

# The Southend Borough Council Scheme for Financing Schools

## 1. Contents

<b>2. Introduction</b>	<b>4</b>
2.1. The Funding Framework	4
2.2. The role of the scheme	5
2.3. Application of the scheme to the Local Authority (LA) and maintained schools	5
2.4. Publication of the scheme	5
2.5. Revision of the scheme	6
2.6. Delegation of powers to the head teacher	6
2.7. Maintenance of schools	6
<b>3. Financial Controls</b>	<b>7</b>
3.1. Application of financial controls to schools	7
3.2. Provision of financial information and reports	7
3.3. Payment of salaries; payment of bills	7
3.4. Control of assets	7
3.5. Accounting Policies (including year-end procedures)	8
3.6. Writing off debts	8
3.7. Basis of accounting	8
3.8. Submission of budget plans	8
3.9. Submission of Financial Forecasts	9
3.10. School Resource Management	9
3.11. Virement	9
3.12. Audit: General	9
3.13. Separate external audits	10
3.14. Audit of voluntary and private funds	10
3.15. Schools Financial Value Standard (SFVS)	10
3.16. Register of business interests	10
3.17. Fraud	11
3.18. Purchasing, tendering and contracting requirements	11
3.19. Application of contracts to schools	12
3.20. Central funds and earmarking	12
3.21. Spending for the purposes of the school	12
3.22. Capital spending from budget shares	12
3.23. Notice of concern	13
<b>4. Instalments of the budget share; banking arrangements</b>	<b>14</b>
4.1. Frequency of instalments	14
4.2. Interest clawback	14
4.3. Interest on late budget share payments	15
4.4. Budget shares for closing schools	15
4.5. Bank and building society accounts	15

4.6.	Restrictions on accounts .....	15
4.7.	Borrowing by schools .....	16
<b>5.</b>	<b>The treatment of surplus and deficit balances arising in relation to budget shares.....</b>	<b>17</b>
5.1.	The right to carry forward surplus balances.....	17
5.2.	Interest on surplus balances .....	17
5.3.	Obligation to carry forward deficit balances .....	17
5.4.	Planning for deficit budgets.....	17
5.5.	Charging of interest on deficit balances.....	18
5.6.	Balances of closing and replacement schools.....	18
5.7.	Licensed deficits.....	18
5.8.	Loan schemes .....	19
5.9.	Credit union approach .....	19
<b>6.</b>	<b>Income .....</b>	<b>20</b>
6.1.	Income from lettings .....	20
6.2.	Income from fees and charges.....	20
6.3.	Income from fund-raising activities.....	20
6.4.	Income from the sale of assets .....	20
6.5.	Administrative procedures for the collection of income .....	21
<b>7.</b>	<b>The charging of schools budget shares .....</b>	<b>22</b>
7.1.	General provision .....	22
7.2.	Circumstances in which charges may be made .....	22
<b>8.</b>	<b>Taxation .....</b>	<b>24</b>
8.1.	VALUE ADDED TAX.....	24
8.2.	Construction Industry Scheme (CIS) .....	24
8.3.	Employer's Taxation.....	24
8.4.	Teachers' Pensions.....	24
8.5.	Allowances .....	25
<b>9.</b>	<b>The provision of services and facilities by the authority .....</b>	<b>26</b>
9.1.	Provision of services from centrally retained budgets .....	26
9.2.	Provision of services bought back from the authority using delegated budgets .....	26
9.3.	Packaging.....	26
9.4.	Service level agreements.....	27
9.5.	Teachers' Pensions.....	27
<b>10.</b>	<b>Private finance initiatives (PFI)/Public private partnerships (PPP).....</b>	<b>29</b>
10.1.	PFI/PPP.....	29
<b>11.</b>	<b>Insurance.....</b>	<b>30</b>
11.1.	Insurance cover .....	30
11.2.	Aols can join the RPA collectively by agreeing through the schools forum to de- delegate funding .....	30
<b>12.</b>	<b>Miscellaneous .....</b>	<b>31</b>
12.1.	Right of access to information.....	31
12.2.	Liability of governors .....	31
12.3.	Governors' expenses.....	31
12.4.	Responsibility for legal costs.....	31

12.5.	Health and Safety .....	32
12.6.	Right of attendance for Executive Director (Finance & Resources) .....	32
12.7.	Delegation to new schools .....	32
12.8.	Special Educational Needs .....	33
12.9.	Interest on late payments .....	33
12.10.	'Whistleblowing' .....	33
12.11.	Anti Money Laundering Policy & Strategy .....	33
12.12.	Child Protection .....	34
12.13.	Funding of Academies .....	34
12.14.	Redundancy/Early Retirement costs.....	34
<b>13.</b>	<b>Responsibility for repairs and maintenance .....</b>	<b>35</b>
13.1.	Work financed from school budgets.....	35
13.2.	Capital Expenditure not delegated.....	35
13.3.	Capital expenditure definition.....	35
13.4.	Voluntary Aided Schools .....	35
<b>14.</b>	<b>Community Facilities .....</b>	<b>36</b>
14.1.	Framework to provide community facilities .....	36
14.2.	Funding agreements with third parties .....	36
14.3.	Formation of limited companies .....	36
14.4.	Supply of financial information .....	36
14.5.	Audit.....	37
14.6.	Treatment of income and surpluses.....	37
14.7.	Health and Safety.....	37
14.8.	Insurance.....	37
14.9.	Taxation.....	38
14.10.	Banking.....	38
<b>15.</b>	<b>References and sources .....</b>	<b>39</b>
15.1.	This Scheme relates to the following Legislation:.....	39
<b>16.</b>	<b>Annex A – The Funding Framework: Main Features .....</b>	<b>41</b>
16.1.	SCHOOLS TO WHICH THIS SCHEME APPLIES .....	42
<b>17.</b>	<b>Annex B – Responsibility for redundancy and early retirement costs, dismissals.....</b>	<b>43</b>
	<i>Section 37 of the 2002 Education Act says:.....</i>	<i>43</i>
	<b>Annex C – Capital/Revenue split.....</b>	<b>44</b>
<b>18.</b>	<b>Annex D – Application of Schemes for Financing Schools to the community facilities power .....</b>	<b>54</b>

---

## 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 15.1.1](#).

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 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 s.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 s.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 s.48 of the Act and regulations made under that section, [ref 15.1.5](#) 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 s.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 15.1.23](#), are

treated as if they were amounts spent for the purposes of the school (s50(3A) of the Act) [ref 15.1.7](#)**Error! Reference source not found..**

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 schedule 17 to the Act) [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.

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

Education Board (including School Forum matters) minutes – Jan 2017 onwards [ref 15.1.32](#)

School Forum minutes – Pre Jan 2017 [ref 15.1.32](#) [ref 15.1.33](#)

Regulations also require a LA to publish their scheme and any revisions to it on a website accessible to the general public, by the date that any revisions come into force, together with a statement that the revised scheme comes into force on that date.

## 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 1 September 2020 are listed in Annex A [ref 16](#).

## 2.4. Publication of the scheme

The scheme will be published on the Southend Borough 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 head teacher

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.

Such decisions by a governing body will be subject to any requirements of the Secretary of State contained in regulations made under S.38 of the Schools Standards and Frameworks Act 1998 [ref 15.1.2](#) and Schedule 1.1 thereto (S.38 of the Act covers the general responsibility of a governing body for the conduct of a school and schedule 1.1 the membership and proceedings etc. 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 Borough 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 of which is sent each year to all schools.

### 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 15.1.300](#), and the desirability of compatibility with that framework.

This reporting will be quarterly (except 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; payment of bills

The procedures for these will vary according to the choice's 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 & 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 Borough Council's Finance Manual [ref 15.1.35](#). Governing bodies are precluded from authorising debt write off because of provisions in the Accounts and Audit Regulations.

## 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 Authority in accordance with paragraph 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 paragraph 2.5. Any subsequent amendments to year end returns must be reported to the Authority.

## 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 31<sup>st</sup> March in advance of the budget year in question.

Each school is required to submit a formal budget plan to the Authority, by the 1<sup>st</sup> 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 31<sup>st</sup> March) and any specific earmarked grants.

The format of the budget plan shall be as defined by the Executive Director (Finance & Resources) and will, so far as possible, take account of the Consistent Financial Reporting framework, [ref15.1.30](#), 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 1 May.

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, [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 15.1.31](#).

It is for heads and governors to determine at school level how to secure better value for money. There are significant variations in efficiency between similar schools, and so it is important for schools to review their current expenditure, compare it to other schools and think about how to make improvements.

## 3.11. Virement

Schools may vire 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: General

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

- (i) 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 & Resources) (see (ii) (a)) below; and
- (ii) internal audit in accordance with arrangements determined by the Executive Director (Finance & Resources). Under these arrangements:
  - (a) in accordance with the Account and Audit Regulations the Executive Director (Finance & Resources) shall be afforded all facilities and co-operation by governing bodies and members of staff. He shall be entitled to examine the school's records and to whatever information or explanations he requires in order to satisfy himself of the correctness or otherwise of any matter under examination. Audit reports shall be considered by the governing body; and
  - (b) the Executive Director of Children and Public Health and the Executive Director (Finance & 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", 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 Pupil Referral Units (PRUs) that have a delegated budget) must demonstrate compliance with the Schools Financial Value Standard (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.*

### 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;

- any business interests they or any member of their immediate family have;
- details of any other educational establishments that they govern;
- 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:

- councillors, school governors or employees of the Council or maintained schools against the Council, maintained schools or others
- 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 & Corruption Policy and Strategy which is stated in the Financial Regulations template (as referenced in para. 2.1 above), 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 Nolan Committee's *Seven Principles of Public Life* 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 Finance and Contract Procedural Rules [ref 15.1.31](#) 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 Authority's financial regulations and standing orders shall force schools to:

- (i) do anything incompatible with any of the provisions of this Scheme, or any statutory provision, or any EU Procurement Directive;
- (ii) seek countersignature from an officer of the LA for any contracts for goods or services for a value below £75,000 in any one year;
- (iii) select suppliers only from an approved list; or
- (iv) seek fewer than three tenders in respect of any contract with a value exceeding £10,000 in any one year.

### 3.19. Application of contracts to schools

Governing bodies are empowered under paragraph 3 of schedule 1 to 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.

### 3.20. 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 vire), this should not be carried to the point of assimilating the allocations into the school's budget share.

Such allocations might, for example, be sums for 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 grant.

### 3.21. Spending for the purposes of the school

Governing bodies are free<sup>(vi)</sup> 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.

### 3.22. 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<sup>(vii)</sup>. This includes expenditure by the governing body of a voluntary aided school on work which is their responsibility under paragraph 3 of Schedule 3 of the Act<sup>ref 15.1.9</sup>.

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 Authority to the proposed works by completing a Landlord Consent Form.

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.

### 3.23. 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 & 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:

- (i) insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;
- (ii) insisting that an appropriately trained/qualified person chairs the finance committee of the governing body;
- (iii) placing more stringent restrictions or conditions on the day-to-day financial management of a school than the scheme requires for all schools – such as the provision of monthly accounts to the LA;
- (iv) insisting on regular financial monitoring meetings at the school attended by LA officers;
- (v) requiring a governing body to buy into a LA's financial management systems; and
- (vi) 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.
- (vii) the School are to provide 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; 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 paragraph 3.4 of this scheme, the budget share will be made available on the following basis:

- (i) 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;
- (ii) 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; and
- (iii) 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 day;
- (iv) 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 & 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 paragraph 3.1 of this scheme, have been designed, taking all relevant factors into account, to minimise the potential for financial disadvantage to the Authority 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 paragraph 3.1 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 & 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 31 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 & 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 & 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 & 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 & Resources). The approved list should be consistent with the authority's Treasury Management policy. 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 Borough 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 (s.49(5) 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, currently the Salix scheme, which is designed to support energy saving.

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/deficit in net expenditure relative to the school's budget share for the year plus/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 Authority 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 paragraph 4.7 of this scheme.

---

## 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(1)(a) of the Academies Act 2010 [ref 15.1.20](#).

The DfE Guidance note on transfer of surpluses (August 2010) states that; "where a school converting under the new legislation has a deficit, then the DfE will reimburse the LA for the deficit, and the ESFA will then recover it from the academy over a period of time by reduced payments of General Annual Grant."

## 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 & Resources) in accordance with the following conditions/requirements:

- (i) 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;
- (ii) 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;
- (iii) 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 Authority 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 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. 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 7.2 below.

The LA shall consult a school as to the intention to so charge and shall notify a school when it has been done. The Authority will not act unreasonably in the exercise of any power given by this scheme, or it may be the subject of a direction under S.496 of the Education Act 1996 [ref 15.1.26](#).

Where a school opts for an external bank account into which its budget share is paid in accordance with the arrangements set out in paragraph 3.14 of this scheme, any charge made by the Authority will be affected by reducing the next instalment(s) of budget share paid to the school. The LA shall make arrangements for a dispute's procedure for such charges.

LA's 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

- (i) 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).
- (ii) other expenditure incurred to secure resignations where there is good reason to charge this to the school Annex B [ref 17](#).
- (iii) 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 schedules 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.
- (iv) 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.
- (v) 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.

- (vi) 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.
- (vii) 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 [ref 11.1](#)
- (viii) 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.
- (ix) recovery of penalties imposed on the LA by the Contributions Agency, Teachers Pensions Agency, HM Revenue and Customs, the Environment Agency or other regulatory authorities as a result of school error and/or negligence.
- (x) correction of LA errors in calculating charges to a budget share (e.g., pension deductions).
- (xi) 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.
- (xii) 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.
- (xiii) legal costs which are incurred by the LA because the governing body did not accept the advice of the LA [ref 12.4](#).
- (xiv) 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.
- (xv) 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.
- (xvi) cost of work done in respect of teachers' pension remittance and records for schools non-LA payroll contractors, the charge to be the minimum needed to meet the cost of the Authority's compliance with its statutory duties.
- (xvii) 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.
- (xviii) costs incurred by the authority due to submission by the school of incorrect data.
- (xix) recovery of amounts spent from specific grants on ineligible purposes.
- (xx) costs incurred by the LA as a result of the governing body being in breach of a contract.
- (xxi) 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.
- (xxii) 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

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 Authority'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 Authority in connection with CIS. Schools with delegated budgets are normally outside the scope of the CIS.

### 8.3. Employer's Taxation

The Authority is responsible for deducting and accounting for PAYE, 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 Authority is responsible for remitting pension contribution for all schools.

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

---

## 8.5. Allowances

The Executive Director (Finance & 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; or (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 Act [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 three years if the agreement lasts longer than that. When entering into a 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 authority 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 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.

### 11.2. Aols 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 1998 act [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 Authority. Such costs are those of legal actions, including costs awarded against

an authority; 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 Borough 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 15.1.27](#), and the LA's policy on health and safety matters in the management of the budget share [ref 7.2](#).

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

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

The attendance of the Executive Director (Finance & Resources) or any officer of the Authority nominated by the Executive Director (Finance & 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)-(3) of the Act [ref 15.1.6](#), a new school must receive a delegated budget not later than the date on which it opens (that is to say, the date on which it first admits pupils), unless the Authority has obtained the Secretary of State's approval to a postponement beyond that date (which will only be given in exceptional circumstances). Section 49(3)(a) also enables the LA to give a delegated budget to a new school in advance of its opening date.

---

## 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 & Resources), on a confidential basis. The Council's Confidential Reporting Policy is available on the intranet 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 15.1.28](#) which protects workers making disclosures about certain matters of concern, where those disclosures are made in accordance with the Act's provisions.

The 1998 Act is incorporated into the Employment Rights Act 1996 [ref 15.1.34](#), which also protects employees who take action over, or raise concerns about health and safety at work.

## 12.11. Anti Money Laundering Policy & 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 Anti Money Laundering Policy and Strategy. 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 15.1.22](#) sets out how premature retirement and redundancy costs should normally be funded. Further guidance is provided at Annex B [ref 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.

### 13.2. Capital Expenditure not delegated

The LA will prepare an Asset Management Plan, in consultation with schools, and the most pressing items will be financed from centrally retained funds or from DfE grants allocated to meet 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 [ref.0](#) gives examples of what is classified as revenue and which capital, in accordance with the CIPFA Code of Practice on LA accounting.

### 13.4. Voluntary Aided Schools

VA governors will continue to be eligible for grant 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

Section 88 of the Children and Families Act 2014 [ref 15.1.29](#), has removed the requirements in section 28(4) and section 28(5) of the Education Act 2002 [ref 15.1.24](#) 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 [ref 15.1.5](#) as amended by paragraph 2 of Schedule 3 to the Education Act 2002 [ref 15.1.9](#).

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.

### 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 twenty-eight 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 Authority 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, [ref 12.5](#), also cover any matters in connection with community facilities. This includes the governing body's responsibility for costs incurred to secure Disclosure Barring Service 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 [ref 11](#)

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

## 14.9. Taxation

Section 7 of this scheme sets out the arrangements in connection with taxation. 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.

Authority advice must be followed in relation to the Construction Industry Scheme 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 paragraph 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.

Paragraph 3.5, relating to borrowing by schools, 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 schedule 16  
<https://www.legislation.gov.uk/ukpga/1998/31/section/16>
- 15.1.13. School Standards and Framework Act 1998 schedule 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: 2020 to 2021  
<https://www.gov.uk/guidance/section-251-2020-to-2021>
- 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. Academies Act 2010 section 4  
<https://www.legislation.gov.uk/ukpga/2010/32/section/4>
- 15.1.21. Academies Act 2010 schedule 1  
<https://www.legislation.gov.uk/ukpga/2010/32/schedule/1>
- 15.1.22. Education Act 2002  
<https://www.legislation.gov.uk/ukpga/2002/32/contents>



- 
- 15.1.23. Education Act 2002 section 27  
<https://www.legislation.gov.uk/ukpga/2002/32/section/27>
  - 15.1.24. Education Act 2002 section 28  
<https://www.legislation.gov.uk/ukpga/2002/32/section/28>
  - 15.1.25. Education Act 2002 schedule 1 para 3  
<https://www.legislation.gov.uk/ukpga/2002/32/schedule/1/paragraph/3/2009-12-07>
  - 15.1.26. Education Act 1996 section 496  
<https://www.legislation.gov.uk/ukpga/1996/56/section/496>
  - 15.1.27. Health and Safety at Work etc. Act 1974  
<https://www.legislation.gov.uk/ukpga/1974/37/contents>
  - 15.1.28. Public Interest Disclosure Act 1998  
<https://www.legislation.gov.uk/ukpga/1998/23/contents>
  - 15.1.29. Children and Families Act 2014 section 88  
<https://www.legislation.gov.uk/ukpga/2014/6/section/88>
  - 15.1.30. Consistent Financial Reporting Framework (CFR)  
<https://www.gov.uk/guidance/consistent-financial-reporting-framework-cfr>
  - 15.1.31. Procurement Strategy and Contract Procedure Rules  
<https://www.southend.gov.uk/procurement-contracts/procurement-strategy-contract-procedure-rules?documentId=139&categoryId=200358>
  - 15.1.32. Education Board (including School Forum matters) minutes – Jan 2017 onwards  
<https://democracy.southend.gov.uk/ieListMeetings.aspx?CIId=399&Year=0>
  - 15.1.33. School Forum minutes – Pre Jan 2017  
[https://www.southend.gov.uk/downloads/download/34/schools\\_forum](https://www.southend.gov.uk/downloads/download/34/schools_forum)
  - 15.1.34. Employment Rights Act 1996  
<https://www.legislation.gov.uk/ukpga/1996/18/contents>
  - 15.1.35. Southend Borough Council Budget and Financial Processes  
<https://www.southend.gov.uk/council-budgets-spending/budget-financial-processes>
  - 15.1.36. 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>

## 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 45-53 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 to their schools budget. The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, but included within the two, taken together, is all expenditure, direct and indirect, on an authority's maintained schools except for capital and certain miscellaneous items. Authorities may deduct funds from their schools budget for purposes specified in regulations made by the Secretary of State under s.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).

Authorities must distribute the ISB amongst their maintained schools using a formula which accords with regulations made by the Secretary of State, and enables the calculation of a budget share for each maintained school. This budget share is then delegated to the governing body of the school concerned, unless the school is a new school which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with s.51 of the Act [ref 15.1.8](#). The financial controls within which delegation works are set out in a scheme made by the authority in accordance with s.48 of the Act [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 s.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 15.1.23](#) are treated as if they were amounts spent for the purposes of the school (s50(3A) of the Act.)

An authority may suspend a school's right to a delegated budget if the provisions of the authority's financial scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. A school's right to a delegated budget share may also be suspended for other reasons (schedule 17 to the Act [ref 15.1.13](#)).

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

Regulations also require a LA to publish their scheme and any revisions to it on a website accessible to the general public, by the date that any revisions come into force, together with a statement that the revised scheme comes into force on that date.

## 16.1. **SCHOOLS TO WHICH THIS SCHEME APPLIES**

### **Community Primary schools**

Barons Court Primary  
Chalkwell Hall Infant  
Chalkwell Hall Junior  
Earls Hall Primary  
Edwards Hall Primary  
Fairways Primary  
Heycroft Primary  
Leigh North Street Primary  
West Leigh Infant

### **Voluntary Aided Primary Schools**

St Mary's Prittlewell Church of England Primary

### **Foundation Primary schools**

Eastwood Primary  
Milton Hall Primary

### **Special Units**

Fairways Unit

## 17. Annex B – Responsibility for redundancy and early retirement costs, 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 2002 Education Act says:

(4) Subject to subsection (7), costs incurred by the [F1local 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 [F2funding 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 [F1local 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 [F3funding 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 [F1local 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.

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.] [ref 15.1.22](#)

## Annex C – Capital/Revenue split

### ILLUSTRATIVE EXAMPLES IN LINE WITH DfE INTERPRETATION OF THE CIPFA CODE OF PRACTICE

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

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

	Edge Trim/ Fascia, Replacement of all/substantially all 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, Rooflights on new build Replacement of all/substantially all on existing roof	Repair/ Replacement/ cleaning of individual items
<u>Pitched</u>	Structure. New (not replacement) structure	Repair/replacement of small parts of an existing structure
	Structure. Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure	Replace/ repair small areas of rotten/ defective joists, rafters, purlins etc. Not complete trusses
	Insulation in a new building/extension	Repair/replacement/ increasing thickness of insulation in an existing roof
	Insulation. Replacement /repair of substantially all. Improve insulation to current standards	
	Roof finish in a new building/extension, replacement of all/substantially all on existing roof	Replace missing/ damaged small parts



	Bargeboards/ Fascias in a new building/extension, replacement of all/substantially all on existing roof	Repairs/ replacement/ Repainting
	Drainage in a new building/extension	Clearing out gutters and downpipes. Replacement/repairs of individual pipes/gutters
	Drainage. Replacement of all/substantially all on existing roof	
	Other e.g. Flashings, Roof windows in a new building/extension, replacement of all/substantially all on existing roof	Repair/ Replacement /cleaning
<u>Other</u>	Provide new covered link etc. between existing buildings	Minor repairs, maintenance to existing covered link
	Rebuild or substantially repair structure of existing covered link Add porch etc. to existing building	Minor repairs, maintenance to existing structure
	Rebuild or substantially repair structure of existing porch	

## Floors

<u>Ground Floor</u>	Structure and dpc in new building	Repair/replacement of small parts of an existing structure
	Structure and dpc - Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure	
	Screed and finish in new build, replacement of all/substantially all on existing floor - e.g. replacement of most carpets/ tiles in a room	Replacement and repair of screed and finishes/ Replacement of mats/ matwells. Maintenance e.g. revarnishing wooden floors.
<u>Upper Floor</u>	Structure - as ground floor	As ground floor
	Screed and Finish - as ground floor	Repairs of finishes/ Replacement - as ground floor
<b>Ceilings</b>		
<u>Top/ only storey</u>	Suspension	Repair/ replacement incl. From water damage, & necessary decoration
	Membrane	
	Fixed	Repair/ replacement inc. from water damage
	Access panels	Repair/ replacement
<u>Lower storeys</u>	Suspension	Repair/ replacement

	Membrane Fixed	Repair/ replacement
<u>All</u>	Specialist removal/ replacement of damaged/ disturbed Asbestos based materials, planned or emergency	Inspection/ air testing Applying sealant coats to asbestos surfaces for protection
<b>External walls</b>		
<u>Masonry/ cladding</u>	Structure Underpinning/ propping for new build External Finish on new build	Repairs Preventive measures e.g. tree removal Repair/replacement of small parts of an existing structure. e.g. repointing/ recladding a proportion of a wall where failure has occurred.
	External Finish on existing build where needed to prevent imminent or correct actual major failure of the structure. e.g. repointing/recladding work affecting most of a building /replacement build	
<u>Windows and Doors</u>	Framing - new build	Repair/ replacement of individual frames. Repainting frames
	Framing - structural replacement programme	Repair/ replacement of individual windows. Repainting frames
	Glazing - new build	Replacing broken glass

	Glazing Upgrading existing glazing	
	Ironmongery Improved security	Repair/ replacement, upgrading locks etc.
	Jointing including mastic joints	
	Internal and external decorations to new build	Internal and external decoration to include cleaning down and preparation.
<u>Masonry chimneys</u>	Structure	
	Jointing including expansion and mortar joints/ pointing/ DPC	Repair/ re-pointing
<b>Internal walls</b>		
<u>Solid</u>	Complete including various internal finishes, linings and decorations	Repairs and re-decoration to internal plaster/ linings tiles, pin boards etc.
	Refurbishment and alterations	Minor alterations
<u>Partitions</u>	Complete structure including linings, framing, glazing, decoration etc.	Repairs and re-decoration.
	Refurbishment and alterations	Minor alterations

Doors & 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 & 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

## 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 & Safety.

Monitoring systems

Health & 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 refurbishment's, 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



## Electrical services

### General

Main switchgear and distribution in major projects.

pipework.  
Simple heat recovery systems.  
Solar heating plant and equipment.

Testing/ replacement of distribution boards.  
The repair and maintenance of all switchgear and interconnecting cables including that in temporary buildings.

Replacement of obsolete and dangerous wiring systems, including distribution boards

All testing, earthing and bonding to meet Health & Safety. All servicing.

### 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  
Alarm systems, CCTV, lifts/ hoists etc.,

Repair/ replacement

Repair and maintenance

New installation of communication systems, radio/ TV, call, telephone, data transmission, IT etc. and provision in new build.

Repair/ replacement/ maintenance, including all door access systems

## External Works

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

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

Schools which choose to exercise the power conferred by s.27 (1) of the Education Act 2002 [ref 15.1.23](#) to provide community facilities will be subject to a range of controls. First, regulations made under s.28 (2) [ref 15.1.24](#), 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.

However, under s.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 15.1.1](#) as amended by paragraph 2 of Schedule 3 to the Education Act 2002 [ref 15.1.22](#). 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.