internal Audit Section. The latter will then advise as to the best course of action to be followed. Written reports on the investigation of irregularities will be presented to the Governing Body, the Headteacher and the Director of Families and Wellbeing Services as soon as practicable by the LA's Chief Internal Auditor.

The Governing Body shall ensure that the staff of the LA's External Auditors are also granted full access to the school's assets, LA records and transactions. Full access to unofficial fund records and transactions must be granted to whoever is asked to properly audit these accounts. They are entitled to ask for any information and explanations to help them complete their research.

2.8 Audit of voluntary and private funds

In addition to the normal internal and external audits schools are required to provide a certificate of audit in respect of voluntary and private funds held by the school and the accounts of any trading organisations controlled by the school.

Official (delegated funding) and unofficial (private and voluntary funds) should never be mixed. No income which properly relates to a school's delegated budget should be credited to a non-official fund. Voluntary and private funds are not eligible to reclaim VAT on expenditure unless they have been separately registered thus.

2.9 Register of business interests

The Governing Body of each school must have in place a register that lists for each member of the Governing Body, the Headteacher and staff any business interests they or any member of their immediate family have, including details of any other educational establishments that they may govern. It should make clear any relationships between school staff and members of the governing

body. The register should be kept up to date with notification of changes and through annual review of entries and should be made available for inspection by Governors, staff, parents and the LA. It should also be made publicly accessible, such as by publishing to the school website.

The register of business interests should be formally referred to prior to the acceptance of quotations or the awarding of contracts. It should be minuted that this procedure has been followed.

2.10 Purchasing, tendering and contracting requirements

2.10.1 Obtaining Quotations

Where total expenditure over the duration of the contract is estimated to be less than £50,000, a Governing Body may enter into a contract without inviting the submission of tenders, but shall proceed instead on the basis that at least three, written, competitive, quotations have been obtained from suppliers. The exceptions to this are where the purchase is made *via* the Borough Procurement Officer, who will already have performed such market testing, or where it can be demonstrated that proper market testing has been performed by some other means for example; making reference to a wide variety of catalogues, or having recently obtained quotes from the same type of expenditure item.

The Governing Body should decide upon a lower limit on expenditure above which at least three written competitive, quotations must be obtained from suppliers, before placing an order. It is advised this limit should be £3,000 per individual item.

The Governing Body should establish the financial level (which should be substantially less than £50,000), below which the Headteacher may accept quotation and above which the approval of the Governing Body is required.

Schools may seek advice on a range of compliant deals via [Buying for schools](#).

2.10.2 Tendering Procedures

A tender is a written offer from a supplier to provide goods or services, usually in response to a written specification of the work required.

With respect of total expenditure over the duration of a contract to exceed £50,000, no tender should be invited unless the school is reasonably satisfied as to the technical capability and financial standing of the tenderer. The Section 151 Officer will on request check a company's financial standing in relation to any particular contract requirement. At least two weeks should be allowed for this.

Governing Bodies shall ensure that all tendering procedures comply with EU Regulations, and shall have regard to the requirements of the Local Government Act 1988 in respect of services defined by the Act as subject to competitive tendering.

Whenever tenders are invited the following procedures should be followed:

- The invitation to tender should indicate that tenders will only be received in a plain, sealed, envelope addressed to the Headteacher which shall bear the words "Tender for..." followed by the subject to which it related and a closing date and time for receipt of tender, but no other name or mark indicating the sender.
- The date and time of receipt of tenders at the school should be recorded and they should be retained securely until the closing date.

- All tenders should be opened at the same time, in the presence of the Headteacher or deputy, and at least one Governor, and the details of each bid should be recorded. These documents are confidential and their contents should remain confidential until such time as the results are published.

Should errors be found in a tender submission, the tenderer should be informed and given the opportunity to withdraw the tender offer, in the case of a genuine arithmetic error discovered before acceptance, the tenderer may be permitted to correct the error.

2.10.3 Contract Documentation

When a tender is accepted, a formal contract document should be drawn up, agreed and signed by all parties involved. It should contain full details of the goods, work or services to be provided, standard and quality requirements, price, and the penalties to be incurred by the contractor in the event of failure, including any legal and other costs arising from such for the LA. There should be reference to cancellation clauses in cases involving corruption or bribery.

Governing Bodies should ensure that a register is maintained of all contracts entered into by the school.

2.10.4 General

A quotation or tender which is not the lowest in financial terms may be accepted, if full consideration has been given by the Governing Body to all the quotations or tenders received and it is agreed that adequate non-financial grounds exist to take such action.

Quotations are not required in respect of recurring payments such as electricity, water, fuel, gas, rates or contract payments such as photocopier rentals.

Variation to an existing contract shall be approved by the Governing Body.

The Governing Body shall ensure that sufficient budgetary provision is available to meet all associated costs, before giving approval to accept a quotation or tender.

Any costs incurred by a Governing Body as a result of breaking the terms of a contract, either with an outside contractor or with the LA's Procurement Officer, will be charged to the school's delegated budget.

The Governing Body shall ensure that any contractor employed by them, has full insurance cover for any claims made against the contractor by a third party, arising from their contract with the Governing Body.

Technical advice in relation to contracts and tendering procedures should be obtained from Legal Services.

All actions in relation to quotations, tendering and contracts should be fully documented and retained by the school.

2.10.5 Lease or Hire Agreements

Only after prior written agreement with the Section 151 Officer shall a Governing Body enter an agreement to lease or hire items or services over a period of more than 12 months, where the sum of the rentals (after discounting them to current values) to be paid during the life of the agreement exceeds £6,000. This is because these items count against the LA's annual capital expenditure allocation.

Where a Governing Body is considering entering any agreement to lease or hire items or services, they should first consult the Section 151 Officer, to establish whether there are more advantageous methods of finance available e.g. corporately agreed lease agreement.

Finance lease arrangements are not permitted, as this constitutes an unauthorised borrowing.

2.11 Application of contracts to schools

Although Governing Bodies are empowered under paragraph 3 of schedule 1 of the Education Act 2002 to enter into contracts, in most cases they do so on behalf of the LA as maintainer of the school and the owner of the funds in the budget share. However certain contracts may be made solely on behalf of the Governing Body has clear statutory obligations – for example, contracts may be made by aided or foundation schools for the employment of staff.

Where a Governing Body enters into a contract on behalf of the LA the Executive Director of Families and Wellbeing Services may from time to time exercise a requirement for an LA officer to countersign a contract for goods and services which is over £60,000 in any one year.

Contracts referred to in this section mean any agreement entered into for the supply of goods or services, but do not include contracts of employment. Examples of such contracts include window cleaning, equipment purchase maintenance and support, and construction work.

Before entering into a contract for the supply of goods, materials or services, the Governing Body are recommended to consult the LA's procurement officer to consider whether the item can be better obtained via an existing central procurement arrangement. If a Governing Body buys work, goods or services through a central procurement contract, the terms of that contract are binding until the contract is complete.

Schools may opt out of any LA contracts subject to following correct procedures and notice periods.

2.12 Central funds and earmarking

The LA will from time to time make sums available from central funds, in the form of allocations which are additional to and separate from the schools' budget share. Such allocations should be spent in line with the purpose and condition set by the LA and not vired into the budget share.

The LA will not make any deduction, in respect of interest costs to the LA, from payments to schools of devolved specific or special grant.

Earmarked funds should be returned to the Authority if not spent within any period stipulated at the time of issue.

2.13 Spending for the purposes of the school

Governing bodies are allowed to spend budget shares for the purposes of the school, subject to complying with all legal requirements and the requirements of this scheme.

The Governing Body may not make or sanction gifts from public funds. Payments to staff in cash or kind, gifts or benefits are not permitted.

By virtue of section 50(3A) 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. The Secretary of State, under Section 50(3b) of the Standards and Framework Act may prescribe additional purposes for which expenditure of the budget share may occur. These allow schools to spend their budgets on pupils who are on the roll of other maintained schools and academies.

Governing bodies may not incur expenditure from the school budget for purposes which are properly the responsibility of other agencies.

2.14 Capital spending from budget shares

Governing bodies are allowed to use their budget shares to meet the cost of capital expenditure on the school premises. This includes expenditure by the Governing Body of a voluntary aided school on work which is their responsibility under paragraph 3 of Schedule 3 of the SSAF Act 1998. If there is expected capital expenditure from a school's budget share the Governing Body must notify the LA. If the proposed capital expenditure from the budget share exceeds £15,000 the Governing Body must take into account any advice from the School's Finance Officer as to the merits of the proposed expenditure.

If the LA owns the premises then the Governing Body should seek the consent of the LA to the proposed work, but such consent can be withheld only on health & safety grounds.

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

2.15 Notice of concern

The Local Authority may issue a notice of concern to the governing body of any school in maintains where, in the opinion of the Chief Accountant and the Executive Director of Families and Wellbeing Services, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of the authority or the school.

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

These may include:

- Insisting relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;
- Insisting that an appropriately trained/qualified person chairs the Finance Committee of the Governing Body;
- Placing more stringent restrictions or conditions on the day-to-day financial management of a school than the Scheme requires for all schools – such as the provision of monthly accounts to the authority;
- Insisting on regular financial monitoring meeting at the school attended by LA officers;
- Requiring a Governing Body to buy into the LA's financial management support or systems; and
- Imposing restrictions or limitations on the manner in which a school manages extended school activity funded from within its delegated budget share – for example by requiring a school to submit income projections and/or financial monitoring reports on such activities.

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

If the notice is not complied with, the Local Authority may decide that a withdrawal of financial delegation is appropriate.

2.16 Schools Financial Value Standard

All LA maintained schools (including nursery schools and pupil referral units (PRUs) that have a delegated budget) must demonstrate compliance with the Schools Financial Value Standard (SFVS) and complete the assessment form on an annual basis. It is for the school to determine at which time of year they wish to complete the form.

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

All maintained schools with a delegated budget must submit the form to the LA before the end of the financial year.

2.17 Fraud

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

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

2.18 Statement of Internal Control

This document should be completed following the process of the pre-certification checklist, and a copy of this should be submitted to the LA no later than the 31st July, or an appropriate equivalent date to accommodate scheduled school holiday periods.

Section 3: Instalments of the budget share; banking arrangements

NB: For the purposes of this section, “budget share” includes any place-led funding for schools or pupil referral units.

3.1 Frequency of instalments

The total of the original delegated budget share will be allocated to all maintained schools at the start of each financial year. Such variations as occur later will be issued as soon as appropriate; there is no other funding cycle in operation.

Top-up payments for pupils with high needs will be paid in appropriate instalments.

3.2 Budget shares for closing schools

Budget shares of schools for which approval for discontinuation has been secured may be provided on a monthly basis, net of estimated pay costs, until closure. This may supersede any previous schedule or frequency.

3.3 Bank and building society accounts

Where a school chooses to operate a Local Bank Account (LBA), the scheme will be as set out at Annex B (Main Scheme). This scheme utilises the bank account of the Authority.

The Governing Body is responsible for ensuring that procedures are operated within the school to permit only *bona fide* transactions to be made via the LBA. Any losses or costs arising in respect of a LBA, due to error, negligence or irregularity are the responsibility of the Governing body and will be charged against the school’s budget.

Payments made via LBAs may be for pay or non-pay budgets at the request of the Governing body.

In order to maintain separation of duties, all cheques should be signed by two signatories who are first provided with appropriate supporting documentation relating to the payment. The Governing Body should nominate a small number of senior members of staff, as authorised signatories for the LBA. Each should be given a limit of financial authorisation, appropriate to their needs, above which further authorisation is required.

The Governing Body shall ensure that blank cheque books and records relating to the LBA, shall be stored securely, and access to such is restricted to authorised members of staff at all times.

Monthly reconciliations of transactions made via the LBA in the approved format, shall be undertaken and forwarded to the Section 151 Officer, in order to ensure that the appropriate accounting analysis is entered into the school’s accounts with the Borough Council, as soon as possible.

It is however recommended that schools undertake reconciliations for their own benefit more frequently than monthly, in order to avoid difficulties in balancing the LBA and to permit discrepancies to be identified, investigated and resolved as soon as possible.

The Governing Body shall ensure that a separate reconciliation is performed at least monthly by the school, between the school’s bank reconciliation and the LA’s accounts as provided via financial reports from the Section 151 Officer. The reconciliation should be certified by the person undertaking it and should then be checked and certified by a second member of staff who is familiar with the operation of the LBA. Wherever possible the person who reconciles the LBA should not be in a position to process invoices for payment, or receive or process income.

All year-end procedures in respect of LBAs provided by the Section 151 Officer and as amended from time to time, shall be undertaken and adhered to.

Payments for goods and services shall always be made through the school's official bank account and not through an officer's or governor's personal bank account. An exception to this is for the purchase of minor items under £50, where a member of the school's staff may pay for items in the first instance, obtain a receipt, and then be reimbursed from the school's petty cash facility. Care shall be taken to ensure that this facility is not abused and follows school procurement procedures.

Maintained schools with budget surpluses may have an external bank account and may request that budget share instalments are paid into this; they will retain all interest payable on the account unless within a LA contract which stipulates otherwise. Schools with deficit balances will not be permitted to hold an external bank account until the deficit is cleared. If a school's right to a delegated budget is withdrawn by the LA, the Authority will assume control of the bank account.

3.3.1 Restrictions on accounts

An authorised signatory list should be submitted to both bank and local authority, and it is the school's responsibility to keep this maintained and up to date.

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

Where a school specifically requests an external bank account: -

- The Governing Body opts for the non-pay budget only then it shall determine a true and fair assessment of the school's proposed pay and non-pay budgets, for the purposes of the calculation of their LBA advances. Where the Section 151 Officer considers such an assessment has not been made, cashflow charges may be made against the school's budget.
- Schools shall not arrange any overdraft or credit facilities in relation to their LBA. The Governing Body should ensure that procedures exist within the school, to confirm that there are sufficient funds available in the LBA, before any expenditure commitment is entered into.
- The Governing Body should be presented with a cashflow budget at the beginning of each financial year, and progress statements during the year, to enable the Governing Body to monitor the Local Bank Account and ensure that it is correctly managed so as to avoid becoming overdrawn.
- Funds which are surplus to immediate requirements may be invested with the financial institutions named on the list of authorised institutions drawn up by the Section 151 Officer, but only in accounts which provide immediate access to the whole of the sum invested.

3.4 Borrowing by schools

Governing bodies may borrow money (which includes the use of finance leases) only with the express written permission of the Secretary of State, or under limited schemes made available to schools without specific approval in order to meet broader policy objectives (e.g. the Salix energy-saving scheme).

Governing bodies may only enter in lease or hire arrangements subject to section 2.10.5 of these regulations.

Schools are not permitted to use any type of credit card for any purchases, as these are regarded as borrowing. This includes cards either in the name of the school or any member of staff acting as an agent for the school. However schools may use/apply for a debit card (procurement card) which

has been approved by the LA i.e. Audit or Finance. This is encouraged to reduce transaction costs, to enable schools to benefit from significant purchase discounts and to facilitate electronic purchases.

3.5 Other Provisions

Schools which use debit or procurement cards should ensure that purchases made with them should be correctly recorded and coded with respect to the financial systems of both school and local authority, i.e. clear expenditure from clearing/holding account on a regular basis.

Section 4: The treatment of surplus and deficit balances arising in relation to budget shares

4.1 Right to carry forward surplus balances

The Section 151 Officer will provide the Governing Body with details of the school's accounts as soon as possible after the conclusion of each financial year, including the carry-forward balance. It is these accounts which form the statutory accounts for each school.

The Governing Body, in contemplating its budget allocation for the new year, should give consideration to the level of carry-forward from the previous year. In particular, they should consider whether the amount was expected (and if not, why not), whether the amount is considered reasonable in comparison to the total school budget and the level of contingency provision thought necessary, and by reference to the school's improvement plan and what proposals have been earmarked for the use of the carried forward balance.

4.2 Controls on surplus balances

The level of surplus balance should be reported by the Governing Body to parents in the annual Governors report. As of the Schools Forum recommendation of June 2018, the Authority no longer maintains a formal balance challenge process, and there is no longer any provision for identified excessive balances to be deducted. Nevertheless, the recommendation is that balances at a level which exceed the greater of either:

- 8% of the schools budget share for Primary and Special Schools; or
- 5% for Secondary Schools

should be considered exceptional, and the Governing Body should be briefed on both the reasons for this build-up of unspent balance, and the intended purpose for which the balance is earmarked in the subsequent financial years.

4.3 Interest on surplus balances

School-retained revenue balances at the opening and closing of each financial year shall be averaged and an annually determined interest rate will be applied before the closure of each respective financial year.

4.4 Obligation to carry forward deficit balances

Any overspending on a school's budget remaining at year-end, will be the first call on any monies invested in the Deposit Savings Scheme, and any overspending remaining thereafter will be deducted from the school's budget for the following year.

4.5 Planning for deficit budgets

Governing bodies should not plan a deficit budget, after taking into account carried forward balances. Schools with a deficit carry-forward are expected to be able to achieve a balanced budget in the following financial year.

However, exceptionally where schools can demonstrate that achieving such a balance within the next financial year will prove severely detrimental to the functioning of the school, the Executive Director of Families and Wellbeing Services may approve plans to achieve a balanced budget over a reasonably short timescale of two to three years ie a recovery plan.

In such instances the Governing Body must provide in writing to the Executive Director of Families and Wellbeing Services:

1. A full explanation of the situation, demonstrating that attempting to balance the budget in the next financial year would prove severely detrimental to the functioning of the school. The case submitted should be approved by the Executive Director of Families and Wellbeing Services in consultation with the Section 151 Officer.
2. A detailed action plan with proposed timescales, designed to achieve a balanced budget within an agreed timescale.
3. Termly reports to the Executive Director of Families and Wellbeing Services until the action plan, once approved, is fully implemented.

Governing bodies must formally consider and approve any variation from spending plans which result from significant policy changes.

The Executive Director may impose additional monitoring requirements on schools before consenting to a deficit budget, for example engagement of LA financial advisory support.

4.6 Charging of interest of deficit budgets

Not currently applied in Warrington Borough Council

4.7 Writing off deficits

The LA cannot write off a deficit balance for any school.

Funding to support schools in financial difficulty because of changing circumstances (PAN changes, pupil number growth, significant increases in low-cost SEN) may come only from a dedelegated contingency (agreed by Schools Forum) for mainstream schools, or a central budget for special schools and PRUs.

4.8 Balances of closing and replacement schools

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

4.9 Licensed deficits

There is provision for an arrangement whereby schools are allowed to plan for a deficit budget. Such an arrangement is normally funded by the collective surplus of school balances held by the authority on behalf of schools (although if there is no such surplus, we shall make alternative arrangements within the relevant local authority finance legislation). The licensed deficit should specify the following:

- the maximum length over which schools may repay the deficit (ie reach at least a zero balance), with appropriate mechanism to ensure that the deficits are not simply extended indefinitely. The maximum length allowed should not exceed three years
- the purposes for which the deficit arrangement may be agreed
- the maximum size of the deficits which may be agreed (this may be by reference to the size of the budget share or in cash terms or some combination)
- the maximum proportion of the collective balances held by the authority which will be used to back the arrangement

- the role of the Director of Children's Services and the Chief Finance Officer of the Authority in agreeing any arrangements for individual schools

We may extend such an arrangement by inviting schools holding balances in external bank accounts to use some or all of those balances to contribute to the arrangement.

Balances held by a school in an external bank account remain the property of the authority (if made available by the authority initially) and therefore may legally be taken into account by the authority in assessing the total level of licensed deficit which it might wish to make to schools, though it will consider the view of the school as to whether the authority should take them into account in this way. This provides assurance for the authority as well as schools.

Under a licensed deficit scheme the only effect on budget and out-turn statements is that in the latter, the balance goes into deficit because expenditure is at a higher level than the budget share, but this deficit reduces to zero by the end of the repayment period because the school has to constrain its expenditure to effect the repayment. No 'payment' to the school is recorded.

4.10 Loan Schemes

The authority does not currently have a loan scheme, and all indebtedness from the previous scheme has been cleared.

Loans will only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year. Loans will not be used as a means of funding a deficit that has arisen because a school's recurrent costs exceed its current income. If loans are made to fund a deficit and a school subsequently converts to academy status, the Secretary of State will consider using the power under paragraph 13(4)(d) of Schedule 1 to the Academies Act 2010 to make a direction to the effect that such a loan does not transfer, either in full or part, to the new Academy school.

Schools are permitted to group together to utilise externally held balances (i.e. balances held by schools in external bank accounts) for a 'credit union'. Such an arrangement may only proceed with appropriate audit certification, unless the LA itself acts as administrator of the arrangement.

Section 5: Income

5.1 Income from lettings

Schools may retain income from lettings of the school premises that would otherwise accrue to the LA.

The level of charge to be levied for each type of letting should be reviewed and approved annually by the Governing Body. School may cross-subsidise lettings for community and voluntary use with income from other lettings, provided there is no net cost to the budget share.

In accordance with the School Standards and Framework Act 1998 the LA may from time to time give advice and directions about the use of school premises out of school hours; Governing bodies must comply with any such direction made by the LA.

Income from lettings of school premises may not be paid into voluntary or private funds held by the school. However, where land is held by a charitable trust, it will be for the school's trustees to determine the use of any income generated by the land.

Governing bodies are responsible for all costs that may arise from letting school premises. If letting results in costs being incurred by the Education Committee on repairs or the replacement of buildings, grounds, or equipment, the LA reserves the right to charge the costs to the school's delegated budget.

The Governing Body shall ensure that where appropriate, VAT is charged on lettings and properly accounted for in accordance with the appropriate VAT regulations. Further advice may be obtained from the Section 151 Officer.

5.2 Income from fees and charges

Schools may retain income from fees and charges made by the school, except in certain circumstances e.g. services provided by the LA from centrally retained funds.

5.3 Income from fundraising activities

Schools may retain income from fundraising activities.

5.4 Income from the sale of assets

Schools may retain the proceeds of sale of assets, except in cases where the asset was purchased with non-delegated funds (in which case it is for the LA to decide whether the school should retain the proceeds), or the asset is land/buildings forming part of the school premises and owned by the Authority.

5.5 Administrative procedures for the collection of income

All income received by schools should be banked promptly and in its entirety.

Separate banking arrangements should apply to income pertaining to a bought-in meals service, i.e. ensure not centrally retained.

Procedures should be approved by the Governing Body which ensure adequate monitoring and reconciliation of income due and received. Income due to the school must identify VAT, where appropriate. All VAT income received should be itemised correctly for HMRC purposes.

No personal cheques should be cashed out of income received and under no circumstances should income due to the LA be paid into non-official funds either temporarily or permanently.

Schools are urged to seek VAT advice with regards to charging VAT on lettings or any services which lead to fees or charges; likewise to be aware of VAT implications of fund-raising or asset sales.

5.6 Purposes for which income may be used

Income may be used for any appropriately authorised purpose which complies with usage as described within this scheme.

Section 6: The charging of school budget shares

6.1 General provision

The budget share of a school may be charged by the LA without the consent of the Governing Body only in circumstances set out in 6.2 below.

Such cases will arise only where the LA has incurred the expenditure to be charged to the school. Where the LA cannot incur the 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.

The LA must consult a school as to the intention to charge, and shall notify a school when it has been done.

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

The LA shall make arrangements for a dispute procedure for such charges.

6.1.1 Charging of salaries at actual cost

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

6.2 Circumstances in which charges may be made

- Where premature retirement costs have been incurred without the prior written agreement of the LA to bear such costs (the amount chargeable being only the excess over any amount agreed by the LA);
- Other expenditure incurred to secure resignations where there is good reason to charge this to the school;
- Awards by courts and industrial tribunals against the LA or out of court settlements arising from action or inaction by the Governing Body, contrary to the LA's advice;
- Expenditure by the LA in carrying out health and safety work or capital expenditure for which the LA is liable, where funds have been delegated to the Governing Body for such work but the Governing Body has failed to carry out the required work;
- Expenditure by the LA incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the LA or the school has voluntary-controlled status;
- Expenditure incurred by the LA in insuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the LA;
- Recovery of monies due from a school for services provided to the school, where a dispute over the monies due has been referred to a disputes procedure set out in a service level agreement and the result is that monies are owed by the school to the LA;
- Recovery of penalties/costs imposed on the LA by the Board of Inland Revenue, the Contributions Agency, HM Revenue and Customs, Teachers Pensions, the Environment Agency, or other regulatory authorities, as a result of school negligence or the actions/inaction by the Governing Body or its contractors;

- Correction of LA errors in calculating charges to a budget share (e.g., pension deductions);
- Legal costs which are incurred by the LA because the Governing body did not accept the advice of the LA;
- Additional transport costs incurred by the LA arising from decisions by the Governing body on the length of the school day, and failure to notify the LA of non-pupil days resulting in unnecessary transport costs.
- Costs of necessary health and safety training for staff employed by the LA, where funding for training had been delegated but the necessary training not carried out;
- 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;
- Cost of work done in respect of teacher pension remittance and records for schools using non-LA payroll contractors, the charge to be the minimum needed to meet the cost of the Authority's compliance with its statutory obligations;
- Costs incurred by the LA in securing provision specified in an Education Health and Care Plan (EHCP) where the Governing body of a school fails to secure such provision despite the delegation or devolving of funds in respect of low cost high incidence SEN and/or specific top-up funding for pupils with High Needs;
- Costs incurred by the LA due to submission by the school of incorrect data;
- Recovery of amounts spent from specific grants on ineligible purposes;
- Costs incurred by the LA as a result of the Governing Body being in breach of the terms of a contract;
- Costs incurred by the LA in respect of school meals arrears where the school has not followed agreed recovery procedures.
- Costs incurred by other schools or the LA as a result of an individual school withdrawing from a cluster arrangement into which it entered voluntarily, for example where this has funded staff providing services across the cluster.
- Costs for collective purposes agreed to be binding on a sector basis by Schools Forum e.g. dedelegation items. This agreement overrides individual Governing body preferences.

Schools will be notified when a charge without their consent has been made.

Section 7: Taxation

7.1 Value Added Tax

The LA is registered for VAT purposes and is, therefore, entitled to reclaim any VAT charged by suppliers of goods and services but is also required to charge VAT on certain items of income. Schools spending the budgets delegated to them under the Scheme are deemed agents of the Authority and therefore must follow the same VAT rules as the Authority.

VAT paid on invoices can be reclaimed via the LA, as long as the claim is supported by an invoice which complies with HM Revenue and Customs Regulations (expenditure by the governors of a VA school relating to statutory responsibilities for maintaining the external fabric of buildings is excluded, however). Schools' accounts will therefore be charged with the net amount of the invoice. Where a supplier issues a non-VAT invoice for a regular payment, e.g., hire of equipment payable monthly on a maintenance contract, the schedule of VAT will be issued to cover the whole year. This practice is acceptable to HM Revenue and Customs if a copy of the schedule is attached to each invoice paid.

Petty cash purchases should be, wherever possible, supported by a VAT receipt from the supplier so that the VAT element can be reclaimed.

Schools must determine whether VAT should be charged on income, and are recommended to seek LA advice when circumstances are unclear. Failure to collect and account for VAT will ultimately result in a financial penalty being imposed on the LA, and this will be applied appropriately to the school(s) in breach of regulations.

Schools are responsible for their own unofficial funds, and these do not fall under the scope of the LA's VAT registration.

7.2 CIS (Construction Industry Taxation Scheme)

There is a legal obligation placed on LA's to make deductions of income tax from contractors' invoices falling within the scope of the CIS scheme. This includes some payments made to contractors who carry out building works for the school, as they are effectively sub-contractors to Warrington Borough Council. The type of work includes such things as painting and decorating, joinery, plumbing, etc.

The interpretation and compliance with the HMRC regulations is quite complex and involves the submission of two tax returns by the Borough Council each year. One return lists all payments made to contractors who hold a tax exemption certificate. To enable these reports to be processed, details of tax exemption certificates are held by the Section 151 Officer.

The revised Construction Industry Tax scheme came into effect in April 2007. There are many changes involved in the administration of this scheme, some of which are beneficial to schools as they operate their own delegated budget. The main points relating to these changes are shown below:-

- If the school enters into a contract with the sub-contractor, and payment is to be made for the work from the delegated budget, payments relating to this particular contract will not fall within the new CIS scheme
- If a capital project is being funded directly by WBC, the work will fall into the scheme but will be administered by WBC and the school will not be affected.
- Projects that are funded jointly by both the school and WBC will still fall within the scheme but will be administered by WBC

VAT and CIS are both complicated areas and prone to frequent change, therefore schools should contact the Taxation team in the Accountancy Department if in any doubt.

Section 8: The provision of services and facilities by the authority

8.1 Provision of services from centrally retained budgets

The LA will determine the basis on which services from centrally retained funds will be provided to schools with reference to specific Service Level Agreements. In doing so, the LA will not discriminate on the basis of categories of schools, except where:

- a) It is allowable under the School and Early Years Finance Regulations, or
- b) It is allowable under the Dedicated Schools Grant (DSG) Conditions of Grant.

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

The LA will publish details of its proposed buy-back arrangements in sufficient time for schools to make their purchasing decisions.

Buyback arrangements will generally be agreed for an initial period of no more than three years, with subsequent extension arrangements limited to no more than five years. Catering service agreements may extend these periods by two years ie a maximum of five years, and a maximum agreement of 7 years if the contract is extended.

When a service is provided, for which expenditure is not retainable centrally by the LA under the Regulations made under s45A of the Act, it will be offered at a price no less than the cost of providing such a service. The total cost will be met by total income, though schools may be charged differentially.

8.2.1 Packaging

Wherever the LA is offering services on a buy-back basis, services will not be packaged in a way which unreasonably restricts schools' freedom of choice among the services available. "Multi-buy" discounts may be offered but not precluding single individual service purchases.

8.3 Service Level Agreements

Service Level Agreements between the LA and schools will be reviewed on an annual basis, but may be offered on a multi-year basis. Whenever a service is available on the basis of an extended agreement, it will also be available on a basis which is not related to an extended agreement.

8.4 Teachers' Pensions

In order to ensure that the performance of the duty on the authority to supply Teachers Pension with information under the Teachers' Pensions Scheme Regulations 2014, the following conditions are imposed on the authority and Governing bodies of all maintained schools covered by this scheme in relation to their budget shares.

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

A Governing Body of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or agreement with a person other than the authority to provide payroll services, shall ensure that any such arrangement or agreement is varied to require that person to supply, salary, service and pensions data to the authority which the authority requires to submit its monthly return of salary and service to Teachers' Pension and to produce its audited contributions certificate. The authority will advise schools each year of the timing, format and specification of the information required. A Governing body shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions (AVCs) are

passed to the authority within the time limit specified in the AVC scheme. The Governing Body shall meet any consequential costs from the school's budget share.

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

Section 9: PFI/PPP

The Authority will evaluate with schools and other third parties proposals for PFI/PPP projects on an individual basis. Agreement will have to be reached on the basis of charges and amongst other areas the treatment of monies withheld from contractors due to poor performance.

PFI/PPP projects have not yet been established and the LA will work with schools and other partners to make best use of resources for all.

Section 10: Insurances

The responsibility for securing appropriate insurance cover and relevant administration was delegated to schools from April 2001. The Section 151 Officer will, except where a Governing Body requests alternative arrangements, arrange, administer and review insurance cover for any risks against which the Borough Council considers the school and Governing Body should be indemnified. The Borough Council may ask the Governing Body for any information necessary to decide these matters.

A school may choose to utilise delegated funding to provide insurance cover from other than the policies secured by the LA. If this option is taken, the LA may require the school to demonstrate that cover relevant to an LA's insurable interests, under a policy arranged by the Governing Body, is at least as good as the relevant minimum cover the LA would maintain for the school in question. If this is not demonstrated, the LA can charge a school's budget share with any costs incurred in insuring its own interests. The evidence required, however, should be reasonable, not place an undue burden upon the school, nor act as a barrier to the school exercising their choice of supplier.

Instead of taking out insurance in this way, a school may join the Secretary of State's risk protection arrangement (RPA) for risks that are covered by the RPA. Since its inception, Academies have had the freedom to do this, but since April 2020, Local Authority Maintained Schools (LAMS) are permitted to do so as well.

This may happen in one of two ways:

- a) A School may join on an individual basis, when any insurance contract of which they are part, expires, or
- b) All primary and/or secondary maintained schools may join the RPA collectively by agreeing, through Schools Forum, to de-delegate funding appropriately.

Records of all insurances taken out by the LA will be maintained by the Section 151 Officer. The Governing Body shall notify the Section 151 Officer of any new risks or new assets which need to be insured, or any alterations to existing insurances, and of any occurrence which may lead to a claim.

Governing bodies should consult the Section 151 Officer on the terms of the indemnity that the school is required to give.

No remedial work may be commissioned where a claim for damage to property is involved, until the Section 151 Officer has secured approval from the insurer.

If a school's activities take it outside the areas covered by the LA's policies, the Governing Body shall extend the insurance cover following consultation with the Section 151 Officer. Any resulting costs shall be paid from the school's budget.

The handling of any claims on insurance policies, which have been taken out without the help of the Section 151 Officer, will be the responsibility of the Governing Body. Appropriate insurance to cover the potential liability of the Governing Body towards staff or third parties for any negligence in the exercise of their responsibilities as Governors has been arranged by the Section 151 Officer.

Section 11: Miscellaneous

11.1 Right to Access information

Governing bodies are required to supply all financial and other information which might reasonably be required to enable the LA to satisfy itself as to the school's management of its delegated budget share, or the use of any central expenditure made by the LA (e.g. earmarked funds) on the school. Information requested under a Freedom of Information application must likewise be provided on approach.

11.2 Liability of Governors

Because the Governing Body is a corporate body, and because of the terms of section 50(7) of the School Standards and Framework Act 1998, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share, provided they act in good faith. Fraudulent action is *ipso facto* deemed a breach of good faith.

11.3 Governors' expenses

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. Payment of any other allowances is forbidden. Schools are barred from payment of expenses duplicating those paid by the Secretary of State to additional governors appointed by him to schools under special measures.

11.4 Responsibility for legal costs

Where a Governing Body does not act in accordance with LA advice, legal costs incurred by the LA may be charged to the school's budget share (see 6.2). In the likely event of the governing body wishing to take legal action against the LA then the Governing Body should seek appropriate legal representation, funded from its budget share, from local legal firms with education experience or from those recommended by National Governors Associations.

11.5 Health and Safety

In expending the school's budget share, the governing body should 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. In particular, the Governing body shall have regard to the provisions of the LA's Health and Safety guidance manual and the procedure contained therein.

Under Section 39 (3) of the School Standards and Framework Act 1998 the LA will require Governing bodies to comply with any directions which it issues in matters of health and safety policy, and will regularly inspect schools to ensure the Governors are complying with their statutory responsibilities and the LA's directions. These directions are enforceable, so far as governing bodies are concerned, via s.497 of the Education Act 1996 if not complied with.

11.6 Right of attendance for Section 151 Officer

Governing bodies are required to permit the Section 151 Officer of the LA, or any officer nominated by him or her, to attend meetings of the Governing Body at which any agenda items are relevant to the exercise of his or her responsibilities. Attendance will normally be limited to items that relate to issues of probity or overall financial management, and the LA will give prior notice of such attendance, unless this is impracticable.

11.7 Special Educational Needs

The LA is committed to ensuring a high quality of learning provision and educational achievement for all children, including those who may at some time have special educational needs, and will monitor the provision made within schools and across the whole LA to ensure that these commitments are met. For those pupils with statements or personal plans for whom additional provision has been identified, for example in a special school or special unit attached to a mainstream school, schools must use their best endeavours in spending the budget to ensure that all provision set out in the statement/plan is made.

Monitoring will be carried out through the usual review procedure, and serious concerns of widespread failings may result in the suspension of a school's delegation.

11.8 Interest on late payments

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

11.9 'Whistleblowing'

If a person working at the school or a school governor wishes to complain about serious financial mismanagement or financial irregularity, they are encouraged to come forward and voice such concerns without fear of any reprisal.

Concerns should be raised with the Council's monitoring officer, the LA's audit manager, either in writing, by phone or in person. The Council will endeavour to ensure confidentiality where it is requested, and will not tolerate harassment or victimisation. Action will be taken to protect employees who raise a concern in good faith.

11.10 Child protection

All schools have a duty to assist local authority safeguarding services acting on behalf of children in need or enquiring into allegations of child abuse. Besides this statutory duty, schools have a pastoral duty towards their pupils. All staff should be alert to signs of abuse and all schools should have a designated member of staff responsible for co-ordination of action within the institution and to liaise with other agencies including the Local Safeguarding Children's Board.

The LA has delegated to Governing bodies the funds required to allow staff to attend child protection conferences where the LA considers attendance necessary for the LA to fulfil its statutory duty under the Children Act, and schools will be required to release staff when asked to do so by the Executive Director of Families and Wellbeing services or the Service Manager with responsibility for coordinating action on child protection across the LA.

11.11 Redundancy / early retirement costs

The Education Act 2002 states that the cost of redundancies should normally fall on the LA while the cost of early retirements should normally be borne by a school's delegated budget, but that there can be locally determined exceptions to these. Additionally, costs may be charged to the central part of the schools budget if there is a resultant savings and the Schools Forum agrees.

In March 2012, the LA issued revised guidance to clarify the issue of responsibility:

The LA accepts that it may be liable for the dismissal costs of staff employed by school in a number of varied situations set out in the legislation. However when coming to a decision regarding staffing redundancies or dismissals, schools should not automatically assume that the council will always be responsible for such costs, as the legislation also contains a number of exceptions that it may be relevant. Accordingly, the LA may not be able to confirm whether it accepts liability until any dismissal

in question has actually taken place and any possibilities for redeployment or claims for unfair dismissal have been resolved or exhausted.

The legislation stipulates that the cost incurred by the LA in respect of a dismissal shall not be met from the school's budget share unless the LA has 'good reason' to do so. Schools should not rely upon the Authority accepting liability for dismissal costs unless they have requested that the LA fund this within three months of the dismissal date, and have confirmation in writing from the Executive Director of Families and Wellbeing Services.

Issues to be considered

The LA is more likely to accept liability for dismissal cost if the following steps have been taken:

- The LA's HR team has been fully involved in the process and the rationale for the dismissal is clear, e.g. the school needs to restructure due to a reduction in the need for work of a particular type, or being in a deficit budget situation.
- A proper process of consultation with staff and unions has taken place complying with relevant legislation and guidance.
- The process of dismissal complied with relevant legislation and guidance (i.e. there is no evidence that the school has carried out an unfair dismissal process)
- Opportunities for redeployment have been exhausted.
- The school requests at the start of the consultation on redundancies that the council considers funding the cost of the dismissal. The request should contain a business case including the rationale for the request, the background to the restructure and what steps have been taken to mitigate against the redundancy situation.
- The school cooperates fully with any reasonable enquiries or requests from the LA in relation to the proposed redundancy.
- The school gives full disclosure of any and all relevant information or issues promptly and throughout the process.

Examples of 'good reason' to charge the school delegated budget may be:

- Where the school offers or makes a redundancy payment that is higher than the agreed local authority policy for redundancy payments.
- Where the school is not in a deficit budget position and the LA is not satisfied that any or all of the proposed staffing reductions are necessary.
- Where, in the LA's view, there is no requirement for a headcount reduction of staff from the schools current staffing establishment.
- Where other ways to manage a budgetary deficit are available which would reduce the costs or likelihood of redundancy.
- Where the school has excess surplus balances and no agreed plan to use these.
- Where staffing reductions arise from a deficit caused by factors within the school's control.

NB The above are given as examples only, and are not intended to be exhaustive.

Under Schedule 2 Part 7, of the Finance Regulations, a local authority can retain a central budget within the schools budget to fund the costs of new early retirements or redundancies by a deduction from maintained school budgets (excluding nursery schools) only, where the relevant maintained school members of the schools forum agree.

It should be noted that 11.11 relates to the following categories of school:

- Community Schools
- Voluntary Controlled Schools
- Voluntary Aided Schools
- Maintained Nursery Schools

Section 12: Responsibility for repairs and maintenance

12.1 BUILDING MAINTENANCE – DEFINITION

Building Maintenance is defined as the repair, replacement and servicing of all building elements including electrical and mechanical services which already exist at the building or on site. Following guidelines from the DfE, responsibility for all maintenance work, as defined, is delegated to schools, and all capital work is the responsibility of the LA in Community and Controlled schools and the Governors in Voluntary Aided schools. In any doubt on Building Maintenance issues, particularly in deciding on responsibilities, please refer to the BM unit in the Economic Regeneration, Growth and Environment Directorate, or the Asset Management Team in Families and Wellbeing Services.

12.2 RESPONSIBILITIES

Capital works' costs are no longer delegated to schools, nor are repairs or replacement occasioned by vandalism *per se*, although such work would normally be the responsibility of School Governors under the definition of maintenance work.

In respect of Community schools the LA does not utilise a *de minimis* limit to define capital and revenue works but will be guided by the comments and split of responsibilities contained in this section of the Scheme. In respect of VA schools, the changes to governors' responsibilities detailed in DfE's '*Funding for premises related work at VA schools in England*' will apply.

The LA will accept no responsibility for work necessitated by neglect of regular maintenance.

Where the phrases "substantially all" or "a substantial part" are used, for example with regard to floors, this will generally be taken to mean 50% or more. "Small area" or "small part" will be taken to mean less than **50%**. When assessing the proportion of an element to be repaired/replaced all areas and buildings of the school will be aggregated, although a degree of flexibility may be used in considering the question of proportion, according to the nature of the building(s).

Items not included as building maintenance

The maintenance of the following items are not included in the definition of building maintenance:

- Loose furniture e.g. desks, tables, chairs, bookcases etc.
- Loose equipment supplied by the Families and Wellbeing Service e.g. portable heaters, television sets.
- Kitchen equipment e.g. cooking equipment (fixed and loose), ovens, ranges, fryers, boilers, steamers, grills, heated trolleys, refrigerators, free standing waste disposal units, potato peelers.
- Home economics equipment e.g. washing machines, cookers, tumble dryers, spin dryers, hydro extractors, dishwashers.
- Workshop equipment e.g. lathes, hoists, drills etc.
- Gymnastic equipment e.g. ropes, walls, bars, horizontal rails etc.
- Blinds and curtains, except to science laboratories, lecture areas (for blackout areas only)
- Firefighting equipment e.g. extinguishers, blankets, hoses. (The fitting of firefighting equipment and provision of hose drums and nozzles is included as building maintenance).
- Fixed furniture supplied by the Families and Wellbeing Directorate e.g. wall bookcases, cupboards, etc.
- Stage and drama lighting (excluding supports)

- Tennis courts, designated special play areas, all-weather pitches together with their associated fencing. (External lighting is an LA responsibility)
- Grassed and planted areas, playing fields, hedges, trees and public warning notices fixed in such areas.
- Adjusting and monitoring chemical dosing, cleaning and minor maintenance of swimming pools equipment.
- Vermin control e.g. mice and rats etc.
- Gas and water services, mains-side of meter.
- Any work in connection with the telephone installation.
- ICT infrastructure and equipment.

Standards of Maintenance

School Governors are expected to maintain the school to a reasonable standard of repair. The LA will accept no responsibility for work occasioned by neglect of regular maintenance.

The School Governors shall be responsible for the standard and extent of building maintenance of the building. Apart from health and safety requirements, the School Governors will be free to choose the value of the work to commit each year by virement between budget headings, or the establishment of an allocation in the annual base budget. There is no specified allocation in a school's delegated budget.

If the Governors, through default, fail to protect the building and damage is caused, or neglect to ensure that work required for health and safety is undertaken, then the work will be carried out by the LA and the Governors charged for the expense involved.

Conversely, if damage is caused to elements of the building, equipment or stock etc. for which the governors are responsible, by neglect or omission by the LA, then the total damage is to be rectified at the expense of the LA.

Advice on all such issues is available from WBC Building Maintenance in Economic Regeneration, Growth and Environment, irrespective of individual schools' SLA.

Fire Damage

The reinstatement and other consequential costs of fire damage however caused are not part of the school delegated budget or the LA maintenance budget, but are met from insurance and special budget provision. The fire insurance cover is detailed below:

Community and Controlled Schools

The total building is insured, including both Governors' and LA elements.

Aided and Special Agreement Schools

External Fabric (elements subject to DfE grant) insured by School Governors. Remainder of school building and service insured by LA. Areas of building declared surplus to requirements totally insured by School Governors. This position is under review due to Voluntary Aided funding changes.

Storm and Flood Damage

The LA does not insure their property for damage caused by storm or flood. Consequently the LA and School Governors shall each be responsible for the repair cost to those elements for which they

have responsibility. Any damage caused to the School Governors' elements as a consequence of damage caused to an LA element shall be reinstated by the LA.

Self-Help Maintenance Work

The School Governors will be free to use parents, PTAs and other personnel to undertake building maintenance work for which they are responsible. Before instructing work to be undertaken by such personnel to School Governors should satisfy themselves that:

- The extent of the work and cost is agreed.
- The specification for workmanship and materials is agreed.
- The work will be undertaken by appropriately skilled and experienced qualified people.
- The proper equipment, plant and tools are provided for the work and that the execution of the work conforms to health and safety requirements.
- No alteration, opening up or other interference is made to any LA element and the mechanical and electrical installations.
- Adequate protection will be provided to all surfaces, furniture and fittings.
- The operatives are insured to meet all claims arising as a direct result of the work to themselves, building occupants and damage to building or contents.
- The security of the premises is sustained during the course of the work.

Professional Advice

The School Governors are strongly advised to obtain professional advice regarding inspection, planning management and implication of building maintenance.

12.3 PROCEDURAL ADVICE TO SCHOOL GOVERNORS

The Governors are advised to form a Building Maintenance Subcommittee to manage and control the building maintenance responsibilities on behalf of the whole Governing body.

The Building Subcommittee is advised:

- To inspect the premises regularly, at least once a term, and keep a record of their deliberations, record all defects observed and action taken.
- To seek advice from professional surveyors, architects and engineers.
- To keep a log book recording all repairs undertaken at the school.
- Identify critical maintenance needs so that work can be planned and adequate finance provided.
- To select contractors who are qualified to do the work, offer good value for money and hold the necessary insurance cover.
- To ensure that the requirements of the environmental health officer, health and safety officer, fire prevention officer and other enforcement officers are complied with.
- To report the Economic Regeneration, Growth and Environment Directorate any area of concern regarding building maintenance for which the LA is responsible.
- To ensure that contractors hold the appropriate qualifications e.g. in respect of electrical work and issue appropriate certificates.
- To appoint a supervising officer who is given responsibility to instruct contractors, place orders, pass invoices and undertake all management functions for maintenance work.
- To ensure that procedures are established within the school for the reporting, recording and actioning of all building maintenance defects.

12.4 ROLE OF CONSULTANTS

The cost of the administration and professional service in connection with building maintenance work delegated to school Governors has also been delegated to the school Governors. Consequently, there is no obligation for the LA or any other party to provide advice or other expertise to the School Governors or school staff concerning delegated work. The Economic Regeneration, Growth and Environment Directorate will offer to school Governors a full professional service covering all aspects of the inspection, planning and implementation of building maintenance. This service will be to an agreed negotiated fee and the conditions of engagement to be described in the maintenance service contract. The Economic Regeneration, Growth and Environment Directorate has copied of drawings showing plans and construction details for most schools.

Capital Work remaining LA responsibility

The Economic Regeneration, Growth and Environment Directorate will retain the administration and management of work that is the responsibility of the LA, and employ consultants to assist in this role.

Liaison with Economic Regeneration, Growth and Environment Directorate

In order to prevent abortive works being undertaken and avoid recently completed work being adversely affected, the schools Governors are strongly advised to notify and consult with the Borough Council's Economic Regeneration, Growth and Environment Directorate about any proposal they may have to undertake large maintenance contracts.

12.5 PRINCIPLES OF GOOD MAINTENANCE

Assessment of Maintenance Work

It is important that maintenance resources are expended on the highest priority maintenance work. The prime objective of the school Governors shall be to ensure that the school remains open with uninterrupted use of the building and services.

When establishing the priorities the Governors shall have regard to the following:

- The health, safety and hygiene requirements.
- The works essential to maintain the building in a wind and watertight condition.
- Any works necessary to conform to statutory obligation.
- The security of the premises.
- General inconvenience to occupants.
- Consequential costs arising from failure to undertake the necessary work.

Routine Maintenance

The school Governors are advised to implement a programme for routine maintenance to keep the building in good order and reduce the rise of subsequent expensive repairs. Examples of routine maintenance activities are given below:

- Removal of graffiti.
- Tightening of screws to ironmongery.
- Adjustment of door closers.
- Easing of doors and windows.
- Replacement of doors and windows.

- Replacement of light bulbs and tubes.
- Oiling of door locks, latches and other catches.
- Cleaning out gullies, grease traps, etc.
- Cleaning out waste traps to specialist areas.

Health and Safety Requirements

Health

School Governors are required to conform to the requirements of the Health and Safety at Work Act and other statutory requirements when undertaking their maintenance responsibility.

Particular attention must be given by school Governors to items of building maintenance which could affect the health of building occupants. Areas of particular concern are:

- Food preparation areas (school meals and home economics areas).
- Food consumption areas (dining rooms etc.).
- Toilets.
- Showers.
- Areas of potentially hazardous operations (laboratories, workshops).
- Compliance with the Construction, Design and Management Regulations 1994.
- Equipment testing and inspection at the recommended intervals.

Within these areas all ceilings, walls and floors must be kept in good condition and excessive dirt and dust must not be allowed to accumulate. This will involve regular internal decoration and the cleaning of ledges, kitchen fans, canopies, ducts etc. Defects in surfaces where dirt etc. can accumulate must be repaired. Building maintenance requirements of the public health inspector must be implemented.

It is a requirement that all foul and surface water drainage operates in a proper manner and therefore all leaks, blockages etc. must be rectified immediately.

Governors must ensure that pipe leaks are correctly repaired and that health hazards are not created by liquid spillage or leakage.

The level of artificial light must be sufficient to meet current codes of practice.

Safety

The Governors must ensure that the building occupants are safe when on the school property and also that, when the building maintenance work is undertaken it is conducted in a manner that is safe for the building occupants and operatives. Of particular concern are the following:

- Danger of falling over - loose floor tiles, carpets, threshold strips, loose and irregular paving
- Broken glass - all debris to be removed and replaced as emergency.
- Security - the boundary fencing be adequate to prevent young children straying onto main roads, motorways, railways, car parks or other potentially hazardous areas.
- Impact - door closers, restrainers and other ironmongery to be kept in good order, joinery and fittings to be securely fixed to walls.
- Fire precautions - all measures taken to minimise the spread of fires and ensure means of escape e.g. fire resisting doors, suspended ceiling tiles, fire resisting glazing and safe storage of flammable materials.

Property Information

The Governors are advised to ensure that basic information concerning their school is held at the school and readily accessible. Such basic information should include:

- Position of main electrical meter and any submeters.
- Position of gas meter and stopcocks.
- Position of water meter and stopcocks.
- Position of inspection chambers nearest to main sewer connections.
- Position of fire hydrants on school premises and adjacent areas.
- Telephone numbers for contacting statutory undertakers in and emergency e.g. electricity provider, gas provider, water provider.
- Telephone numbers for contacting specialist firms e.g. fire alarms, lifts, intruder alarms.
- Telephone numbers of local contractors for undertaking emergency maintenance work.

12.6 PROPERTY MANAGEMENT

Financial Control and Regulations

The financial control shall be with reference to actual expenditure incurred and not to commitment (value of orders issued).

Where total expenditure over the duration of a contract is estimated to be less than £50,000 a Governing body may enter into a contract without inviting the submission of tenders, but shall proceed instead on the basis that at least three written, comprehensive quotations have been obtained by suppliers. The exceptions to this are where the purchase is made via the Borough Procurement Officer, who will already have performed such market testing, or where it can be demonstrated that proper market testing has been performed by some other means, for example; making reference to a wide variety of catalogues, or having recently obtained quotes for the same type of expenditure item.

The Governing body should decide upon a lower limit on expenditure about which at least three written, competitive, quotations must be obtained from suppliers, before placing an order. It is advised this limit should be £3,000 per individual item.

The Governing body should establish the financial level (which should be substantially less than £50,000), below which the Headteacher may accept quotations and above which the approval of the Governing body is required.

The following values and requirements provide some guidance:

<u>Value</u>	<u>Requirement</u>
£2,999 or less	written quotations advisable
Over £3,000 but less than £50,000	Minimum three written quotations
Over £50,000	Formal tendering procedures

Where quotations have not been invited, prices have been negotiated, or where lowest quotation not accepted, a suitable record of the reasons must be kept.

Access to Schools

The Governors are required to allow access to school premises by officers of the LA and contractors appointed by them to carry out maintenance inspections and work that remains the responsibility of the LA.

The Governors may need to provide access at any time including school holidays during normal working hours i.e. Monday to Friday inclusive, 8:00am to 5:30pm, excluding bank holidays.

Contractors undertaking emergency work outside these hours will also need access and any cost incurred in meeting this requirement is to be met by school Governors. Planned work will only be undertaken outside these hours with the consent of the school Governors' representative.

Any cost, including overtime or holiday cover, for the caretaker to open or close the premises in connection with LA maintenance work will fall to the school Governors unless agreed by the appointed contractor.

School Security

The Governors are responsible for maintaining all school security and are therefore advised to consider the following matters, as well as those highlighted in the School Security Strategy:

- Operation and condition of external doors and ironmongery
- Operation and condition of external windows and ironmongery
- Condition of fencing
- Condition and operation of entrance gates
- Condition of external glazing
- Condition of roof lights and clearstorey glazing
- Operation and extent of security system
- Operation and extent of security lighting

Information Supplied by LA

The following information will be supplied to the school Governors by the LA.

Annual

Planned maintenance work intended to be committed by the Economic Regeneration, Growth and Environment Directorate. It is intended that the programming of individual work items will be discussed with the school Governors' representative.

Monthly

A financial statement showing the amount expended by the school Governors on building maintenance.

General

Copies of orders issued by the Economic Regeneration, Growth and Environment Directorate for work to elements that are the responsibility of the LA.

12.7 PROPERTY INSPECTION

School Governors

The Governors or building sub-committee are advised to give particular attention to the following matters when inspecting property and to record such inspections:

Internal Decoration

Kitchen, Dining Rooms, toilets, home economics rooms and any other area where food is prepared or consumed; ensure that these areas are periodically cleaned and decorated to ensure surfaces do not present a health hazard.

Fire Prevention

Check fire precautions and means of escape requirements issues by the Fire Prevention Officer have been implemented and that all aspects are regularly maintained. Check that fire-resisting and smoke-stop doors operate as intended and that door closers function with the tension suitable for the occupants of the building. Ensure that all fire notices are displayed as intended.

Floor Coverings

Check the floor coverings, particularly nosings to staircases, and ensure that none present a potential tripping hazard.

Check that ceilings are secure and that no ceiling panels are defective.

Balustrades

Check that all balustrades are secure and that no balustrade panels are defective.

Sanitary Fittings

Check that sanitary fittings are free from blockages, leaks and other defects. Ensure that taps and plumbing mechanisms work as intended.

Plumbing

Check that waste systems are free from leaks and adequately fixed. Check that water supplies are free from defects and secure. Check that all silt traps and chemical diluters operate as intended.

Glazing

Check that broken or cracked windows including internal glazing are repaired.

Joinery, Ironmongery

Check that all doors are adequately fixed, and ironmongery functions. Check that shelving is secure and ironmongery is as intended.

Windows and External Doors

Check that external windows and doors can adequately lock to ensure the security of the premises.

Electrical installation

Check that all sockets, switched etc. are not broken and exposed wiring is adequately fixed. Check that light bulbs and tubes operate as intended.

Heating Emitters

Check that all covers are properly fitted and filters are satisfactory to fan convectors.

Kitchen Extractor Units and Canopies

Check that kitchen extractor fans, canopies and ducts are clean and operational.

Gutters, Rainwater Pipes

Check that gutters and rainwater pipes are free of leaks and a free of obstructions to water flow.

Gullies, Grease traps etc.

Check that all gullies etc. are free from blockages and fitted with gratings.

External Paving

Check that pre-cast paving is not broken and does not present a potential tripping hazard. Check that *in situ* paving is free from potholes, etc. and is not breaking up, cracking or has surface disintegration.

Fencing

Check that fencing is secure and does not present any danger to building occupants or members of the public. Ensure that fencing is adequate to prevent young children straying into dangerous areas.

General

In addition to the above items the Governors and building sub-committee are strongly recommended to inspect all elements of the building for which they have a maintenance responsibility and to examine all reports from enforcement officers. It is also advisable to examine all other elements of the building and services and report any defects noticed to the Borough Council's Economic Regeneration, Growth and Environment Directorate.

Notification to LA

Governors should notify the Borough Council Economic Regeneration, Growth and Environment Directorate of any repairs they deem necessary to elements of the building which are the responsibility of the LA.

12.8 ASSESSMENT OF MAINTENANCE REQUIREMENTS

Budget Planning

The Governors are advised to formulate a plan for their building maintenance expenditure. After assessing the desirable planned maintenance work from the property inspection and having set an annual expenditure budget the Governors are advised to set out provisional headings as follows:

- Day-to-day repairs e.g. fixing shelves
- Vandalism e.g. broken windows

- Contractual Planned Maintenance e.g. security system rental
- Essential Planned Maintenance e.g. floor repairs
- Desirable Planned Maintenance e.g. internal decoration

12.9 ORDERING OF MAINTENANCE WORK

Selection of Contractors

The Governors will be free to select contractors to undertake building maintenance work for which they are responsible. A number of contractors belong to national bodies or trade associations who monitor contractors' performance. Governors may wish to refer to RIBA publication '*A Guide to School Governors: Developing School Buildings*' sent to all Chairs of Governors in October 2000.

Carrying out certain works requires registrations with national bodies i.e. Gas Safe Register for gas works. Advice on statutory requirements is available from the Building Maintenance Unit, irrespective of individual schools' SLA purchases.

School Governors are advised to select a contractor appropriate to the type of work and who they consider is competent to carry out the work required in an efficient, tidy and safe manner. If the contractor is unknown, pursue references from previous clients and, if considered necessary, inspect some of the previous work undertaken. For larger contacts (over £1,500) a bank reference may be helpful in ascertaining the trading position of the company.

When selecting contractors, school Governors are strongly advised to ensure that the contractor has insurance cover of at least £1,000,000 for public liability and unlimited cover for employers' liability. The School Governors should also ascertain that the costs of labour and materials are not excessive and that the contractor has sufficient labour and expertise to undertake the work in a reasonable time, to a satisfactory standard.

Governors are strongly advised to employ contractors holding a recognised 714 Construction Tax exemption certificate, as required by the HMRC, otherwise the Governors must deduct tax from the account.

Method of contracting

The School Governors are required to show the LA that they have regard to the value of the finance being expended when placing contracts. The Governors are therefore advised that the method of contracting work is of prime importance in this respect and the following advice is given as a guide.

Other than for emergencies Governors should obtain lump sum written quotations or tenders on a fixed price basis:

Work up to £3,000 written quotations advisable*

Work up to £50,000 Minimum three written quotations

Work over £50,000 Formal tendering procedures**

For emergencies, i.e. unpredictable urgent work, the Governors are advised to set a financial limit of £150 per order and to place the contract on the basis of day work, i.e. the cost of labour, materials and transport plus a percentage on-cost.

*Quotations shall be submitted by contractors on their own headed stationary

**Tenders to be submitted by contractors on forms submitted to them and returned in pre-addressed envelopes at a stated time and date in order that all tender envelopes are opened together, with a named witness present at the opening.

Instructions to Contractors

Specification

The contractor should be given clear and concise instructions as to the work required. This information should be given in writing.

Contract Period

A commencement and completion date should be agreed by both parties prior to the commencement of the work. This should again be in writing. Where the contractor shall be restricted from working during certain times, or only able to gain access to certain parts of the building at one time, this should be clearly communicated before the agreement of dates.

Contract

The instruction given to the contractor should include a section stating the type of contract under which the work is to be undertaken. Where qualification of a clause is required, this should be agreed prior to acceptance of the offer.

Variations to the Specification

At the start of the contract the contractor should be advised that her much not deviate from the original specification unless her is instructed in writing by the person nominated by the school to supervise the work.

An official order should be given to the contractor prior to commencing on site. This order should clearly state:

- Scope of work
- Specifications, and references to drawing where applicable
- Date
- Contract details
- Any specific points agreed relating to the contract
- Start and completion dates
- Risk assessment under the CDM Regulations 1994
- Test or other certificates required

It is a requirement that all orders are coded to show the following information:

- Location of premises
- Nature of work (fair wear and tear or vandalism)
- Approximate Cost

Programme of Work

A formal programme should be agreed by both parties. The Governors should ensure that it meets its commitment to this programme or the contractor may be eligible to claim loss of profit as a result of inconvenience caused.

Nominated Officer

It is advisable for the Governors to nominate a supervising officer who is given responsibility to instruct the contractor. This person should be clearly identified prior to commencing the work.

Safe Working Practice

Agreement should be reached with the contractor on a method statement for undertaking the work. This will involve the contractor stating his working practice procedure and the Governors ensuring that users of the building are not at risk.

General

All the above clauses should be discussed and agreed at a meeting on the premises, where applicable prior to the undertaking of work.

Contract Conditions

The school's Governors are strongly advised to formulate a set of general conditions relating to maintenance work contracts. This will ensure that tenders and quotations are received on the same basis and regulate the method of submitting accounts and payments. Suggested headings for clauses on general conditions are given below:

- Tender acceptance – lowest etc.
- Price basis – fixed price, VAT
- Site inspection – prior to submitting tender
- Site work commencement
- Work programme
- Safety at work
- Insurance
- Protection of work – from rain etc.
- Testing
- Materials and workmanship
- Assignment
- Payment – on account etc.
- Submission of accounts – information to be supplied
- Prevention of fraud
- Inspection of contractors' premises – access etc.

Purchase of Materials

The purchase of materials to be fixed by others is acceptable within the scheme. It is essential that the invoice for materials includes a VAT number otherwise VAT cannot be recouped by the Section 151 Officer and the school Governors will be charged the gross amount.

Specifications

It is important that, when commissioning work, the school Governors utilise specifications that ensure a satisfactory standard of materials and workmanship.

Materials – consideration for selection

- Environment in which material is being installed

- Safety – fire rating, chemical content etc.
- Quality of product
- Avoidance of hazardous materials e.g. asbestos
- Compatibility of adjacent materials
- Impact resistance – glass
- Fire resistance
- Utilise British Standard specification when applicable

Workmanship – consideration for implementation

- Conform to relevant codes of practice
- Ensure that manufacturers' instructions are followed
- Check that fixings are adequate
- Check that supporting structures are adequate
- Ensure that health and safety requirements are complied with
- Ensure that adequate precautions are taken to protect building occupants

12.10 PROCESSING OF INVOICES

General

The school Governors shall be satisfied that work has been completed in an acceptable manner and conforms to any contractual specification. Any omission or defect from the works originally ordered should be communicated to the contractor in writing and a date should be stated by which these items should be completed (allowing adequate time).

For work undertaken on a 'day work' basis the Governors should satisfy themselves that the total cost submitted is reasonable. They should require the contractor to show in his invoice a breakdown of labour type, hours worked, rate per hour, materials and plant plus any additional oncost. If the school Governors are dissatisfied with the submitted invoice they should request the contractor to substantiate it by the submission of timesheets and invoices from suppliers to show the cost of materials and plant.

The school Governors are advised to take advantage of all discounts offered for prompt payment of invoices.

Only when the school Governors are satisfied regarding the work undertaken and submitted invoices should they certify completion and pass the invoice for payment.

VAT

Quotations and tenders are to be received net i.e. exclusive of VAT. Invoices are to be received inclusive of VAT and the value of certification will include VAT. The Section 151 Officer will pay the contractors the gross amount i.e. inclusive of VAT and then recoup the VAT from HM Revenue and Customs. The amount charged to the school will be the net amount.

It is essential that all invoices submitted for payment include the relevant VAT number.

This is not the case for VA schools undertaking Governors' responsibility work, where VAT cannot be recouped. Certain types of work are exempt from VAT such as disabled facilities. The Authority's VAT Officer in the Accountancy Dept. can advise.

12.11 PROCEDURE FOR IMPROVEMENT WORK

Notification

If the premises are owned by the LA, then the Governing Body *must* seek the consent of the LA to the proposed work via the Economic Regeneration, Growth and Environment Directorate.

The Economic Regeneration, Growth and Environment Directorate may require submission of details and specification along with the notification. All improvement works may be inspected by their representative on completion and any defective work must be rectified at the Governors' cost.

School Governors must obtain planning and building regulation approval prior to commencement of works.

Aided Schools

It is a requirement that the school Governors at aided schools obtain approval from their relevant diocesan authorities prior to considering/commencing improvement works at the school.

Maintenance Responsibility

Improvement works undertaken by the school Governors which contain building elements which are normally the LA responsibility will be maintained by the LA if considered satisfactory by the Economic Regeneration, Growth and Environment Directorate on completion of the work.

12.12 EMERGENCY WORK PROCEDURE

Emergency Work – Definition

Work that requires immediate attention (same day) and could affect the health and safety of the building occupants, the weather tightness of the building structure. Reduce building security, cause damage to the building and prevent the total or partial operation of the school.

Examples of Emergency work:

- Complete light failure
- Complete power failure
- Complete heating failure – in heating season
- Burst water pipes – if it cannot be turned off
- Serious roof leak
- Defective lift
- Flooding
- Failure of adequate drinking water supply
- Extensive external glazing breakages
- Fault to fire alarm system
- Serious reduced level of operational sanitary fittings
- Non-opening of fire escape doors

Governors' Work Responsibility

The schools Governors are advised to initiate procedures to deal expeditiously with emergency work. It is desirable that the nominated officer has delegated authority to commission emergency work up to an agreed value. The schools Governors are advised to ensure that a list of local contractors

capable of undertaking emergency work, with telephone numbers etc. is kept at the school for use in an emergency.

Emergency work will normally be contracted on a day work basis, i.e. the contractor carries out the work but without a prior estimate, quotation of tender being obtained. The contractor subsequently submits an invoice showing time, materials, transport and plant expended.

Day work is usually more expensive than lump sum contracted work because of the emergency nature of the required response.

Emergency work requested by telephone should be confirmed with an official order within two working days.

LA Work Responsibility

There may periodically arise a necessity to implement emergency procedures for work which is the LA responsibility. The School Governors are requested to ensure that the nominated officer is aware of the following emergency procedures for dealing with LA work:

During Normal Office Hours*

Building work – e.g. roof leaks etc.

Telephone local office of the consultant. The list of relevant telephone numbers will be updated by the consultant.

Mechanical – heating, hot water etc. and Electrical Installation

Telephone headquarters of the consultant using emergency number as listed.

Outside Normal Officer Hours*

Building work

Telephone at home the local building officer, or if unobtainable, the local senior building officer.

Mechanical installation

Telephone at home the local mechanical engineering inspector, or if unobtainable, the local senior engineering inspector.

Electrical installation

Telephone at home the local electrical engineering inspector, or if unobtainable, the local senior electrical engineering inspector.

Contacting contractors direct

Do not attempt to contact contractors direct unless the above procedure is unsuccessful. If contractors have received instructions direct from the school, phone to ensure that the consultant's local officer is informed during normal office hours.

*normal office hours: 9.00am to 5.00pm Monday to Friday inclusive, excluding public holidays

Contacting staff out of normal hours

Because the staff are being contacted out of normal hours, only operate this procedure if the request requires immediate attention.

Gas installation

If a gas leak is suspected contact the National Grid Gas Emergency Service (0800 111 999) immediately and notify the concern for them to action.

12.13 IMPROVEMENT WORK

Governor Improvements

No improvement work shall be commissioned by a school unless it has received prior approval from the LA Economic Regeneration, Growth and Environment Directorate, using a notification form. The Directorate may require submission of details and specification before giving approval. All improvement work may be inspected on completion and any defective work must be rectified at the cost of the school.

Maintenance caused by LA improvement works

Delegated maintenance work directly caused as a consequence of LA maintenance or capital work will be financed by the LA. All ongoing tenant maintenance, and maintenance arising from work commissioned by the school Governors, will have to be financed by the school Governors from the delegated budget.

12.14 CLEANING (Post Contract)

It is a requirement that contractors appointed by the LA leave their work area in a clean and satisfactory condition on completion of the contract. If, in the opinion of the school representative, the cleaning is unsatisfactory, the Building Surveyor should be notified without delay and he will arrange for the contractor to return to clean the area and leave it in a satisfactory condition. In circumstances where it may be more appropriate for the school cleaners to carry out the work to ensure that the area is operational in time to meet the school's needs, the Headteacher should contact the Building Surveyor who will need to enter negotiations with the appointed contractor to reimburse the school cleaning contractors for the additional work.

DIVISION OF RESPONSIBILITIES FOR REPAIRS AND MAINTENANCE

Voluntary Aided Schools

The LA retains responsibility for the playground and any related buildings, and the Governors have responsibility for all other areas, including hard play spaces, perimeter fencing, and areas previously excluded such as the kitchen. Works over £2,000 in value can be 90% funded using the devolved formula capital, or other grant aid, whereas works under £2,000 are revenue funded and are paid for from the school budget.

Community Schools

The LA's responsibility is regarded as all capital work, based on guidance issued by CIPFA, and is detailed overleaf.

Where the phrases "substantially all" or "a substantial part" are used this will generally be taken to mean 50% or more. "Small area" or "small part" will be taken to mean less than 50%. When assessing the proportion of pipework, floor, etc. to be repaired/replaced all areas of the buildings and school will be aggregated.

Schools will normally be expected to contribute their devolved formula capital to capital works carried out by the LA, up to a maximum of 20% of the total cost.

To bring Community Schools in line with VA Schools, the use of devolved formula capital is acceptable for premises related work over £2,000. This needs to be coordinated alongside Asset Management Planning, and in consultation with the LA.

The LA will accept no responsibility for work occasioned by neglect of regular maintenance, regular servicing or inspection, or by substandard work ordered by schools. Schools must retain all paperwork relating to statutory testing etc.

Element	LA Responsibilities	School Responsibilities incl. those delegated to schools.
<p>Roofs Flat</p>	<p>Structure – New structure or replacement of all or a substantial part of an existing structure to prevent imminent or correct actual major failure of the structure, above the value of £5,000 (primary schools)/£10,000 (secondary schools).</p> <p>Decking/screed/insulation in new building or extension. Replacement/repair or substantially all. Improvements to effectiveness of insulation.</p> <p>Roof finish on new build. Replacement of all/substantially all on existing roof.</p> <p>Edge trim/fascia on new build. Replacement of all/substantially all on existing roof.</p> <p>Drainage on new build. Replacement of all/substantially all on existing roof. Cleaning out only when necessary as part of LA roof replacement work.</p> <p>Other e.g. flashings, or roof lights on new build. Replacement of all/substantially all on existing roof.</p>	<p>First £5,000 (primary schools)/£10,000 (secondary schools) of substantial replacements.</p> <p>Repair/replacement of small parts of an existing structure. Replacement of areas rotten or defective timber, making good minor areas of spalling concrete where reinforcing bars exposed.</p> <p>Repair/replacement of decking/screed/insulation where defective. Work to improve insulation standards during work to repair/replace small areas of roof.</p> <p>Replacement of small areas of roof finish on existing building. Re-coating chippings to improve life expectancy.</p> <p>Repairs/replacement of edge trim/fascia and repainting.</p> <p>Cleaning out gutters and downpipes. Replacement/repair/repainting of individual gutters/pipes.</p> <p>Repair/replacement/cleaning of individual items.</p>
<p>Roofs Pitched</p>	<p>Structure. New structure or replacement of all or a substantial part of an existing structure to prevent imminent or correct actual major failure of the structure, above the value of £5,000 (primary schools) /£10,000 (secondary schools).</p> <p>Insulation in a new building/extension or replacement/repair of substantially all. Improvements to insulation to meet current standards only when necessary as part of a LA roof replacement work.</p>	<p>First £5,000 (primary schools)/£10,000 (secondary schools) of substantial replacements.</p> <p>Repair/replacement of small parts of an existing structure. Repair/replacement of small parts of an existing structure. Repair/replacement of small areas of rotten/defective joists, rafters, purlins etc. Not complete trusses.</p> <p>Repair/replacement/increasing thickness of insulation in an existing roof, including to meet current standards.</p>

	<p>Roof finish in a new building/ extension, replacement of all/ substantially all on an existing roof.</p> <p>Roof Finish in a new building/ extension, replacement of all/ substantially all on an existing roof.</p> <p>Drainage in a new building/extension. Replacement of all/substantially all on an existing roof. Cleaning out only when necessary as part of LA roof replacement work.</p> <p>Other e.g. flashings, roof windows in a new building/extension. Replacement of all/substantially all on existing roof.</p>	<p>Replacement of missing/damaged roof finish.</p> <p>Repairs/replacement of small areas. Repainting.</p> <p>Clearing out gutters and downpipes. Replacement/repairs of individual pipes/ gutters. Repainting.</p> <p>Repair/replacement/cleaning of individual items.</p>
<p>Roofs Other</p>	<p>Structure. New structure or replacement of all or a substantial part of an existing structure to prevent imminent or correct actual major failure of the structure, above the value of £5,000 (primary schools)/ £10,000 (secondary schools)</p> <p>Provide new covered link etc. between existing buildings. Rebuild or substantially repair structure of existing covered link.</p> <p>Add porch, etc. to existing building. Rebuild or substantially repair structure of existing porch.</p>	<p>First £5,000 (primary schools)/£10,000 (secondary schools) of substantial replacements.</p> <p>Minor repairs, maintenance to existing covered link.</p> <p>Minor repairs, maintenance to existing porch.</p>
<p>Floors Ground and upper floors</p>	<p>Structure and damp proof course membrane (DPC) in a new building. Replacement of all or a substantial part of an existing structure to prevent imminent or correct actual major failure of the structure.</p> <p>Screed and finish in a new build, replacement of all/substantially all of existing floor. Replacement of finish only where this is necessitated by replacement of screed.</p>	<p>Repair/replacement of small parts of an existing structure.</p> <p>Replacement/repair of small areas of screed. Replacement/repair of finishes. Replacement of mats/matwells/carpets/ tiles. Maintenance e.g. revarnishing wooden floors.</p>
<p>Ceilings <u>Top or Only Storey</u> Suspension</p>	<p>Provision in new build</p>	<p>Repair/replacement incl. from water damage, and necessary decoration.</p>
<p>Membrane</p>	<p>Provision of new build</p>	

Fixed	Provision in new build. Replacement of all/substantially all in existing building.	Repair/replacement incl. from water damage, and necessary decoration. Repair/replacement of small areas incl. from water damage. Decoration.
Access Panels	Provision in new build.	Repair/replacement incl. from water damage, and necessary decoration.
Insulation	Provision in new build.	Repair/replacement/upgrading of insulation.
<u>Lower Storeys</u>		
Suspension	Provision in new build.	Repair/replacement and necessary decoration
Membrane	Provision in new build.	Repair/replacement
Fixed	Provision in new build. Replacement of all/substantially all in existing building.	Repair/replacement of small areas. All necessary decoration.
<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 Masonry/ Cladding	Structure. Underpinning/propping for new build. External finish on new build or on existing build where needed to prevent imminent or correct actual major failure of the structure e.g. re-pointing/re-cladding work affecting most of a building/replacement build.	Repairs. Preventative measures, e.g. tree removal. Repair/replacement of small parts of an existing structure e.g. re-pointing/re-cladding a proportion of a wall where failure has occurred.
Windows and Doors	Provision in new build. Structural replacement programme. Glazing in new build. Jointing in new build Internal and external decorations to new build	Repair/replacement of individual windows or doors (less than approx. 25% of total) Repainting frames and doors. Replacement of broken glass. Upgrading of existing glazing. Repair/replacement, upgrading locks etc. Jointing including mastic joints
Chimneys	Provision or replacement of complete chimney. Jointing including expansion and mortar joints/pointing/DPC	Internal and external decoration to include cleaning down and preparation. Remedial repair/repointing and replacement of defective parts.
Internal Walls		

<p>Solid</p> <p>Partitions</p> <p>Internal Doors and Screens</p> <p>All</p>	<p>Provision including various internal finishes, linings and decorations.</p> <p>Refurbishment and major alterations.</p> <p>Complete structure including linings, framing, glazing decoration etc.</p> <p>Refurbishment and major alterations.</p> <p>Framing/screens/doors to new buildings including glazing, ironmongery, jointing and internal decorations.</p> <p>Provision of fire doors where necessary.</p> <p>To meet official recommendation</p>	<p>Repairs and redecoration to internal plaster/linings tiles, pin boards etc.</p> <p>Minor alterations.</p> <p>Repairs and redecoration.</p> <p>Minor alterations.</p> <p>Internal maintenance and redecoration.</p> <p>Repair/replacement of all defective doors and screens, incl. fire doors.</p> <p>Replacement of broken glass. Glazing to meet statutory Health and Safety requirements.</p>
<p>Sanitary Services</p> <p>Lavatories</p> <p>Kitchens</p>	<p>In new buildings provision of all toilet fittings, waste plumbing and internal drainage.</p> <p>Large scale toilet refurbishment.</p> <p>Provision of disabled facilities, and specialist facilities related to pupils with statements.</p> <p>Kitchens in new buildings complete with fittings, equipment, waste plumbing and internal drainage. Internal finishes and decorations.</p> <p>Major refurbishment.</p>	<p>Repair/replacement of damaged sanitary ware, fittings, waste plumbing etc.</p> <p>Small areas of refurbishment. Repair/ replacement of damaged fittings, waste plumbing etc.</p> <p>Repairs and minor refurbishment. Repairs/ replacement of parts. Provision/ replacement/repair of all items of equipment.</p>
<p>Mechanical Services</p> <p>Heating/hot water</p>	<p>Complete heating and hot water systems to new projects, including fuel, storage, controls, pipework, calorifiers, distribution, flues, ventilation etc.</p> <p>Planned replacement of old boiler/ controls systems past the end of their useful life. Emergency replacement of boiler plant/systems.</p>	<p>General maintenance of and remedial repairs to all boiler house plant, heating and hot water systems, including replacement of defective parts. Regular cleaning. Energy saving projects.</p> <p>Annual servicing of all mechanical plant (boiler servicing) and any remedial work resulting therefrom.</p>

<p>Cold Water</p> <p>Gas</p> <p>Ventilation</p>	<p>Safe removal of old/damaged asbestos boiler and pipework insulation, where risk to Health and Safety.</p> <p>Planned or emergency replacement of all substantially all heating and hot water distribution pipework, heat emitters, etc.</p> <p>Provision of cold water services, storage tanks, distribution, boosters, hose reels etc. in major projects.</p> <p>Planned or emergency replacement of all or substantially all cold water distribution pipework from meter.</p> <p>Distribution on new and major refurbishment's, terminal units.</p> <p>Planned or emergency replacement of all or substantially all gas distribution pipework from meter.</p> <p>Mechanical ventilation/air conditioning to major projects.</p>	<p>Health and Safety issues other than asbestos.</p> <p>Maintenance and repair/replacement of defective parts such as servicing pipes. Annual servicing of cold water tanks.</p> <p>Repairs, maintenance, replacement of all defective units and parts. Gas safety. All servicing.</p> <p>Provision of local ventilation. Repair/ replacement of defective systems and units.</p>
<p>Swimming Pools</p>	<p>Structure, hygiene and safety in new build.</p> <p>Swimming pool plant and its complete installation, including heat recovery systems.</p> <p>Hydrotherapy pools in special schools.</p>	<p>Hygiene, cleaning and maintenance, Repair/replacement of parts to plant, pumps and controls. Water treatment equipment and all distribution pipework. Simple heat recovery and energy saving systems. Solar heating plant and equipment.</p>
<p>Electrical Services Power/ Distribution</p>	<p>Main switchgear and distribution in major projects.</p> <p>Replacement of obsolete and dangerous wiring systems, including distribution boards where part of a rewiring project.</p> <p>Control gear, distribution, where part of rewiring etc.</p> <p>Provision of light fitting in new build.</p>	<p>Testing/replacement of distribution boards</p> <p>Repairing and maintenance of all switchgear and interconnecting cables including that in temporary buildings.</p> <p>All testing, earthing and bonding to meet Health and Safety. All servicing.</p> <p>All testing, repair and replacement of small items of equipment.</p>

Lighting: Internal and external	Major refurbishment due to obsolescence.	Cleaning and replacement of light fittings. Additions to system.
Lighting: Emergency	Provision of emergency lighting and major refurbishment.	Testing of emergency lighting. Adjustments and improvements.
Lightning protection	Lightning protection in new build. Annual inspection.	Repair/replacement of lightning protection.
Lifts/hoists	Provision of lifts/hoists, etc. and major refurbishment/replacement	Repair and maintenance to lifts/hoists etc. Six monthly servicing/inspection.
Communication system	New installation of communication systems, radio/TV, telephone, data transmission, IT etc. and provision in new build.	Repair/replacement/maintenance, including all door access systems. Additions to system.
	Installation, repair, maintenance and testing of fire alarms. Upgrades.	Installation, maintenance and testing of intruder alarm systems and CCTV. Remedial repairs.
	Cost of monitoring fire alarms, and intruder alarms where linked to the same monitoring system.	Cost of monitoring intruder alarms and CCTV.
External Services Distribution External Works	Heating mains, gas mains, water mains, electricity mains, renewal of any of the above.	Annual Servicing and testing.
	Resurfacing/replacement of hard surfaces above the value of £5,000 (primary schools)/£10,000 (secondary schools).	First £5,000 (primary schools)/£10,000 (secondary schools) of substantial replacements/resurfacing of drives, car parks, paths, courts, terraces, play pitches, playgrounds, steps and handrails.
	Provision of new drives, car parks, paths, courts, terraces, play pitches, playgrounds, steps and handrails, as part of major project, including disabled access.	Maintenance and repair. Car park and playground markings.
	Provision of walls, Fencing, gates, and ancillary buildings as part of a major project.	Maintenance/repair/replacement of all perimeter/boundary/retaining walls, fencing and gates.
Miscellaneous	Major tree maintenance	Minor tree maintenance up to a value of £200. Thinning of saplings.
Drainage	Drains, soakaways, inspection chambers and sewerage 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.

Section 13: Community Facilities

13.1 Introduction

Under s27(1) of the Education Act 2002, the Governing Body of a maintained school may provide any facilities or services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated. This includes expenditure on community facilities or for the benefit of pupils in other schools. Amounts spent by Governing bodies on community facilities or services will be treated as if spent for any purposes of the school.

For staff employed under the community facilities power, any costs must be met by the governing body, and can be funded from the school's delegated budget if the Governing Body is satisfied that that this does not significantly interfere with the staff's duty to promote high standards of educational achievement at the school, or any other duties imposed on them under the Education Acts. Nor should the Governing Body undertake any scheme that in the opinion of the Authority would prejudice the financial position of the school or the Authority, or the welfare or education of pupils at the school.

Subject to statutory requirements in respect of charges in connection with education, the Governing Body may charge for any community services or facilities so provided.

13.2 Prohibitions, restrictions and limitations

A Governing Body choosing to exercise this power to provide community facilities will be subject to the range of controls set out in the legislation, including the requirement to fully consult the Authority on proposals and have regard to advice from the Authority.

In addition the Secretary of State issues guidance to Governing bodies about a range of issues connected with exercise of this power, to which they must have regard.

Other than those controls set out in legislation, the main limitations and restrictions on the exercise of this power by a Governing Body will be those contained in a school's own instrument of government and in the Scheme for Financing Schools. Schools are therefore subject to prohibitions, restrictions and limitations in Warrington's Scheme for Financing Schools. In addition the Authority may charge a school's community facilities budget for costs which the Authority may incur in the circumstances set out in section 5 of the Scheme.

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

13.3 Consultation with the LA - financial aspects

Section 28(4) of the Education Act 2002 requires that before exercising its community facilities power, the Governing Body must consult the Authority on its proposals, and have regard to any advice subsequently given. In addition, the Governing Body is required to inform the Authority of what action has been taken following receipt of this advice.

The Governing Body must formally consult with the Authority at least two months (eight weeks) before exercising its community facilities power. This is in line with the minimum period for consultations as set out in the Government Code of Practice for consultations.

This consultation will take the form of the Governing Body providing detailed information relating to the financial viability of the proposal, including details of its internal financial regulations for the operation of its community provision. Information should also be provided of local consultations

undertaken with appropriate stakeholders regarding the proposal, in the context of any existing local or strategic plans affected.

To safeguard the financial position of the school and the Authority, and to protect pupil welfare or education, as part of the consultation process the Governing Body may be required to submit a detailed financial plan relating to any proposal submitted, for agreement with the Authority. In the event of a financial plan not being agreed, (some form of) indemnification of the Authority may be required of the Governing Body prior to commencement of the proposal.

13.4 Funding agreements - LA powers

In some instances the provision of community facilities in schools may be dependent on the conclusion of a funding agreement between a Governing Body and a third party (other than the Authority). Before concluding any such Agreements, the Governing Body is required to submit detailed proposals for consideration by the Authority at least eight weeks prior to signing any agreement.

The Authority has no right of veto in such agreements. However in circumstances where an agreement has been or is to be concluded against the wishes of the Authority, or has been concluded without informing the Authority, or which in the view of the Authority is seriously prejudicial to the interests of the school or the Authority, that may constitute grounds for suspension of delegated powers.

13.5 Supply of financial information

The Governing Body is required to provide the Authority with a financial summary of the community facilities activity in a form determined by the Authority. This summary statement will request information relating to the income and expenditure for the school arising from the facilities. The inclusion of community facilities within Consistent Financial Reporting (CFR) returns should aid the process.

Where the Authority has concern as to the school's management of the financial consequences of the exercise of the community facilities power, on giving due notice the Authority may require such financial statements to be supplied every three months.

In circumstances where financial statements received from a Governing Body suggest that the provision of a community facility is moving towards a deficit situation, the Governing Body may be requested to submit a viable recovery plan, for agreement with the Authority. In the event of a viable recovery plan not being agreed, (some form of) indemnification of the Authority may be required of the Governing Body in order for the provision to continue.

Governing Bodies are reminded that Schedule 3 of the Education Act 2002 inserts a new provision into Schedule 15 of the Act to make mismanagement of funds for community facilities form a basis for suspension of delegated powers.

Advice provided to the Governing body by the LA will be offered within a reasonable timeframe. The Authority will not charge for such advice, although it may stipulate that the school feeds back to the LA what actions have been taking following the receipt of this advice.

13.6 Audit

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

Governing bodies, in concluding funding agreements with other persons pursuant to the exercise of the community facilities power, are required to ensure that such agreements contain adequate

provision for access by the Authority to the records and other property of those persons held on the school premises. This will enable the Authority to satisfy itself as to the propriety of expenditure on the facilities in question.

13.7 Treatment of income and surpluses

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

A Governing Body may carry such retained income over from one financial year to the next, and hold it as a separate community facilities surplus, or, subject to the agreement of the Authority at the end of each financial year, transfer all or part of it to the budget share balance.

Where a school is a community or community special school, and the Authority ceases to maintain the school, any accumulated retained income obtained from exercise of the community facilities power reverts to the Authority unless otherwise agreed in any formal partnership arrangement.

13.8 Health and Safety matters

In the management of community facilities and services, a Governing Body is to have due regard to duties placed on the Authority on relation to health and safety and to the Authority's policy on health and safety.

The Governing Body is responsible for securing Disclosure and Barring Service (DBS) clearance in respect of all staff involved in any community activities taking place during the school day. Governing bodies are free to pass on the costs of DBS clearance as part of any formal partnership arrangement.

13.9 Insurance

It is the responsibility of a Governing Body to make adequate arrangements for insurance against risks arising from the exercise of the community facilities power. Such insurance should not be funded from the school budget share.

When proposing to provide community facilities, as an integral part of its plans a Governing Body should undertake an assessment of the insurance implications and costs, seeking professional advice if necessary. In considering any arrangements for insurance, a Governing Body is required to consult with the Authority; to ensure that its insurance arrangements meet the Authority's minimum requirements regarding possible third party claims i.e. public liability, employer liability, etc.

In exceptional circumstances, the Authority may undertake its own assessment of the insurance arrangements made by a school in respect of community facilities. In the event of these arrangements proving inadequate, the Authority may make arrangements itself and charge the resultant cost to the community facilities account.

13.10 Taxation

The Governing Body should seek the advice of the LA on any issues relating to the possible imposition of Value Added Tax or transactions in connection with community facilities, including the use of the local authority VAT reclaim facility.

The school is likely to be held liable for any Income Tax and National Insurance, in line with HMRC (Inland Revenue) rules, for any member of staff employed by the school or LA in connection with community facilities at the school. LA advice should be followed in relation to any transaction falling within the Construction Industry Scheme.

13.11 Banking

Whether a school utilises the Authority's banking arrangements or operates its own external local bank account, a Governing Body is required to make adequate arrangements for separation of funds to ensure that school budget and other LA funds are accounted for separately from community facilities funds.

The Authority's general conditions relating to the operation of external bank accounts (e.g. signing of cheques, the titles of bank accounts, the contents of bank account mandates, and similar matters) will apply, as set out elsewhere in this Scheme and in the Authority's guidance.

Governing Bodies are reminded that they may not borrow money without the written consent of the Secretary of State. (This requirement does not extend to monies loaned by a school's maintaining Authority.)

ANNEX A

WARRINGTON BOROUGH COUNCIL

List of schools covered by the Warrington Scheme for Financing Schools (as at August 2020)

Appleton Thorn Primary
Barrow Hall Community Primary
Bewsey Lodge Primary
Birchwood CE Primary
Bradshaw Community Primary
Brook Acre Community Primary
Callands Primary
Cardinal Newman Catholic High
Cherry Tree Primary
Christ Church CE Primary
Cinnamon Brow Primary
Culcheth Community Primary
Culcheth High
Dallam Community Primary
Fox Wood Special
Grappenhall Heys Primary
Grappenhall St Wilfrid's CE Primary
Green Lane Special
Latchford St James' CE Primary
Locking Stumps Community Primary
Newchurch Community Primary
Oughtrington Community Primary
Our Lady's Catholic Primary
Ravenbank Community Primary
Sacred Heart Catholic Primary
Sandy Lane Nursery & Forest School
Sankey Valley St James' CE Primary
St Alban's Catholic Primary
St Andrew's CE Primary
St Augustine's Catholic Primary
St Benedict's Catholic Primary
St Bridget's Catholic Primary
St Elphin's (Fairfield) CE Voluntary Aided Primary
St Gregory's Catholic High
St Joseph's Catholic Primary
St Lewis' Catholic Primary
St Margaret's CE Voluntary Aided Primary
St Monica's Catholic Primary
St Oswald's Catholic Primary
St Paul of the Cross Catholic Primary
St Peter's Catholic Primary
St Philip's (Westbrook) CE Aided Primary
St Stephen's Catholic Primary
St Thomas' CE Primary
St Vincent's Catholic Primary

Statham Community Primary
Stockton Heath Primary
Stretton St Matthew's CE Primary
The Cobbs Infant
Thelwall Community Infant
Thelwall Community Junior
Twiss Green Community Primary
Warrington St Ann's CE Primary
Warrington St Barnabas' CE Primary
Winwick CE Primary
Woolston Brook Special
Woolston CE Aided Primary

ANNEX B

Local Bank Account (LBA) **MAIN CHEQUEBOOK MANAGEMENT SCHEME**

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1. INTRODUCTION

This document provides details of the main local bank account scheme which is to be utilised by all schools maintained by the Authority.

2. THE ROLE OF THE SECTION 151 OFFICER

The Section 151 Officer is responsible (under Section 151 of the Local Government 1972 and Government Finance Act 1988) for the safe and efficient financial arrangements of the Authority and for the accuracy of the accounts and any financial returns. These responsibilities are recognised in the then DfE Circulars 7/91 and 2/94 and reflected in this Scheme for Local Bank Accounts (LBA). It is the intention of this Scheme that schools should be allowed the desired freedom, whilst maintaining public accountability.

Whilst operating their own bank accounts, schools will continue to operate as part of the Authority as agents of the Section 151 Officer. The Governing Body is responsible for ensuring that only *bona fide* transactions are made from the LBA. Any losses or costs arising due to error, negligence or irregularity are the responsibility of the Governing Body.

In carrying out his statutory duties, the Section 151 Officer or his nominated representative has a right of access to any information held in schools, including bank statements and cheque books, in order that he may reasonably be assured as to the school's management of its delegated budget share, or the use made of any central expenditure made by the LA (eg earmarked funds) on the school.

3. THE ROLE OF THE SCHOOL

The financial responsibilities of Governing Bodies are limited by the framework of the legislation and arrangements set out in the Authority's Scheme for Financing Schools. The provision of a LBA means that certain central functions are devolved and become the responsibility of the schools. These functions include:-

- Payment of invoices
- Reimbursement of petty cash payments
- Receipt of income
- Establishment and operation of certification and authorisation procedures
- Reconciliation of bank statements
- Retention of prime documents
- Provision of accounting information
- VAT accounting
- Accounting for the Construction Industry Scheme (CIS).

Schools will be responsible for the currency, accuracy and completeness of their Local Bank Account records. These records including bank accounts must be available for examination by Internal and External Audit and other appropriate Borough officers.

Expenditure, other than petty cash items, will be incurred through the normal ordering procedure. Financial Regulations and Standing Orders, as published in the Scheme for Financing Schools and amended from time to time, relating to these procedures must be observed.

Borough Council Imprest facilities are withdrawn from those schools operating Local Bank Accounts.

4. TRANSACTIONS THROUGH LOCAL BANK ACCOUNTS (LBA)

A LBA can be used for the following types of transactions:

All items of expenditure and income which were hitherto dealt with via the Authority's central payments and income system and which are included in the schools delegated budget, except for those detailed below.

- Salaries, wages, employees' travelling and subsistence claims, payments to supply teachers and other casual payments to employees.
- Transactions relating to school or other associated funds.
- Transactions related to non-LA activities.
- Transactions relating to School Meals.

5. BANKING ARRANGEMENTS

The LBA to be used by schools will form part of the Authority's banking contract. The accounts will therefore act on subsidiary accounts of the Authority's General Account. Reimbursements to cover net transactions through the schools account will be undertaken by BACS at each month end.

CHEQUES - Authorisation

Schools should have at least three authorised signatories. All authorised signatures must be lodged with the bank, which must be notified immediately of any changes to the designated signatories.

The authorised signatories on schools' LBAs should be the Headteacher and appropriate senior members of staff. Staff who authorise orders, process accounts, or certify accounts for payment should not be authorised signatories, as it is essential that a division of duties exists between the various procedures.

Cheques must be signed in manuscript by two authorised signatories, facsimile signatures and rubber stamp signatures are not acceptable.

Blank cheques **must not** be pre-signed and all unused cheques and passbooks must be kept secure at all times.

Cheque signing limits must be agreed by the Governing Body. For example, Governors may require all cheques over £1,000 always to have the Headteacher as one of the two signatories.

CHEQUES – Security and Control

Cheque stocks must be held securely at all times. A record must be maintained at the school of cheque stocks, which records cheques received from the bank and cheques issued for use. All cheque stock movements should be initialed by the person responsible for maintaining the cheque stock record.

CHEQUES – Cancellation

Cheques which are spoilt during processing must be boldly stamped CANCELLED and must be retained by the school. All cheques recorded as cancelled must be accounted for, stamped and retained for audit purposes.

Any cheques lost at school, lost by the recipient, or lost in the post should be “stopped” with the bank immediately. The bank may accept telephone instructions; however written confirmation of the details of the cheque to be stopped should always be provided. The bank will require the name of the bank account, the account number, the cheque number, the payee, the date of the cheque and the amount of the cheque. A replacement cheque should not be issued until at least 5 working days have elapsed.

Confirmation should be sought from the bank that the lost cheque has not been honoured. The cancellation of a cheque and the details of its replacement must be recorded.

BANK ACCOUNTS – Interest and Charges

Interest will be paid to schools based on an average of the opening and closing balances. This will be paid at an annually determined rate. The interest will not be paid into schools’ bank accounts, but will be provided as income to the School’s Central Report.

Local school bank accounts operate within the Authority’s contract for banking arrangements, and therefore any charges will be borne by the LA.

BANK ACCOUNTS – Standing Orders and Direct Debits

Payments by standing order and direct debits are permitted. A schedule of standing orders/direct debits should be maintained and reviewed regularly.

BANK ACCOUNTS – Payments

Schools should endeavour only to make payments against invoices. Where it is impossible to obtain goods or services other than on a cash with order basis, then a formal record should be kept and authorised by a senior member of staff other than the cheque signatories. A receipt or paid invoice/acknowledgement should always be requested in such circumstances.

BANK ACCOUNTS – Petty Cash Disbursements

Cash withdrawals are permitted by cheque for petty cash disbursements. All petty cash disbursements should be recorded and all petty cash accounted for.

BANK ACCOUNTS – Income

Payments can be made into the school’s LBA for :-

- Net Transaction reimbursements on a monthly basis
- Income generated by the school e.g. Lettings
- Donations towards school expenditure e.g. Unofficial and Voluntary Funds

All monies received must be receipted using official receipts.

Paying-in books, preferably pre-numbered, not individual slips, must be used for banking all income. All income must be banked promptly and intact. Income must not be used to meet expenditure directly. A list of all cheques banked must be compiled, detailing the name of the drawer and the amount of the cheque. The total value of the cheques banked needs to reconcile to the total value of the cheques listed.

All income received must be accurately analysed and included in the monthly net transaction returns. Schools should not code income to expenditure accounts unless the income is a direct reimbursement of expenditure.

School meals' income does not accrue to the school and must be accounted for and banked separately.

BANK RECONCILIATION

Bank statements will be provided to the school and LA on a monthly basis.

Bank statements must be received by the Headteacher, unopened and a monthly reconciliation undertaken between the balance shown on the bank statements and the school accounts. Copies of this reconciliation should be retained at school and one sent to the Schools Accountancy Team.

It is important that senior management in schools takes an active part in controlling and monitoring balances held in LBAs. Bank statements and the bank reconciliation should be examined regularly by the senior management in the school.

The bank reconciliation process will provide details of unpresented cheques, any items which have been outstanding for some time should be investigated.

6. ACCOUNTING ARRANGEMENTS

VAT

The Authority is registered for VAT purposes and is therefore entitled to reclaim any VAT charged by suppliers of goods and services, but is also required to charge VAT on certain items of income. Schools spending the budgets delegated to them are deemed agents of the Authority and therefore must follow the same VAT rules as the Authority.

VAT paid on invoices can be reclaimed via the Authority as long as the claim is supported by an invoice which complies with HM Revenue and Customs Regulations. Where a supplier issues a non-VAT invoice for a regular payment e.g. hire of equipment payable monthly on a maintenance contract, the schedule of VAT will be issued to cover the whole year. This practice is acceptable to HM Revenue and Customs if a copy of the schedule is attached to each invoice paid.

Petty cash purchases should be, wherever possible, supported by a VAT receipt from the supplier so that the VAT element can be reclaimed.

Schools must determine whether VAT should be charged on income. Failure to collect and account for VAT will ultimately result in financial penalty.

Schools' financial systems must record VAT on both expenditure and income. Your school's monthly net transaction return to the LA will form the basis on which the Authority will claim VAT.

It is essential that schools appreciate the importance of accurate and timely VAT returns. HM Revenue and Customs have powers to levy penalties, and where these result from errors in school returns they will fall to be met from the schools budgets.

It is a statutory requirement that schools retain invoices with VAT paid, for subsequent inspection by HM Revenue and Customs inspectors.

CONSTRUCTION INDUSTRY SCHEME (CIS)

There is a legal obligation placed on local authorities to make deductions of income tax from contractors' invoices falling within the scope of the CIS scheme. This includes any payments made to contractors who carry out building works for the school as they are effectively sub-contractors to Warrington Borough Council. The types of work included in the scheme are such things as painting and decorating, joinery, plumbing etc.

The interpretation and compliance with the HMRC regulations is quite complex and involves the submission of two tax returns by the Borough Council each year. One return lists all payments made to contractors who hold a tax exemption certificate. To enable these reports to be processed, details of tax exemption certificates are held by the Section 151 Officer.

ACQUISITION OF EQUIPMENT

Leasing, rental or other deferred payment arrangements for equipment such as photocopiers and telephone systems must not conflict with the Council's application of Government capital expenditure controls.

Guidance on this area can be obtained from the Financial Planning section.

7. ACCOUNTING REQUIREMENTS

STATUTORY

The Authority retains the responsibility for the maintenance of all schools' statutory accounts as well as a statutory monitoring and evaluation of financial performance role.

In order to meet these requirements, schools with LBAs will continue to submit a statement of their budget for the financial year and details of any subsequent changes in-year in the prescribed format.

Schools will provide details of payments made and income received each month. This monthly net transaction return will include: -

- Analysis of payments made and income received (by CIPFA Standard Form)
- Analysis of VAT paid and received
- Details of petty cash transactions and reimbursement bring locally generated transactions into the Authority's Financial System, and hence for central reports to schools to be as up to date as possible, the monthly net transaction returns should be submitted as detailed on the timetable supplied by Finance.

YEAR-END PROCEDURES

The Authority keeps its statutory accounts on an income and expenditure basis not on a receipts and payments basis. Schools with LBAs are also required to keep to this accounting convention. Thus in April, schools must identify those invoices which relate to the previous financial year and those which refer to the new year in order that debtors and creditors are correctly provided for.

CARRY-FORWARDS

At the year-end the carry-forward balance will be determined by reference to the Authority's Financial Reports. This should not present any difficulties, as schools are responsible for reconciling their LBA records to the Financial Reports.

8. **FINANCIAL INSTRUCTIONS:**

PAYMENT OF INVOICES

All invoices received by the school must be annotated or stamped with the DATE RECEIVED. In addition the following information should be recorded for each invoice: -

- Order Number
 - Expenditure Code
 - Goods checked
 - Payment authorised
 - Date paid
 - Cheque Number
-
- Each invoice must be clearly marked as *PAID*
 - Original invoices must not be sent with the cheque to the creditor
 - Paid invoices, delivery notes and copy orders should be filed in payment order
 - Copy remittance advices should be filed alphabetically against the creditor's name to provide an index to paid invoices when queries arise.

SEPARATION OF DUTIES AND INTERNAL CONTROL

There must be adequate separation of duties between staff responsible for placing orders and signing cheques, as illustrated in the following table.

	ORDER	INVOICE	CHEQUE
Raising/checking	Clerk 1	Clerk 2	Clerk 3
Certification/Signing	Head or authorised person*	Head or authorised person*	Head/Deputy & Other senior member of staff.

* should be different signatories

The above split of duties is desirable for control of the cheque book process. However, if your school does not have the administrative resources to adhere to the above, then guidance should be sought from Internal Audit.

PETTY CASH DISBURSEMENTS

- Petty cash can be made available from the LBA; therefore the school must identify a person to be responsible for the financial administration of the petty cash advance.
- Cash purchases should be restricted to minor items when credit facilities are inappropriate or not available.
- All payments should be supported by a receipt where possible. If no receipt is available a petty cash slip should be completed and signed by the claimant.
- A VAT receipt should be obtained whenever possible
- A record of all cash transactions must be maintained
- The petty cash advance should be reconciled regularly and replenished from the school's LBA.
- Imprest facilities will not be available to schools with LBAs.

DOCUMENT RETENTION

ALL paid invoices must be retained for the current year and the previous 6 financial years to satisfy HM Revenue and Customs.

In addition the following records should be kept until the Authority's Accounts have been certified by the external auditors i.e. the current year plus the previous 2 financial years.

- Copy orders
- Signed delivery notes
- Copy remittance advices
- SIMS/LRM detailed accounts plus final Central Report 1
- Paying-in slip stubs/records
- Copy receipts for all income
- Bank statements
- Bank reconciliation statements

FINANCIAL REGULATIONS

In addition to the standard Financial Regulations for schools, as published in the Warrington Borough Council Scheme for Financing Schools, the following regulations apply specifically to Local Bank Account (LBA) schools.

The Governing Body is responsible for ensuring that procedures are operated within the school to permit only *bona fide* transactions to be made via the LBA. Any losses or costs arising in respect of a LBA, due to error, negligence or irregularity are the responsibility of the Governing Body, and will be charged against the school's budget.

In order to maintain separation of duties, all cheques should be signed by two signatories who are first provided with appropriate supporting documentation relating to the payment. The Governing Body should nominate a small number of senior members of staff, as authorised signatories for the LBA. Each should be given a limit of financial authorisation, appropriate to their needs, above which further authorisation is required.

The Governing Body shall ensure that blank cheque books and records relating to the LBA, shall be stored securely, and access to such is restricted to authorised members of staff at all times.

The Governing Body shall ensure that a separate reconciliation is performed at least monthly by the school, between the school's Financial Systems and the Borough Council's accounts as provided via financial reports from the Section 151 Officer.

The reconciliation should be certified by the person undertaking it, and should then be checked and certified by a second member of staff who is familiar with the operation of the Local Bank Account. Wherever possible the person who reconciles the LBA should not be in a position to process invoices for payment, or receive or process income.

All year-end procedures in respect of LBAs, provided by the Section 151 Officer, and as amended from time to time, shall be undertaken and adhered to.

Payments for goods and services shall always be made through the school's official bank account and not through an officer's or governor's personal bank account. An exception to this is for the purchase of minor items under £50, where a member of the school's staff may pay for items in the first instance, obtain a receipt, and then be reimbursed from the school's petty cash facility. Care shall be taken to ensure that this facility is not abused.