The Southend City Council Scheme for Financing Schools

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2. Introduction

2.1. The Funding Framework

From 1st April 1998 Southend delegated funding to its schools in accordance with its Local Management of Schools (LMS) scheme as approved by the Secretary of State. Under the terms of the School Standards and Framework Act 1998, Local Authorities (LAs) were required to draw up a scheme for financing schools, to replace the previous LMS scheme.

The funding framework which replaced the LMS is based on the legislative provisions in sections 45-53 of the School Standards and Framework Act 1998 ref 15.1.7.

Under this legislation, LAs determine for themselves the size of their schools' budget and their non-school's education budget, although at a minimum an LA must appropriate its entire Dedicated Schools Grant (DSG) to its 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.

LAs may deduct funds from their schools' budget for purposes specified in regulations made by the Secretary of State under section 45A of the Act (the centrally retained expenditure) ref 15.1.3.

The amounts to be deducted for these purposes are decided by the LA concerned, subject to any limits or conditions, including gaining the approval of their Schools Forum (Education Board) 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).

LAs must distribute the ISB amongst their maintained schools using a formula which accords with regulations made by the Secretary of State and enables the calculation of a budget share for each maintained school. This budget share is then delegated to the governing body of the school concerned, unless the school is a new school which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with section 51 of the Act ref 15.1.8.

The financial controls within which delegation works are set out in a scheme made by the authority in accordance with section 48 of the Act and regulations made under that section ref 15.1.5. All proposals to revise the scheme must be approved by the Schools Forum (Education Board), 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 LA.

Subject to any provision made by or under the scheme, governing bodies of schools may spend such amounts of their budget shares as they think fit for any purposes of their school and for any additional purposes prescribed by the Secretary of State in regulations made under section 50 of the Act ref 15.1.7. 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 ref 15.1.21.

are treated as if they were amounts spent for the purposes of the school (section 50 (3A) of the School Standards and Framework Act 1998) [15.1.7].

A LA may suspend a school's right to a delegated budget if the provisions of the school financing scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. A school's right to a delegated budget share may also be suspended for other reasons (under section 17 of the School Standards and Framework Act 1998) [ref 15.1.13].

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

A copy of each year's budget and outturn statement should be made easily accessible to all schools.

The authority must make the statements available on the Southend City Council website and produce a hard copy on request.

Education Board (including School Forum matters) minutes from January 2017 onwards [ref 15.1.30]

School Forum minutes pre-January 2017 [ref 15.1.31]

Regulations also require an 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.

2.2. The role of the scheme

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

2.3. Application of the scheme to the Local Authority (LA) and maintained schools

This scheme applies to all community, voluntary, foundation, community special, foundation special schools and community pupil referral units (PRUs) in the area of the LA.

It should be noted that this scheme does not apply to academies. The schools maintained by the LA as at 1st September 2020 are listed in Annex A section [16].

2.4. Publication of the scheme

The scheme will be published on the Southend City Council website and a hard copy will be

supplied on request. Any revised version will be published by the date the revisions come into force, together with a statement that the revised scheme comes into force on that date.

2.5. Revision of the scheme

Any proposed revisions to the scheme will normally be the subject of consultation with all maintained schools before they are submitted to the schools' forum for their approval.

All proposed revisions will be submitted to the schools' forum for approval of 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.

Consultation with schools is not necessary where the Secretary of State directs changes to the scheme. 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 the direction.

2.6. Delegation of powers to the Headteacher

Each governing body is asked to consider the extent to which it wishes to delegate its financial powers to the headteacher, and to record its decision (and any revisions) in the minutes of the governing body meeting.

Such decisions by a governing body will be subject to any requirements of the Secretary of State contained in regulations made under section 38 of the Schools Standards and Frameworks Act 1998 ref 15.1.2 and Schedule 2.1 thereto (section 38 of the Act covers the general responsibility of a governing body for the conduct of a school and Schedule 2.1 the membership and proceedings of governing bodies). In order to ensure effective management of resources, the annual budget plan, the first formal budget plan of the financial year must be approved by the governing body, or by a committee of the governing body.

The governing bodies are advised to delegate responsibility for day-to-day financial management to the headteacher, but proper arrangements must be made for the exercise of that delegated authority.

2.7. 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 aided school where some of the expenses are, by statute, payable by the governing body). Part of the way an authority maintains schools is through the funding system put in place under sections 45 to 53 of the School Standards and Framework Act 1998 ref 15.1.1.

3. Financial Controls

3.1. Application of financial controls to schools

The Local Authority (LA) Southend City Council, like other major bodies and companies in both the public and private sectors, has to regulate the financial affairs of the LA in terms of formal Regulations and Procedural Rules.

In managing their delegated budgets, schools must abide by the LA's requirements on financial controls and monitoring and the standards for financial management. Schools must produce Financial Regulations annually using the current LA template that is available from the School Finance team and sent to all schools each year.

3.2. Provision of financial information and reports

Schools are required to provide the LA with details of expected and actual expenditure and income, in a form and at times determined by the LA. The form determined by the LA for submission of information should, so far as possible, take account of the Consistent Financial Reporting framework ref 15.1.28, and the desirability of compatibility with that framework.

This reporting will be quarterly (except Value Added Tax (VAT) reports which are required monthly), unless the authority has notified the school in writing that in its view, the school's financial position requires more frequent submission of information, or the school is in the first year of operation.

3.3. Payment of salaries and bills

The procedures for these will vary according to the choices schools make about the holding of bank accounts and the choice of payroll provider.

3.4. Control of assets

Each school must maintain an inventory of its moveable non-capital assets and equipment, exceeding £1,000 in value, which are considered to be susceptible to theft or other risks. A template inventory and disposals will be provided by the LA for use as part of the Schools Financial Regulations and appendices. Schools are also encouraged to register anything that is portable and attractive, such as a camera. Schools are free to determine their own arrangements for keeping a register of assets worth less than £1,000 and recorded in a register in some form.

3.5. Accounting policies (including year-end procedures)

Schools must abide by procedures issued by the LA in relation to accounting policies and year end procedures. The Executive Director (Finance and Resources) will advise year end procedures through the LA School Finance team.

3.6. Writing off debts

Debts may only be cancelled in accordance with the LA's normal write off procedure as set out in the City Council's Finance Manual ref 15.1.33 Governing bodies are precluded from authorising debt write off because of provisions in the Accounts and Audit Regulations ref 15.1.42 .

3.7. Basis of accounting

Schools may account for expenditure and income during the financial year on their internal systems using either a cash or accruals basis. Reports submitted to the LA in accordance with section 2.2 of this scheme may take either form but must be accompanied by a statement indicating which basis has been used and must be amended, if necessary, at the year-end in order to comply with the requirements at section 2.5. Any subsequent amendments to year end returns must be reported to the LA.

3.8. Submission of budget plans

Each school will receive notification of its budget share and other funding as soon as practicable but, in any event, not later than 31st March in advance of the budget year in question.

Each school is required to submit a formal budget plan to the LA, by the 1st May each year, this plan must have been approved by the governing body.

The budget plan must show the school's intentions for expenditure in the financial year and the underpinning assumptions, for example, the specific sources of finance such as delegated budget, estimate of the prior year carry forward (either surplus or deficit, as at 31st March) and any specific earmarked grants.

The format of the budget plan shall be as defined by the Executive Director (Finance and Resources) and will, so far as possible, take account of the Consistent Financial Reporting framework ref 15.1.28, and the desirability of compatibility with that.

The LA may also require the submission of revised plans where the LA deems it necessary. Such revised plans shall not be required at intervals of less than three months.

3.9. 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 LA between 1st May and 30th June.

The LA will use the budget forecasts to confirm that schools are undertaking effective financial planning and also to provide evidence to support the LA's assessment of School's Financial Value Standard (SFVS) ref 15.1.10.

3.10. School Resource Management

Schools must seek to achieve efficiencies and value for money, to optimise the use of their resources and to invest in teaching and learning, taking into account the LA's purchasing, tendering and contracting requirements ref 15.1.29.

It is for headteachers 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.

3.11. Virement

Schools may process virements between budget headings making up their budget shares, but governors are advised to establish criteria for virements and financial limits above which the approval of the governors is required.

3.12. Audit

The Local Authority (LA) and therefore schools, operate within a financial management environment which is subject to:

3.12.1. external audit in accordance with arrangements determined by the Local Audit and Accountability Act 2014 ref 15.1.16, including the appointment by the Commission of the LA's external auditors who shall have the same right of access as the Executive Director (Finance and Resources) (see 3.12.3 below)

3.12.2. internal audit in accordance with arrangements determined by the Executive Director (Finance and Resources)

3.12.3. under these arrangements and in accordance with the Account and Audit Regulations the Executive Director (Finance and Resources) shall be afforded all facilities and co-operation by governing bodies and members of staff. They shall be entitled to examine the school's records and whatever information or explanations they require in order to satisfy themselves of the correctness or otherwise of any matter under examination. Audit reports shall be considered by the governing body

3.12.4. the Executive Director of Children and Public Health and the Executive Director (Finance and Resources) shall be notified immediately by a governing body or the headteacher of any financial irregularity or suspected irregularity, including those affecting salaries and wages, cash, stores or property, relating to both private or LA funds.

3.13. Separate external audits

In instances where a school wishes to seek an additional source of assurance at its own expense, a governing body is permitted to spend funds from its budget share to obtain external audit certification of its accounts, separate from any LA internal or external audit process. Where a school chooses to seek such an additional audit, it does not remove the requirement that the school must also co-operate with the LA's internal and external auditors.

3.14. Audit of voluntary and private funds

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

The procedures for furnishing these audit certificates and advice on the handling of such voluntary and private funds is set out in Managing School Private Funds 15.1.43, available on the LA's website.

A school refusing to provide audit certificates to the LA as required by the scheme is in breach of the scheme and the LA can take action on that basis. Access to the accounts of such funds by other agencies is a matter for them. Any other requirement as to audit of such funds is a matter for those making the funds available, and any Charity Commission requirements.

3.15. Schools Financial Value Standard (SFVS)

All LA maintained schools (including nursery schools, special schools, and (PRUs) that have a delegated budget) must demonstrate compliance with the SFVS ref 15.1.10 and complete the assessment form on an annual basis. It is for the school to determine at what time in the year they wish to complete the form, although all maintained schools with a delegated budget must submit

the form to the LA before the end of the financial year

Governors must demonstrate compliance through the submission of the SFVS ref 15.1.10, 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.

In 2020 to 2021 schools were permitted to return their SFVS at a later date due to the coronavirus pandemic but from 2021 to 2022 schools should submit their SFVS to the LA by 31st March.

3.16. Register of Business Interests

The governing body and school staff have a responsibility to avoid any conflict between their business and personal interests and affairs and the interests of the school. A register of business interests must be established and maintained which lists for the governing body and the headteacher:

a. any business interests they or any member of their immediate family have

b. details of any other educational establishments that they govern

c. any relationships between school staff and members of the governing body

The register must be kept up to date with notification changes and through annual review of entries, be freely available for inspection by governors, staff and parents, and the LA to publish the register, for example, on a publicly accessible website. In this regard, signed and dated nil returns are also required.

3.17. 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 head teacher 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 induction for new school staff and governors.

Maintained schools are required to adopt a zero-tolerance attitude to fraud, corruption, bribery, theft, or financial irregularities perpetrated by:

a. councillors, school governors or employees of the Council or maintained schools against the Council, maintained schools or others

b. customers, suppliers, claimants or other third parties against the Council or individual maintained schools.

Therefore, maintained schools must abide by the LA's Anti-Fraud and Corruption Policy and Strategy which is stated in the Financial Regulations template (as referenced in ref 3.1), and commit

to reducing losses from fraud, corruption, bribery, theft, or financial irregularities to an absolute minimum across all areas of activity.

It is therefore expected that school governors and employees of maintained schools will adopt and promote the The Seven Principles of Public Life, ref 15.1.35 and participate in all counter fraud initiatives relevant to them.

3.18. Purchasing, tendering and contracting requirements

Schools are required to abide by the LA's Contract Procedural Rules, ref 15.1.29 in purchasing, tendering and contracting matters. This includes assessing in advance and where relevant, the health and safety competence of contractors, taking account of the LA's policies and procedures. Nothing in the LA's financial regulations and standing orders shall force schools to:

3.18.1. do anything incompatible with any of the provisions of this Scheme, or any statutory provision, or any UK Procurement Directive

3.18.2. seek countersignature from a Procurement Officer of the LA for any contracts for goods or services for a total contract value above £25,000 Annex E section 20.

3.18.3. seek fewer than three quotes in respect of any contract with a value exceeding a total contract value between £10,000 and £24,999.99

3.19. Summary of thresholds

Threshold	Total Contract Value	Summary of Process
Low Value	up to £999.99	Minimum of one written or verbal quotation or use P-Card and where possible this should be with a local supplier
Minor	£1,000 to £9,999	Minimum of one written quotation that demonstrates best value and where possible with a local supplier
Medium	£10,000 to £20,833 inc VAT and £10,000 to £25,000 if VAT is exempt	Minimum of three written quotations plus evidence of best value and where possible two from local suppliers
Major (a)	£25,000 to £74,999	Opportunity must be advertised on Contracts Finder website and contract awarded with spend justification
Major (b)	£75,000 to relevant FTS limit	Opportunity must be advertised as a full tender on Contracts Finder website ref 15.1.38 and contract awarded with spend justification
FTS (Find a Tender level)	FTS limit and above	Opportunity must be advertised in the FTS ref 15.1.37 and on Contracts Finder and follow specific regulations

3.20. Application of contracts to schools

Governing bodies are empowered under schedule 1, paragraph 3 of the Education Act 2002 ref 15.1.25 to enter into contracts. In most cases they do so on behalf of the LA as maintainer of the school and owner of the funds in the budget share.

Schools are permitted to opt out of LA arranged contracts. Other contracts may be made solely on behalf of the governing body, when the governing body has clear statutory obligations, for example, contracts made by aided or foundation schools for the employment of staff.

3.21. Central funds and earmarking

The LA may make sums available to schools from central funds, in the form of allocations, which are additional to and separate from the schools' budget shares. Such allocations shall be subject to conditions setting out the purpose or purposes for which the funds may be used and while these conditions need not preclude virement (except where the funding is supported by a specific grant

which the LA itself is not permitted to process virements), this should not be carried to the point of assimilating the allocations into the school's budget share.

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

Any earmarked funds may be returned to the LA if not spent in-year, or within the period over which schools are allowed to use the funding if different.

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

3.22. Spending for the purposes of the school

Governing bodies are free section 3.24.5 to spend budget shares 'for the purposes of the school'. This is subject to regulations made by the Secretary of State and any provisions of the scheme. Eligible expenditure 'for the purposes of the school' includes pupils at other maintained schools or academies and community facilities.

3.23. Capital spending from budget shares

Governing bodies are permitted to use their budget shares to meet the cost of capital expenditure on the school premises section 7.2.7. This includes expenditure by the governing body of a voluntary aided school on work which is their responsibility under of schedule 3, paragraph 3 of the School Standards and Framework Act 1998 ref 15.1.9.

In those instances where the LA owns the premises and proposed works will affect the fabric of the building, the governing body must seek the consent of the LA to the proposed works by obtaining written Landlord Consent.

Any school seeking to incur capital expenditure from its budget share must notify the LA of its intention. Where the sum exceeds £50,000 the school must take into account any advice from the LA as to the merits of the proposed expenditures.

3.24. Notice of concern

The LA may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Executive Director (Finance and Resources) and the Executive Director of Children and Public Health, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of the LA or the school.

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

These may include:

3.24.1. insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school

3.24.2. insisting that an appropriately trained / qualified person chairs the finance committee of the governing body

3.24.3. placing more stringent restrictions or conditions on the day-to-day financial management of a school than the scheme requires for all schools, for example, such as the provision of monthly accounts to the LA

3.24.4. insisting on regular financial monitoring meetings at the school attended by LA officers

3.24.5. requiring a governing body to buy into an LA's financial management systems

3.24.6. 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

3.24.7. the school providing a profiled salary budget to the LA to be used for budget monitoring purposes by the LA. Any change to the staffing profile that gives rise to additional costs not allowed for in the current budget plan must be explained in writing by the school and agreed by the LA before implementation

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.

4. Instalments of the budget share regarding banking arrangements

For the purposes of this section, Budget Share includes any place-led funding for special schools or pupil referral units.

4.1. Frequency of instalments

For those schools which opt for a local bank account under arrangements set out at section 4.5 of this scheme, the budget share will be made available on the following basis:

4.1.1. an initial instalment on 6th April in each financial year, equivalent to 1/36th of the annual budget share. Where 6th April falls on a Saturday, Sunday, or Public Holiday, then the instalment due on that day shall be paid on the first working day thereafter

4.1.2. a further instalment equivalent to 1/18th of the annual budget share paid on the 20th day of April. Where the 20th day of April falls on a Saturday, Sunday, or Public Holiday, then the instalment shall be paid on the first working day prior to the 20th day

4.1.3. 11 subsequent instalments equivalent to 1/12th of the annual budget share is payable on the 20th day of each calendar months, May to March. Where the 20th day of these calendar months fall on a Saturday, Sunday, or Public Holiday, then the instalment due for that month shall be paid on the first working day prior to the 20th

4.1.4. top up payments for pupils with high needs are also payable on a monthly basis unless alternative arrangements have been agreed with the provider

Where it becomes clear that the arrangements set out in this paragraph are likely to result in a temporary cash flow problem for a school, the Executive Director (Finance and Resources) will consider a change to the arrangements in order to overcome any difficulty. Any amounts advanced to a school earlier than the dates set out above will be subject to the payment of interest. Interest will be calculated on a daily basis for the duration of the advance using the average interest rate being incurred by the LA on borrowing.

4.2. Interest clawback

For those schools which opt for a local bank account, the arrangements set out at section 4.1 of this scheme, have been designed, taking all relevant factors into account, to minimise the potential for financial disadvantage to the LA in terms of cash-flow. There will therefore be no need to claw back any sums in respect of lost interest.

4.3. Interest on late budget share payments

In the event of late payments of budget share instalments to schools as a result of LA error and this therefore inadvertently places a school in a difficult cash flow position, interest will be added

at the current Bank of England base rate. The interest rate to be added will need to be determined based on any proof of planned lost interest for that School, or where proof can be provided of a short-term loan facility needing to be required incurring interest charges for that School.

4.4. Budget shares for closing schools

Budget shares of schools for which approval for discontinuation has been secured, will be made available until closure, on a monthly basis, net of estimated pay costs.

4.5. Bank and building society accounts

All schools may have an external bank account into which their budget shares will be paid in accordance with the provisions contained at section 4.1 of this scheme. Where schools have such an account, they shall be allowed to retain all interest payable on the account.

Any school wishing to opt for its own bank account may do so after giving a period of three months' notice (or any other agreed period of notice) in writing to the Executive Director (Finance and Resources).

The LA reserves the right to refuse any application for an external bank account where a school either has or is anticipated to have an accumulated balance which is in deficit at the 31st March preceding the financial year to which the application relates. This reservation shall not apply to those schools which have external bank accounts, excluding petty cash imprest accounts and private fund accounts, at the commencement of this scheme.

Where a school chooses not to opt for an external bank account into which its budget share will be paid, the Executive Director (Finance and Resources) may at the request of a governing body, make imprest advances to the school for the purpose of defraying petty expenses and other items. The Executive Director (Finance and Resources) will keep the amounts of imprest advances under review. Payment from imprest accounts shall be made in accordance with the procedures notified by the Executive Director (Finance and Resources).

4.6. Restrictions on accounts

Schools wishing to open an external bank account may only do so with financial institutions included within an approved list provided by the Executive Director (Finance and Resources). The approved list should be consistent with the LA's Treasury Management Policy Statement ref 15.1.38. Any school closing an account that was used to receive its budget share and opening another must select the new financial institution from the approved list, even if the account to be closed was not with an institution on that list.

Accounts held by schools for the purpose of receiving their budget shares can only be in the name of either the school or 'Southend City Council'. Where a school has an account in the name of the school only, the account mandate should provide that the LA is the owner of the funds in the account; that it is entitled to receive statements; and that it can take control of the account if the school's right to a delegated budget is suspended by the LA. Money paid into an external bank account by the LA remains the property of the LA until it is spent (section 49 (5) of the School Standards and Framework Act 1998 ref 15.1.6.

4.7. Borrowing by schools

Governing bodies may borrow money (which includes the use of finance leases) only with the written permission of the Secretary of State. Schools will only be granted permission for borrowing in exceptional circumstances.

From time to time, the Secretary of State may introduce limited schemes in order to meet broader policy objectives. Schools are permitted to use any scheme that the Secretary of State has said is available to schools without specific approval.

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

Use of procurement cards by schools is encouraged, as these cards can be a useful means of facilitating electronic purchase. Schools may choose to use charge cards; however, no interest charges should be incurred by the school, with balances fully cleared on a monthly basis.

5. The treatment of surplus and deficit balances arising in relation to budget shares

5.1. The right to carry forward surplus balances

Schools may carry forward from one financial year to the next any surplus or deficit in net expenditure relative to the school's budget share for the year plus or minus any balance brought forward from the previous year.

The amount of a surplus balance will be shown in the relevant outturn statement published in accordance with directions given by the Secretary of State under section 251 of Apprenticeships, Skills, Children and Learning Act 2009 ref 15.1.19, although there may be commitments against any figure shown in such a statement.

5.2. Interest on surplus balances

Balances held by the LA on behalf of schools will attract interest calculated at the market-related rate based on the average balance for the year.

5.3. Obligation to carry forward deficit balances

Deficit balances will be carried forward by the deduction of the relevant amounts from the following year's budget share.

The deficit balance will be shown on the outturn statement published in accordance with directions given by the Secretary of State under section 251 of Apprenticeships, Skills, Children and Learning Act 2009 ref 15.1.19, although this might be shown gross of committed expenditure and therefore appear lower than would otherwise be the case.

5.4. Planning for deficit budgets

A governing body cannot plan for a deficit budget other than under the arrangements for Licensed Deficits as set out at section 4.7 of this scheme.

In circumstances where a school requires a budget share advance in order not to be to be overdrawn at their bank, this should be treated as a cash advance and not a loan. This will have no effect on the school's budget and outturn statements.

5.5. Charging of interest on deficit balances

Interest will be charged on deficit balances and calculated on the basis of a market rate for the year and applied to the average of the school's opening and closing balances for the financial year in question (not applicable to schools operating a local bank account).

5.6. 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, an LA 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.

When a school closes, any balance (whether surplus or deficit) shall revert to the LA; it cannot be transferred as a balance to any other school, even where the school is a successor to the closing school, except that a surplus transfer to an academy where a school converts to academy status under section 4(A1)(1)(a) of the Academies Act 2010 ref 15.1.14.

The Department for Education (DfE) Guidance note on "Academy conversion: surplus and deficit balance transfer process" 15.1.44 states that; "the Department reimburses LAs and recovers the money back from the academy through abatement of General Annual Grant (GAG).The Department has to ensure the amount due is a true reflection of what is owed and will only pay once the amount is agreed by both parties."

5.7. Licensed deficits

Schools may plan for a deficit budget in future years, subject to the agreement of the Executive Director of Children and Public Health and the Executive Director (Finance and Resources) in accordance with the following conditions / requirements:

5.7.1. the maximum length of time over which schools may repay the deficit (i.e., reach at least a zero balance) will be three years. Schools will need to prepare a recovery plan and progress towards the elimination of the deficit which will be reviewed formally every six months. At no stage, will the period of recovery be extended beyond five years and schools will, therefore, need to adjust their plans accordingly should the financial position of the school worsen during this period

5.7.2. licensed deficits will only be agreed where circumstances affecting a school change in ways which could not reasonably have been foreseen and that school needs a period in excess of one financial year in order to affect a reduction in its annual level of expenditure and / or an increase in its annual level of income sufficient to eliminate the budget deficit

5.7.3. a licensed deficit shall not normally exceed 5% of a school's budget share

5.8. Loan schemes

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 ref 15.1.15 to make a direction to the effect that such a loan does not transfer, either in full or part, to the new academy school.

5.9. Credit union approach

Schools may wish to group together to utilise externally held balances for a credit union approach to loans. If schools decide to operate in such a way, then they must provide the LA with audit certificates, if the authority does not itself act as administrator of the arrangement.

6. Income

6.1. Income from lettings

Schools may retain income from lettings of the school premises which would otherwise accrue to the LA, subject to alternative provisions arising from any joint use or Private Finance Initiate (PFI) agreements. Schools are permitted to cross-subsidise lettings for community and voluntary use with income from other lettings, provided the governing body is satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the Education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement. However, schools whose premises are owned by the LA shall be required to have regard to directions issued by the LA as to the use of school premises.

Income from lettings of school premises should not normally 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.

6.2. Income from fees and charges

Schools may retain income from fees and charges except where a service is provided by the LA from centrally retained funds. However, schools are required to have regard to any policy statements on charging produced by the LA.

6.3. Income from fund-raising activities

Schools may retain income from fund raising activities. Income generated in connection with bids for National Lottery funds must be used for the purpose(s) intended and in accordance with the agreed conditions attaching to the award of Lottery funding.

6.4. Income from the sale of assets

Schools may retain the proceeds from the sale of assets except in cases where the asset was purchased with non-delegated funds (in which case it should be for the LA to decide whether the school should retain the proceeds), or the asset concerned is land or buildings forming part of the school premises and is owned by the LA. Any retention of funds from the sale of land assets is subject to the consent of the Secretary of State, and any conditions the Secretary of State may attach to that consent relating to use of proceeds.

The retention of proceeds of sale for premises not owned by the local authority will not be a matter for the scheme. Income from the sale of assets purchased with delegated funds may only be spent for the purposes of the school.

6.5. Administrative procedures for the collection of income

The LA will establish administrative procedures for the collection of income which may vary from time to time in light of advice from the VAT authorities.

7. The charging of schools budget shares

7.1. General provision

The LA is required to charge salaries of school-based staff to school budget shares at actual cost, otherwise the budget share of a school may not be charged by the LA without the consent of the governing body except in the circumstances set out in section 7.2.

The LA shall consult a school as to the intention to so charge and shall notify a school when it has been done. The LA will not act unreasonably in the exercise of any power given by this scheme, or it may be the subject of a direction under section 496 of the Education Act 1996 ref 15.1.24.

Where a school opts for an external bank account into which its budget share is paid in accordance with the arrangements set out in section 4.5 of this scheme, any charge made by the LA will be affected by reducing the next instalment(s) of budget share paid to the school. The LA shall make arrangements for a dispute procedure in relation to such charges.

LAs may de-delegate funding for permitted services without the express permission of the governing body, provided this has been approved by the appropriate phase representatives of the Schools Forum (Education Board).

7.2. Circumstances in which charges may be made

7.2.1. where premature retirement costs and any charges imposed by the pension provider, including the cost of redundancy, 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)

7.2.2. other expenditure incurred to secure resignations where there is good reason to charge this to the school Annex B section[17]

7.2.3. awards by courts and employment tribunals against the LA, or out of court settlements, arising from action or inaction by the governing body, contrary to the LA's advice or where the LA was not informed of the hearings referred to in section 16 [ref 15.1.12] and 17 of the School Standards and Framework Act 1998 [ref 15.1.13], or where the LA was not asked for advice and / or informed of the incidents leading to the court action or industrial tribunal claim

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

7.2.5. 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

7.2.6. expenditure incurred by the LA in making good defects in building work funded by capital spending from budget shares, where the LA owns the premises

7.2.7. 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 section[11.1]

7.2.8. 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

7.2.9. recovery of penalties imposed on the LA by the Contributions Agency, Teachers Pensions Agency, HM Revenue and Customs, the Environment Agency or other regulatory authority as a result of school error and / or negligence

7.2.10. correction of LA errors in calculating charges to a budget share (e.g., pension deductions)

7.2.11. where a school provides inaccurate data or applies specific grant to ineligible purposes, which results in the LA allocating it more money than it is entitled to, the LA may take such action, as is reasonable, to recover such money. Care will be taken to ensure that a school is not financially embarrassed as a result of such action and, if necessary, the over payment will be recovered from the following financial year's formula allocation

7.2.12. additional transport costs incurred by the LA, arising from decisions by the governing body on the length of the school day or number of terms in the academic year, about which the governing body has failed to consult and reach agreement with the LA before making that decision, and failure to notify the LA of non-pupil days resulting in unnecessary transport costs

7.2.13. legal costs which are incurred by the LA because the governing body did not accept the advice of the LA section[12.4]

7.2.14. costs of necessary health and safety training for staff employed by the LA, where funding for training has been delegated but the necessary training not carried out

7.2.15. 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

7.2.16. cost of work done in respect of teachers' pension remittances and records for schools non-LA payroll contractors, the charge to be the minimum needed to meet the cost of the LA's compliance with its statutory duties

7.2.17. 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 of funds in respect of low-cost high incidence SEN and / or specific funding for a pupil with high needs

7.2.18. costs incurred by the authority due to submission by the school of incorrect data

7.2.19. recovery of amounts spent from specific grants on ineligible purposes

7.2.20. costs incurred by the LA as a result of the governing body being in breach of a contract

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

7.2.22. costs incurred by the authority in administering admissions appeals, where the LA is the admissions authority and the funding for admission appeals has been delegated to all schools as part of their formula allocation

8. Taxation

8.1. Value Added Tax (VAT)

HM Revenue and Customs (HMRC) have agreed that VAT incurred by schools when spending any funding made available by the LA is treated as being incurred by the LA and qualifies for reclaim by the LA. This does not include expenditure by the governors of a voluntary aided school when carrying out their statutory responsibilities to maintain the external fabric of their buildings.

The LA will issue procedures to schools, setting out how schools may utilise the LA's ability to reclaim VAT on expenditure relating to non-business activity. The net amount reclaimed through these procedures will be passed back to the school.

8.2. Construction Industry Scheme (CIS)

Schools are required to abide by procedures issued by the LA in connection with CIS. Schools with delegated budgets are normally outside the scope of the CIS.

8.3. Employer's Taxation

The LA is responsible for deducting and accounting for Pay As You Earn (PAYE), National Insurance (NI), etc. if it pays salaries, or if salaries are paid from an account in the name of the authority.

If salaries are paid from another account, then the school is responsible for making arrangements for deducting and accounting for PAYE, NI etc.

8.4. Teachers' Pensions

The LA is responsible for remitting pension contributions for all schools.

Schools which have a payroll supplied other than by the LA, must pay to the LA the value of the contribution for that month by the 6th day of the subsequent month, or as otherwise agreed, so that the LA can then remit the monies to the Teacher Pensions Agency. The Executive Director (Finance and Resources) will advise schools separately of the information required (where necessary) to complete the teachers' service return.

8.5. Allowances

The Executive Director (Finance and Resources) will determine the maximum subsistence allowances for out-of-pocket expenses following consultation with HMRC.

9. The provision of services and facilities by the authority

9.1. Provision of services from centrally retained budgets

The LA shall determine on what basis services from centrally retained funds will be provided to schools but will not discriminate in its provision of services on the basis of categories of schools except where:

a. funding has been delegated to some schools only

b. such discrimination is justified by differences in statutory duties. This provision encompasses existing premature retirement, compensation, and redundancy payments, which may not ordinarily be thought of as services.

9.2. Provision of services bought back from the authority using delegated budgets

The term of any arrangement with a school to buy services or facilities from the LA shall be limited to a maximum of 3 years from the date of the agreement, and periods not exceeding 5 years for any subsequent agreement or extensions relating to the same services.

However, schemes for contracts for supply of catering services may be limited to a maximum of 5 years, with 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 section 45A of the School Standards and Framework Act 1998 ref 15.1.3, it must be offered at prices which are intended to generate income which is no less than the cost of providing those services. The total cost of the service must be met by the total income, even if schools are charged differentially.

9.3. Packaging

The LA may provide any services, for which funding has been delegated. Where the LA is offering a service on a buyback basis it will do so in a way which does not unreasonably restrict schools' freedom of choice among the services available, and where practicable, this will include provision on a service-by-service basis as well as in packages of services.

9.4. Service level agreements

When services or facilities are provided under a Service Level Agreement (SLA), whether free or on a buyback basis, the terms of any such agreement, will be reviewed at least every 3 years if the agreement lasts longer than that. When entering into an SLA, the LA will allow schools at least a month to consider the service terms. Where a service or facility is offered by the LA under a service agreement, the LA will also offer the service or facility on an ad hoc basis where a differential rate may be charged.

This excludes centrally arranged premises and liability insurance.

9.5. Teachers' Pensions

The governing bodies of schools which provide payroll services should submit a monthly return of salary and service to the LA.

Governing bodies should also ensure that details of Additional Voluntary Contributions (AVCs) are passed to the authority within the time limit specified in the AVC scheme.

In order to ensure that the performance of the duty on the LA to supply Teachers' Pensions with information under the Teachers' Pension Scheme Regulations 2014 ref 15.1.18, 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' Pensions and to produce its audited contributions certificate.

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

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

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

10. Private finance initiatives (PFI) / Public private partnerships (PPP)

10.1. PFI / PPP

The LA shall have the power to issue regulations from time to time relating to PFI / PPP projects. Amongst other issues these may deal with the reaching of agreements with the governing bodies of schools as to the basis of charges relating to such schemes and the treatment of monies withheld from contractors due to poor performance. No school shall have the power to enter into a scheme without the specific approval of the LA.

Among PFI and PPP provisions may be one which formally sets out the power of the authority to charge to the school's budget share amounts agreed under a PFI or PPP agreement entered into by the governing body of a school.

11. Insurance

11.1. Insurance cover

If funds for insurance are delegated to any school, the LA will 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 arranged by the LA, if the LA makes such arrangements either paid for or from central funds or from contributions from schools' delegated budgets.

The evidence required to demonstrate the parity of cover should be reasonable, not place an undue burden upon the school, nor act as a barrier to the school exercising their choice of supplier.

The authority should have regard to the actual risks which might reasonably be expected to arise at the school in question in operating such a requirement, rather than applying an arbitrary minimum level of cover for all schools.

In addition, instead of taking out insurance, a school may join the Secretary of State's risk protection arrangement (RPA) for risks that are covered by the RPA.

Schools are permitted to join the RPA after 1 April 2023 when any insurance contract of which they are part expires.

All LA maintained schools can join the RPA collectively by agreeing through the schools' forum to de-delegate funding.

12. Miscellaneous

12.1. Right of access to information

Governing bodies shall supply to the LA all financial and other information which might reasonably be required to enable the LA to satisfy itself as to the school's management of its delegated budget share, or the use made of any central expenditure by the LA (e.g., earmarked funds) on the school.

12.2. Liability of governors

As the governing body is a corporate body, and because of the terms of section 50 (7) of the School Standards and Framework Act 1998 ref 15.1.7, 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.

An example of behaviour which is not in good faith is the carrying out fraudulent acts.

12.3. Governors' expenses

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

Only allowances in respect of purposes specified in regulations may be paid to governors from a school's delegated budget share. Schools are expressly forbidden from paying any other allowances to governors.

Schools are also barred from payment of expenses duplicating those paid by the Secretary of State to additional governors appointed by him to schools under special measures.

12.4. Responsibility for legal costs

Legal costs incurred by the governing body, (although the responsibility of the LA as part of the cost of maintaining the school, unless they relate to the statutory responsibility of voluntary aided school governors for buildings) may be charged to the school's budget share unless the governing body acts in accordance with the advice of the LA. Such costs are those of legal actions, including costs awarded against an authority and not the cost of legal advice provided.

Should schools require legal advice, where there appears to be a conflict of interest between the LA and the governing body, the governing body should refer to the Chief Executive of Southend City Council for an opinion upon whether external legal advice is required.

12.5. Health and Safety

Governing bodies are required, in expending the school's budget share, to have due regard to duties placed on the LA in relation to the Health and Safety at work etc. Act 1974 ref 15.1.25 and the LA's policy on health and safety matters in the management of the budget share section 7.2.

12.6. Right of attendance for Executive Director (Finance and Resources)

Governing bodies are required to permit the Executive Director (Finance and Resources) or any officer of the LA, nominated by the Executive Director (Finance and Resources), to attend meetings of the governing body at which any agenda items are relevant to the exercise of their responsibilities.

The attendance of the Executive Director (Finance and Resources) or any officer of the LA nominated by the Executive Director (Finance and Resources), shall normally be limited to items which relate to issues of probity or overall financial management and shall not be regarded as routine. The LA will give prior notice of such attendance unless it is impracticable to do so.

12.7. Delegation to new schools

The LA is empowered to delegate selectively and optionally to the governing bodies of schools which have yet to receive delegated budgets.

By virtue of section 49 (1) to (4) of the School Standards and Framework Act 1998 ref 15.1.6, 49 (2) a new school shall have a delegated budget from a date determined in accordance with regulations.

12.8. Special Educational Needs

Budget shares include funding for pupils with special educational needs. School governing bodies must use their best endeavours, when spending the budget share, to secure the special educational needs of all pupils.

12.9. Interest on late payments

Where the LA makes a late payment of a budget share instalment, because of an error on its part, then lost interest will be reimbursed. The interest rate used in the calculation will be the Bank of England base rate.

12.10. Whistleblowing

Any person working at a school or school governors who wish to complain about the financial management or financial propriety at a school may contact the Executive Director Children and Public Health or the Executive Director (Finance and Resources), on a confidential basis. The Council's Confidential Reporting Policy ref 15.1.45 is available on the council website or can be supplied upon request.

All maintained schools must abide by the Maintained Schools Whistleblowing Policy and Procedure. This will ensure that maintained schools comply with the requirements of the Public Interest Disclosure Act 1998 ref 15.1.26 which protects workers making disclosures about certain matters of concern, where those disclosures are made in accordance with the Act's provisions.

The School Standards and Framework Act 1998 is incorporated into the Employment Rights Act 1996 ref 15.1.35, which also protects employees who take action over, or raise concerns about health and safety at work.

12.11. Anti-Money Laundering Policy and Strategy

All organisations and each individual are required by law to try to prevent, and report attempts to 'launder' money. Potentially any employee of a maintained school could fall foul of the money laundering provisions if they suspect money laundering is occurring and either become involved with it in some way and or do nothing about it.

Therefore, all maintained schools must abide by the Council's Counter-Money Laundering Policy and Strategy ref 15.1.46. It sets out the action maintained schools will take to mitigate the risk that money could be laundered through their systems and what they should do where money laundering is suspected.

12.12. Child Protection

Schools should release staff to attend child protection case conferences and other related events. Any expenses incurred by releasing staff will normally be met from school budgets.

12.13. Funding of Academies

Funding will be paid directly to academies by the Education and Skills Funding Agency (ESFA) but based on the LA formula. The LA is responsible for providing academies with special educational needs top up funding relating to individual pupils.

12.14. Redundancy / Early Retirement costs

The 2002 Education Act ref 15.1.20 sets out how premature retirement and redundancy costs should normally be funded. Further guidance is provided at Annex B section[17].

13. Responsibility for repairs and maintenance

13.1. Work financed from school budgets

The LA will delegate revenue funding for repairs and maintenance to schools. Schools may also incur capital expenditure but any such expenditure relating to buildings must have regard to school asset management plans (AMPs).

13.2. Capital Expenditure not delegated

The LA will prepare an AMP, in consultation with schools, and the most pressing items will be financed from centrally retained funds or from DfE grants allocated to meet the AMP priorities.

13.3. Capital expenditure definition

The LA has a de minimus of £10,000 for capital expenditure and therefore any item or works costing up to this limit are normally classified as revenue costs. However, where capital expenditure is financed by a grant which specifies a higher, or lower, sum that amount will apply as the de minimus. Annex C section[18] gives examples of what is classified as revenue and which capital, in accordance with the CIPFA Code of Practice ref 15.1.39 on LA accounting.

13.4. Voluntary Aided Schools

VA school governors will continue to be eligible for grants from the DfE in respect of their statutory responsibilities. Additionally, they will have responsibility for other repair and maintenance items on the same basis as community and foundation schools.

14. Community Facilities

14.1. Framework to provide community facilities

Schools which choose to exercise the power conferred by section 27 (1) of the Education Act 2002 to provide community facilities will be subject to controls. Regulations made under section 28 (2), if made, can specify activities which may not be undertaken at all under the main enabling power

Section 88 of the Children and Families Act 2014 ref 15.1.27, has removed the requirements in section 28 (4) and section 28 (5) of the Education Act 2002 ref 15.1.22 for maintained schools in England. Under section 28 (4) a school was obliged to consult its LA and under section 28 (5) a school must have regard to advice or guidance from the Secretary of State or their LA when offering this type of provision.

Under section 28 (1), the main limitations and restrictions on the power will be those contained in the maintaining LA's scheme for financing schools made under section 48 of the School Standards and Framework Act 1998 15.1.5 as amended by paragraph 2 of Schedule 3 to the Education Act 2002 15.1.20.

This amendment extended the coverage of schemes to include the exercise of the powers of governing bodies to provide community facilities.

Schools are therefore subject to prohibitions, restrictions, and limitations in the scheme for financing schools. This part of the scheme does not extend to joint use agreements, transfer of control agreements, or agreements between the LA and schools to secure the provision of adult and community learning.

14.2. Funding agreements with third parties

Where the provision of community facilities is dependent on the conclusion of a funding agreement with a third party, the LA must be provided with a copy of the agreement for comments at least 28 days before any commitment is made. Copies of signed agreements must be sent to the LA.

14.3. Formation of limited companies

The LA may require the governing body concerned to establish a limited company where it is considered that the financial interests of the LA must be protected because of the nature of the community facilities being provided.

14.4. Supply of financial information

Separate accounts must be kept by schools when exercising the community facilities power and a statement, in a form prescribed by the LA, must be provided showing income and expenditure for the previous six months and, on an estimated basis, for the next six months. Where there are

concerns regarding the financial performance of the community facilities, the LA may require more frequent reporting and the submission of a recovery plan.

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

14.5. Audit

Access to records in connection with the exercise of the community facilities must be provided in order to facilitate internal and external audit of relevant income and expenditure. Where funding agreements with third parties are in place, they must include provision for access to records in order for the LA to satisfy itself as to the propriety of expenditure on the facilities in question.

14.6. Treatment of income and surpluses

All net income derived from community facilities will be retained, except where otherwise agreed with a funding provider. The surplus will normally be carried forward each year and separately identified or, subject to the agreement of the LA at the end of each financial year, transferred in total or part to the budget share balance.

Where the LA ceases to maintain a community or community special school, any community facilities' surplus reverts to the LA unless otherwise agreed with a funding provider.

14.7. Health and Safety

The health and safety provisions which apply to governing bodies when expending the budget share, section 12.5, also cover any matters in connection with community facilities. This includes the governing body's responsibility for costs incurred to secure Disclosure and Barring Service ref 15.1.42 clearance for all adults involved in community activities taking place during the school day. Governing bodies may pass on any costs to a funding partner as part of an agreement with that partner.

14.8. Insurance

The governing body must make adequate arrangements for insurance against risks arising from the exercise of the community facilities power, taking professional advice as necessary. The school must seek the LA's advice before finalising any insurance arrangement and if the LA considers the arrangements inadequate it may make alternative arrangements and charge the resultant cost to the school. Such costs should not be charged to the school's budget share section 11.

Instead of taking out insurance, a school may join the RPA for risks that are covered by the RPA.

14.9. Taxation

This scheme sets out the arrangements in connection with taxation section[8]. For Value Added Tax, schools should seek the advice of the LA on any issues relating to the imposition of VAT on expenditure in connection with community facilities including the use of the LA VAT reclaim facility.

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

LA advice must be followed in relation to the Construction Industry Scheme (CIS) where this is relevant to the exercise of the community facilities power.

14.10. Banking

A separate bank account may be opened in order to manage community facilities funds, subject to the restrictions on accounts set out in section[4.5] with an account name that reflects the activity. Current banking arrangements may however continue providing that all income and expenditure associated with community facilities is accounted for separately.

Borrowing by schools section[3.5], also applies to community facilities' powers.

15. References and sources

15.1. This Scheme relates to the following Legislation:

15.1.1. School Standards and Framework Act 1998

https://www.legislation.gov.uk/ukpga/1998/31/contents

15.1.2. School Standards and Framework Act 1998 section 38

https://www.legislation.gov.uk/ukpga/1998/31/section/38

15.1.3. School Standards and Framework Act 1998 section 45A

https://www.legislation.gov.uk/ukpga/1998/31/section/45A

15.1.4. Standards and Framework Act 1998 section 46

https://www.legislation.gov.uk/ukpga/1998/31/section/46/2003-12-04/data.pdf

15.1.5. School Standards and Framework Act 1998 section 48

https://www.legislation.gov.uk/ukpga/1998/31/section/48

15.1.6. School Standards and Framework Act 1998 section 49

https://www.legislation.gov.uk/ukpga/1998/31/section/49

15.1.7. School Standards and Framework Act 1998 section 50

https://www.legislation.gov.uk/ukpga/1998/31/section/50

15.1.8. School Standards and Framework Act 1998 section 51

https://www.legislation.gov.uk/ukpga/1998/31/section/51

15.1.9. School Standards and Framework Act 1998 schedule 3

https://www.legislation.gov.uk/ukpga/1998/31/schedule/3

15.1.10. Schools financial value standard (SFVS)

https://www.gov.uk/government/publications/schools-financial-value-standard-sfvs

15.1.11. School Standards and Framework Act 1998 schedule 14

https://www.legislation.gov.uk/ukpga/1998/31/schedule/14

15.1.12. School Standards and Framework Act 1998 section 16

https://www.legislation.gov.uk/ukpga/1998/31/section/16

15.1.13. School Standards and Framework Act 1998 section 17

https://www.legislation.gov.uk/ukpga/1998/31/section/17

15.1.14. Academies Act 2010 section 4

https://www.legislation.gov.uk/ukpga/2010/32/section/4

15.1.15. Academies Act 2010 schedule 1

https://www.legislation.gov.uk/ukpga/2010/32/schedule/1

15.1.16. Local Audit and Accountability Act 2014

https://www.legislation.gov.uk/ukpga/2014/2/contents

15.1.17. Section 251: 2022 to 2023

https://www.gov.uk/government/publications/section-251-2022-to-2023

15.1.18. The Teachers' Pension Scheme Regulations 2014

https://www.legislation.gov.uk/uksi/2014/512/made

15.1.19. Apprenticeships, Skills, Children and Learning Act 2009

https://www.legislation.gov.uk/ukpga/2009/22/section/251

15.1.20. Education Act 2002

https://www.legislation.gov.uk/ukpga/2002/32/contents

15.1.21. Education Act 2002 section 27

https://www.legislation.gov.uk/ukpga/2002/32/section/27

15.1.22. Education Act 2002 section 28

https://www.legislation.gov.uk/ukpga/2002/32/section/28

15.1.23. Education Act 2002 schedule 1 paragraph 3

https://www.legislation.gov.uk/ukpga/2002/32/schedule/1/paragraph/3/20

09-12-07

15.1.24. Education Act 1996 section 496

https://www.legislation.gov.uk/ukpga/1996/56/section/496

15.1.25. Health and Safety at Work etc. Act 1974

https://www.legislation.gov.uk/ukpga/1974/37/contents

15.1.26. Public Interest Disclosure Act 1998

https://www.legislation.gov.uk/ukpga/1998/23/contents

15.1.27. Children and Families Act 2014 section 88

https://www.legislation.gov.uk/ukpga/2014/6/section/88

15.1.28. Consistent Financial Reporting Framework (CFR)

https://www.gov.uk/guidance/consistent-financial-reporting-framework-cfr

15.1.29. Procurement Strategy and Contract Procedure Rules

https://www.southend.gov.uk/procurement-contracts/procurement-strategy-contract-procedure-rules?documentId=139&categoryId=200358

15.1.30. Education Board (including School Forum matters) minutes from January 2017 onwards

https://democracy.southend.gov.uk/ieListMeetings.aspx?CId=399&Year=0

15.1.31. School Forum minutes pre-January 2017

https://www.southend.gov.uk/downloads/download/34/schools_forum

15.1.32. Employment Rights Act 1996

https://www.legislation.gov.uk/ukpga/1996/18/contents

15.1.33. Southend City Council Budget and Financial Processes

https://www.southend.gov.uk/council-budgets-spending/budget-financial-processes

15.1.34. Statutory guidance: Schemes for financing local authority maintained schools

https://www.gov.uk/government/publications/schemes-for-financing-schools/schemes-for-financing-local-authority-maintained-schools#keychanges

15.1.35. The Seven Principles of Public Life

https://www.gov.uk/government/publications/the-7-principles-of-public-life

15.1.36. Contracts Finder

https://www.gov.uk/contracts-finder

15.1.37. Find a Tender Service (FTS)

https://www.gov.uk/find-tender

15.1.38. Treasury Management Policy Statement

https://www.southend.gov.uk/downloads/file/6204/annual-investment strategy-2019-2020

15.1.39. CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2021/22

https://www.cipfa.org/policy-and-guidance/publications/codes-of-practice

15.1.40. Disclosure and Barring Service

https://www.gov.uk/government/organisations/disclosure-and-barring-service

15.1.41. The Public Contracts Regulations 2015

https://www.legislation.gov.uk/uksi/2015/102/contents/made

15.1.42. The Accounts and Audit (amendment) Regulations 2022

The Accounts and Audit (Amendment) Regulations 2022 (legislation.gov.uk)

15.1.43. Management of School Private Funds

18 Voluntary Funds (southend.gov.uk)

15.1.44. Treatment of surplus and deficit balances when maintained schools become academies

Treatment of surplus and deficit balances when maintained schools become academies (publishing.service.gov.uk)

15.1.45. The Council's Confidential Reporting Policy

Whistleblowing: Confidential reporting policy and procedures

15.1.46. Counter-Money Laundering Policy and Strategy

Counter-Money Laundering Policy and Strategy

16. Annex A – The Funding Framework: Main Features

The funding framework which replaces Local Management of Schools is set out in the legislative provisions in sections 45 to 53 of the School Standards and Framework Act 1998 ref 15.1.1.

Under this legislation, local authorities determine for themselves the size of their schools budget and their non-schools education budget, although at a minimum an authority must appropriate its entire Dedicated Schools Grant (DSG) to their schools budget.

The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, but included within the two, taken together, is all expenditure, direct and indirect, on an authority's maintained schools except for capital and certain miscellaneous items.

Local authorities may deduct funds from their schools budget for purposes specified in regulations made by the Secretary of State under section 45A of the Act (the centrally retained expenditure) ref 15.1.3 .

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 (Education Board) 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.

Local authorities must distribute the ISB amongst their maintained schools using a formula which accords with regulations made by the Secretary of State and enables the calculation of a budget share for each maintained school.

This budget share is then delegated to the governing body of the school concerned, unless the school is a new school which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with section 51 of the School Standards and Framework Act 1998 ref 15.1.8.

The financial controls within which delegation works are set out in a scheme made by the authority in accordance with section 48 of the Act ref 15.1.5 and regulations made under that section.

All proposals to revise the scheme must be approved by the Schools Forum (Education Board), though the authority may apply to the Secretary of State for approval in the event of the forum rejecting a proposal or approving it subject to modifications that are not acceptable to the authority.

Subject to any provision made by or under the scheme, governing bodies of schools may spend such amounts of their budget shares as they think fit for any purposes of their school and for any additional purposes prescribed by the Secretary of State in regulations made under section 50 of the Act ref 15.1.7.

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 ref 15.1.21 are treated as

if they were amounts spent for the purposes of the school (section 50 (3A) of the Act.)

A local authority may suspend a school's right to a delegated budget if the provisions of the authority's financial scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily.

A school's right to a delegated budget share may also be suspended for other reasons (section 17 to the School Standards and Framework Act 1998 ref 15.1.13).

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

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

A copy of each year's budget and outturn statement should be made easily accessible to all schools.

Regulations also require an 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.

16.1. Schools to which this scheme applies

16.2. Community Primary Schools

Barons Court Primary

Chalkwell Hall Infant

Chalkwell Hall Junior

Earls Hall Primary

Fairways Primary

Heycroft Primary

Leigh North Street Primary

West Leigh Infant

16.3. Voluntary Aided Primary Schools

St Mary's Prittlewell Church of England Primary

16.4. Foundation Primary Schools

Eastwood Primary

Milton Hall Primary

16.5. Special Units

Fairways Unit

17. Annex B – Responsibility for redundancy and early retirement costs and dismissals

This guidance note summarises the position relating to the charging of early retirement redundancy costs and dismissals. It sets out what is specified in legislation.

Section 37 of the Education Act 2002 says:

(1) It shall be for the governing body of a maintained school to determine—

(a) whether any payment should be made by the [F1 local authority] in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of the school, and

(b) the amount of any such payment.

(2) Subsection (1) does not, however, apply in relation to a payment which the [F1 local authority] are required to make—

(a) by virtue of any contract other than one made in contemplation of the impending dismissal or resignation of the member of staff concerned, or

(b) under any statutory provision.

(3) The [F1 local authority] —

(a) shall take such steps as may be required for giving effect to any determination of the governing body under subsection (1), and

(b) shall not make, or agree to make, a payment in relation to which that subsection applies except in accordance with such a determination.

(4) Subject to subsection (7), costs incurred by the [F1 local authority] in respect of any premature retirement of a member of the staff of a maintained school shall be met from the school's budget share for one or more [F2 funding periods] except in so far as the authority agree with the governing body in writing (whether before or after the retirement occurs) that they shall not be so met.

(5) Subject to subsection (7), costs incurred by the [F1 local authority] in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school

shall not be met from the school's budget share for any [F3 funding period] except in so far as the authority have good reason for deducting those costs, or any part of those costs, from that share.

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

(7)Where a [F1 local authority] incur costs—

(a) in respect of any premature retirement of any member of the staff of a maintained school who is employed for community purposes, or

(b) in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school who is employed for those purposes,

they shall recover those costs from the governing body except in so far as the authority agree with the governing body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable.

[F4 (7A) Any amount payable by virtue of subsection (7) by the governing body of a maintained school in England to the local authority may be met by the governing body out of the school's budget share for any funding period if and to the extent that the condition in subsection (7B) is met.

(7B) The condition is that the governing body are satisfied that meeting the amount out of the school's budget share will not to a significant extent interfere with the performance of any duty imposed on them by section 21 (2) or by any other provision of the Education Acts.]

(8) Any amount payable by virtue of subsection (7) by the governing body of a maintained school [F5 in Wales] to the [F1 local authority] shall not be met by the governing body out of the school's budget share for any [F6 funding period].

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

(10) Regulations may make provision with respect to the recovery from governing bodies of amounts payable by virtue of subsection (7).

(11)Subsections (1) to (6) do not apply to a maintained school at any time when the school does not have a delegated budget by virtue of any suspension under F7... Schedule 15 to, the School Standards and Framework Act 1998 (c. 31) [F8 or section 8 of the School Standards and Organisation (Wales) Act 2013].

[F9 (12) In this section—

- “community purposes” means the purposes of the provision of facilities or services under section 27
- “funding period” has the meaning given by section 45 (1B) of the School Standards and Framework Act 1998.] ref 15.1.1

18. Annex C – Capital / Revenue split

Illustrative examples in line with DfE interpretation of the CIPFA code of practice ref 15.1.39.

This schedule is not a complete list of all responsibilities. Further guidance may be obtained from the Executive Director (Finance and Resources).

Element	Type	Capital: As CIPFA Code of Practice	Revenue: Repairs and Maintenance
Roofs			
	Flat	New structure (not replacement).	Repair / replacement of small parts of an existing structure.
		Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure.	Replace small areas of rotten or defective timber, make good minor areas of spalling concrete where reinforcing bars exposed.
		Screed / insulation in a new building / extension.	Repair / replacement of screed / insulation where defective.
		Replacement / repair of substantially all screed / insulation. Improve effectiveness of insulation.	Work to improve insulation standards, during work to repair / replace small areas of roof.
		Finish on new build. Replacement of all / substantially all on existing roof.	Replacement of roof finish on existing building. Re-coating chippings to improve life expectancy.
		Edge trim / fascia on new build.	Repairs / replacement. (uPVC) Repainting.
		Replacement of all / substantially all edge trim / fascia on existing roof.	Repairs / replacement. (uPVC) Repainting.
		Drainage on new build.	Clearing out gutters and downpipes. Replacement / repair / repainting of individual gutters / pipes.
		Other e.g., flashings.	Repair / replacement / cleaning of individual items.
		Rooflights on new build. Replacement of all / substantially all rooflights on existing roof.	
	Pitched	New structure (not replacement).	Repair / replacement of small parts of an existing structure.

Element	Type	Capital: As CIPFA Code of Practice	Revenue: Repairs and Maintenance
		Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure.	Replace / repair small areas of rotten / defective joists, rafters, purlins etc.
			Not complete trusses.
		Insulation in a new building / extension. Replacement / repair of substantially all insulation. Improve insulation to current standards.	Repair / replacement / increasing thickness of insulation in an existing roof.
		Roof finish in a new building / extension. Replacement of all / substantially all roof finish on existing roof.	Replace missing / damaged small parts.
		Bargeboards / facias in a new building / extension. Replacement of all / substantially all bargeboards / facias on existing roof.	Repairs / replacement / repainting.
		Drainage in a new building / extension. Replacement of all / substantially all drainage on existing roof.	Clearing out gutters and downpipes. Replacement / repairs of individual pipes / gutters.
		Other e.g., flashings.	Repair / replacement.
		Roof windows in a new building / extension. Replacement of all / substantially all roof windows on existing roof.	Cleaning.
	Other	Provide new covered link etc. between existing buildings. Rebuild or substantially repair structure of existing covered link.	Minor repairs, maintenance to existing covered link.
		Add porch etc. to existing building. Rebuild or substantially repair structure of existing porch.	Minor repairs, maintenance to existing structure.
Floors			
	Ground Floor	Structure and damp-proof course (DPC) in new building. Replacement of all or substantial part of an existing structure to prevent imminent or	Repair / replacement of small parts of an existing structure.

Element	Type	Capital: As CIPFA Code of Practice	Revenue: Repairs and Maintenance
		correct actual major failure of the structure.	
		Screed and finish in new build, replacement of all / substantially all on existing floor e.g., replacement of most carpets / tiles in a room.	Replacement and repair of screed and finishes / replacement of mats / matwells. Maintenance e.g., revarnishing wooden floors.
	Upper Floor	Structure as per ground floor.	As per ground floor.
		Screed and finish as per ground floor.	Repairs of finishes / replacement as per ground floor.
Ceilings			
	Top / only storey	Suspension.	Repair / replacement including from water damage and necessary decoration.
		Membrane.	
		Fixed.	Repair / replacement including from water damage.
		Access panels.	Repair / replacement.
	Lower storeys	Suspension.	Repair / replacement.
		Membrane.	
		Fixed.	Repair / replacement.
	All	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.	Repairs.

Element	Type	Capital: As CIPFA Code of Practice	Revenue: Repairs and Maintenance
		Underpinning / propping for new build.	Preventive measures e.g., tree removal.
		External finish on new build.	Repair / replacement of small parts of an existing structure. e.g., repointing / recladding a proportion of a wall where failure has occurred.
		External finish on existing build where needed to prevent imminent or correct actual major failure of the structure e.g., repointing / recladding work affecting most of a building / replacement build.	
	Windows and Doors	Framing - new build.	Repair / replacement of individual frames. Repainting frames.
		Framing - structural replacement programme.	Repair / replacement of individual windows. Repainting frames.
		Glazing - new build.	Replacing broken glass.
		Glazing.	
		Upgrading existing glazing.	
		Ironmongery.	Repair / replacement, upgrading locks etc.
		Improved security.	
		Jointing including mastic joints.	
		Internal and external decorations to new build.	Internal and external decoration to include cleaning down and preparation.
	Masonry chimneys	Structure	
		Jointing including expansion and mortar joints / pointing / DPC.	Repair / re-pointing.
Internal walls			

Element	Type	Capital: As CIPFA Code of Practice	Revenue: Repairs and Maintenance
	Solid	Complete including various internal finishes, linings and decorations.	Repairs and redecoration to internal plaster / linings tiles, pin boards etc.
		Refurbishment and alterations.	Minor alterations.
	Partitions	Complete structure including linings, framing, glazing, decoration etc.	Repairs and redecoration.
		Refurbishment and alterations.	Minor alterations.
	Doors and Screens	Framing / screens / doors to new buildings including glazing, ironmongery, jointing and internal decorations.	Internal maintenance and redecoration. Repair / replacement of defective doors and screens.
	All	Glazing to meet statutory Health and Safety requirements.	Replacement of broken glass.
Sanitary Services			
	Lavatories	In new buildings provision of all toilet fittings, waste plumbing and internal drainage.	Repair / replacement of damaged sanitary ware, fittings, waste plumbing etc.
		Large scale toilet refurbishment.	Small areas of refurbishment.
		Provision of disabled facilities, and specialist facilities related to pupils with statements.	Repair / replacement of damaged fittings, waste plumbing etc.
	Kitchens		
		Kitchens in new buildings, complete with fittings, equipment, waste plumbing and internal drainage. Internal finishes and decorations.	Maintain kitchen to requirements of LA.
			Cleaning out drainage systems.
			Redecoration.
		General refurbishment.	Repairs.
		Large and costly items of equipment.	Repairs / replacement parts.

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

Element	Type	Capital: As CIPFA Code of Practice	Revenue: Repairs and Maintenance
Electrical services			
	General	Main switchgear and distribution in major projects.	Testing / replacement of distribution boards. The repair and maintenance of all switchgear and interconnecting cables including that in temporary buildings.
		Replacement of obsolete and dangerous wiring systems, including distribution boards	All testing, earthing and bonding to meet Health and Safety. All servicing.
	Power	Control gear, distribution, fixed equipment, protection, etc.	All testing, repair and replacement of small items of equipment.
	Lighting	Provision of luminaires and emergency.	Replacement of luminaires, all testing, adjustments and improvements to emergency.
	Other	Lightning protection in new build.	Repair / replacement.
		Alarm systems, CCTV, lifts / hoists etc.,	Repair and maintenance.
		New installation of communication systems, radio / TV, call, telephone, data transmission, IT etc. and provision in new build.	Repair / replacement / maintenance, including all door access systems.
External Works			
	Paving	Provision of new roads, car parks, paths, court, terraces, play pitches, steps and handrails, as part of major project, including disabled access.	Maintenance and repair.
			Car park and playground markings.
	Miscellaneous	Provision of walls, fencing, gates and ancillary buildings as part of major project.	Maintenance and repair of all perimeter / boundary / retaining walls, fencing and gates.
	Drainage	Drains, soakaways, inspection chambers and sewage plant as part of new projects.	Maintenance and repair of drains, gullies, grease traps and manholes between buildings and main sewers.

Element	Type	Capital: As CIPFA Code of Practice	Revenue: Repairs and Maintenance
			Cleaning of the above and unblocking as necessary.
	Open air pools	Structure, hygiene / safety in new build.	Hygiene, cleaning, maintenance and repairs, including replacement parts. Simple energy saving systems.
	Services distribution	Heating mains, gas mains, water mains electricity mains.	Annual servicing.
		Renewal of any above.	

19. Annex D – Application of Schemes for Financing Schools to the community facilities power

Schools which choose to exercise the power conferred by section 27 (1) of the Education Act 2002 ref 15.1.21 to provide community facilities will be subject to a range of controls. First, regulations made under section 28 (2) ref 15.1.22, if made, can specify activities which may not be undertaken at all under the main enabling power. Secondly, the school is obliged to consult its authority and have regard to advice from the authority. Thirdly, the Secretary of State issues guidance to governing bodies about a range of issues connected with exercise of the power, and a school must have regard to that.

Section 88 of the Children and Families Act 2014, has removed the requirements in section 28(4) and section 28(5) of the Education Act 2002 for maintained schools in England. Under section 28(4) a school was obliged to consult its local authority and under section 28(5) a school must have regard to advice or guidance from the Secretary of State or their local authority when offering this type of provision.

However, under section 28 (1), the main limitations and restrictions on the power will be those contained in the maintaining authority's scheme for financing schools made under section 48 of the School Standards and Framework Act 1998 ref 15.1.5 15.1.1 as amended by paragraph 2 of Schedule 3 to the Education Act 2002 ref 15.1.20. This amendment extended the coverage of schemes to include the exercise of the powers of governing bodies to provide community facilities.

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

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

20. Annex E – Schools Quote / Tender Report for the Acceptance of Spend Above £25k

(Guidance: this form is to be completed by schools for all spend above £25k).

Project / Provision	[Insert title of provision that was procured]	
Description of the provision being procured	[insert brief description of the provision that was procured]	
Name of School	[insert name of school here who has procured this service]	
Name of Contact	[insert name of contact] (Report Writer)	
Budget	[insert budget amount]	
Advert placed	[insert date of publication on Contracts Finder or FTE]	
Quote / Tender Process Please indicate which process was applied	Quotes received via email	☐
	[i]Tenders received electronically via the Council's electronic Tender Facility ProContract and in accordance with the Public Contracts Regulations 2015 Open tender procedure.	☐
Invitation to Quote / Tender and ITT Evaluation (Guidance note: A short description of the process undertaken, including how the opportunity	The opportunity was advertised on Contracts Finder for 4 weeks. Bidders were required to answer 4 Technical questions, with scaled weightings set according to the specific requirements set out in the specification totalling 70%. Bidders were required to provide a commercial proposal, within the budget set at £50,000.	

<table>
<tr><td>was evaluated, who was on the evaluation panel and a copy of the scoring template that shows the scores of all bidders).</td><td>Responses were scored based on a maximum available weighting of 10%.

Bidders were invited to take part in a Presentation with a weighting of 20%.

We received 8 submissions; all were evaluated by the panel. The evaluation panel included representatives from Finance, HR and the headteacher.

Consensus scores were agreed, resulting in the following overall scores:

<table>
<tr><th></th><th>70%</th><th>20%</th><th>10%</th><th></th><th></th></tr>
<tr><th>Provider Name</th><th>Technical Sco</th><th>Presentation Score</th><th>Commercial</th><th>Total</th><th>Rank</th></tr>
<tr><td>Company 2</td><td>51.80%</td><td>16.00%</td><td>8.74%</td><td>76.54%</td><td>1</td></tr>
<tr><td>Company 4</td><td>51.80%</td><td>12.00%</td><td>8.30%</td><td>72.10%</td><td>2</td></tr>
<tr><td>Company 3</td><td>51.80%</td><td>11.00%</td><td>8.61%</td><td>71.41%</td><td>3</td></tr>
<tr><td>Company 8</td><td>46.20%</td><td>15.00%</td><td>8.45%</td><td>69.65%</td><td>4</td></tr>
<tr><td>Company 1</td><td>54.60%</td><td>6.00%</td><td>8.30%</td><td>68.90%</td><td>5</td></tr>
<tr><td>Company 6</td><td>49.00%</td><td>9.00%</td><td>8.38%</td><td>66.38%</td><td>6</td></tr>
<tr><td>Company 5</td><td>49.00%</td><td>8.00%</td><td>9.15%</td><td>66.15%</td><td>7</td></tr>
<tr><td>Company 7</td><td>46.20%</td><td>8.00%</td><td>10.00%</td><td>64.20%</td><td>8</td></tr>
</table>
</td></tr>
<tr><td>Did TUPE Apply</td><td>[insert applicable response]</td></tr>
<tr><td>Non-Compliant Quotes / Tenders</td><td>[insert details or simply add: No but see below those who failed to meet the minimum requirements. Please list names of suppliers that failed to meet the minimum requirements].</td></tr>
<tr><td>Recommendation</td><td>Following the satisfactory review of Insurances and Financial Accounts it is recommended that the contract is awarded to [Company 2 – insert name of successful company].</td></tr>
<tr><td>Value of Contract</td><td>[insert value of awarded contract]</td></tr>
</table>

It is hereby authorised by Southend-on-Sea Borough Council for [insert name of School] to enter into the Contract for which this Report has been compiled.

Print Name: .....

Sign Name: .....

Date: .....

Please return this form to procurementops@southend.gov.uk for approval

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(For tenders above £75k these opportunities must be tendered via an electronic tender facility and in accordance with the Public Contracts Regulations 2015 ref 15.1.41).