



City of
Stoke-on-Trent

Stoke-on-Trent City Council

Scheme for Financing Schools
2018-19

DRAFT

List of Contents

	Page	
1.0	Introduction	
1.1	The funding framework	6
1.2	The role of the scheme	7
1.2.1	Application of the scheme to the Authority and maintained schools	7
1.3	Publication of the scheme	7
1.4	Revision of the scheme	7
1.5	Delegation of powers to the headteacher	8
1.6	Maintenance of schools	9
2.	Financial controls	
2.1.1	Application of financial controls to schools	10
2.1.2	Provision of financial information and reports	10
2.1.3	Payment of salaries; payment of bills	11
2.1.4	Control of assets	13
2.1.5	Accounting policies (including year-end procedures)	14
2.1.6	Writing off debts	14
2.1.7	Budget monitoring and control	14
2.1.8	Controlled stationery	15
2.2	Basis of accounting	15
2.3	Submission of budget plans	15
2.4	Efficiency & Value for Money	16
2.5	Virement	16
2.6	Audit: General	16
2.7	Separate external audits	17
2.8	Audit of voluntary and private funds	17
2.9	Register of business interests	18
2.10	Purchasing, tendering and contracting requirements	18
2.11	Application of contracts to schools	19
2.12	Central funds and earmarking	20
2.13	Spending for the purposes of the school	20
2.14	Capital spending from budget shares	21
2.15	Bank and petty cash imprest accounts	21
2.16	Travelling and subsistence	21
2.17	Segregation of duties	22
2.18	Leasing	22
2.19	Notice of Concern	23
2.20	School Financial Value Standard	23
2.21	Fraud	24

3.	Instalments of Budget Share; Banking Arrangements	
3.1	Frequency of instalments	25
3.2	Proportion of budget share payable at each instalment	25
3.3	Interest clawback	25
3.3.1	Interest on late budget share payments	26
3.4	Budget shares for closing schools	26
3.5	Bank and building society accounts	26
3.5.1	Restrictions on accounts	26
3.6	Borrowing by schools	27
3.7	Other provisions	27
4.	The treatment of Surpluses and Deficit Balances arising in relation Budget Shares	
4.1	Right to carry forward surplus balances	28
4.2	Use of surplus balances	28
4.2.1	Specific purposes for the use of school balances	29
4.3	Interest on surplus balances	29
4.4	Obligation to carry forward deficit balances	30
4.5	Planning for deficit balances	30
4.6	Charging of interest on deficit balances	30
4.7	Writing off deficits	30
4.8	Balances of closing and amalgamating schools	30
4.9	Licensed deficits	30
4.10	Loan schemes	31
4.10.1	Credit union approach	31
5.	Income	
5.1	Income from lettings	32
5.2	Income from fees and charges	32
5.3	Income from fund raising activities	32
5.4	Income from the sale of assets	32
5.5	Administrative procedures for the collection of income	33
5.6	Purposes for which income can be used	34
6.	The Charging of School Budget Shares	
6.1	General provision	35
6.1.1	Charging of salaries at actual cost	35
6.2	Circumstances in which charges may be made	35
7.	Taxation	
7.1	Value Added Tax	38
7.2	Construction Industry Taxation Scheme	38
8.	The Provision of Services and Facilities by the Authority	

8.1	Provision of services from centrally retained budgets	39
8.2	Provision of services bought back from the Authority using delegated budgets	39
8.2.1	Packaging	39
8.3	Service level agreements	39
8.4	Teachers Pensions	40
9.	PFI Clauses	41
10.	Insurance	
10.1	Insurance cover	42
11.	Miscellaneous	
11.1	Right of access to information	43
11.2	Liability of governors	43
11.3	Governors' expenses	43
11.4	Responsibility for legal costs	43
11.5	Health & Safety	43
11.6	Right of Attendance for Chief Finance Officer	43
11.7	Delegation to New Schools	43
11.8	Special Educational Needs	44
11.9	Interest on late payments	44
11.10	'Whistleblowing'	44
11.11	Child protection	44
11.12	Redundancy/early retirement costs	44
12.	Responsibility for Repairs and Maintenance	45
13.	Community Facilities	
13.1	Introduction	46
13.2	Consultation with the authority	46
13.3	Funding Agreements	46
13.4	Other Prohibitions, Restrictions and Limitations	47
13.5	Supply of Financial Information	47
13.6	Audit	47
13.7	Treatment of Income and Surpluses	47
13.8	Health & Safety Matters	48
13.9	Insurance	48
13.10	Taxation	48
13.11	Banking	49

Annex A

Schools to which the Scheme applies

Annex B

Responsibility for repairs and maintenance

Annex C

Link to City of Stoke-on-Trent Council Constitution containing the Financial Regulations and Contract Procedure Rules

DRAFT

1. Introduction

1.1 **The funding framework**

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

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

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

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

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)

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. After each financial year the authority must publish a statement showing out-turn expenditure at both central level and for each school, and the balances held in respect of each school.

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

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

1.2 The role of the scheme

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

1.2.1 Application of the scheme to the Authority and maintained schools

This scheme applies to all community, nursery, special, voluntary, foundation (including trust), community special or foundation special schools and pupil referral units (PRU's) maintained by the Authority (as listed in Annex A). It does not apply to academies or schools in the area maintained by another authority.

1.3 Publication of the scheme

A copy of the scheme will be supplied to the Governing Body and the Headteacher of each school covered by the scheme, and any approved revisions will be notified to each such school.

1.4 Revision of the scheme

Any proposed revisions to the scheme will be the subject of consultation with the governing body and the Headteacher before they are submitted to the Schools Forum for their approval. Forum approval will be made by members representing maintained schools only.

Where the 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.

1.5 Delegation of powers to the Headteacher

Each Governing Body is asked to consider the extent to which it wishes to delegate its financial powers to the Headteacher, and to record its decision (and any revisions) in the minutes of the Governing Body.

Any delegation of powers to the Headteacher should be clearly defined as part of an overall written policy for the provision of sound financial controls within the school.

The Authority has no wish to impose uniformity on schools, but considers that the following level of delegation to Headteachers is desirable.

The day to day management of the school budget should be delegated to the Headteacher. This accords with the Headteacher's duty to provide financial information to the Governing Body. The budget should be managed in accordance with the objectives set out in the school's development plan and reflected in the budget approved by the Governing Body or a committee of the Governing Body.

Financial limits should be defined for the authorisation of orders, invoices and virements between budget heads by the Headteacher. The level of these limits will depend to a large extent on the size of the school budget and the pattern of expenditure. The limits should not inhibit day to day financial management, but should not place undue responsibility on the Headteacher.

The Headteacher is responsible to the Governing Body for the maintenance of financial controls within the school. The Headteacher should ensure that the financial controls are maintained in the absence of key staff and should ensure that all staff are adequately trained. The Headteacher should be responsible for amending and updating financial procedures in line with audit, Authority or Government recommendations. Such changes should be reported back to the Governing Body.

The Headteacher should oversee the administration of the personnel function within the school and ensure that an adequate division of duties exists.

The Headteacher should ensure that effective procedures exist for the backing up of computer-based systems and that they are followed. The Headteacher should also ensure that adequate security measures are in place to protect financial data.

The Headteacher should liaise with the Authority, its agents or insurers over matters relating to insurance and report back to the Governing Body on important issues.

The Headteacher should ensure that stocks are secure, maintained at a reasonable level and are independently stock-checked on a periodic basis. Valuable items should also be secured and checked regularly.

The Governing Body should establish a charging policy for the provision of goods and services. The Headteacher is responsible to the Governing Body for carrying out this policy and accounting for the income generated. Discretion over the provision of goods and services should rest with the Headteacher in consultation with the Governing Body.

The Headteacher should ensure the security of money held on the premises and ensure that such money is banked on a weekly basis. (If money is not banked daily, then money held securely overnight, eg. in a safe or locked drawer should not exceed insurance limits.)

The Governing Body should agree an appropriate level of petty cash with the Authority. The Headteacher is responsible to the Governing Body for the proper management of petty cash.

1.6 Maintenance of schools

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

2. Financial Controls

2.1.1 Application of financial controls to schools

In managing their delegated budgets schools must abide by the Authority's requirements on financial controls and monitoring as contained in the Scheme and other publications and documents referred to within the Scheme.

2.1.2 Provision of financial information and reports

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

All schools are encouraged to undertake their own financial and budget monitoring at least once a month. Schools are also encouraged to prepare their own internal management accounts. However, the Authority reserves the right to request schools to provide details of anticipated and actual expenditure and income in a prescribed format. Normally such information will not be requested more often than once every three months.

Under the current Scheme schools are required to submit a quarterly monitoring return, including a three year medium term planner, to the LA which has been formally approved by the Headteacher and Governing Body. This return will be in national CFR format.

Occasions when financial information may be requested more frequently include the need for bank reconciliation, accounting treatment of taxation or when a school has been notified in writing that in the view of the LA the school's financial position requires more frequent submissions. The restriction to a minimum three-month interval does not apply to schools which are part of the integrated financial accounting system operated by the Authority.

The requirement for provision of financial information and reports is separate from the requirements to submit annual budget plans.

The Section 151 Officer will be responsible for keeping the principal accounting records of the Authority, including those relating to schools. In support of this responsibility, the Governing Body must ensure the maintenance of satisfactory systems of accounting and reporting within each school.

Where a school chooses to purchase financial services from a source other than the Section 151 Officer, the Governing Body must ensure that information is supplied in such format and at such time as required by the Section 151 Officer in order to allow for the continuing maintenance of the principal accounting records of the Authority.

Where a school operates under direct transmission of data to the Authority's mainframe system, the Governing Body must ensure the safe retention of invoices and financial records held at the school in accordance with requirements laid down from time to time by the Section 151 Officer.

2.1.3 Payment of salaries; payment of bills

Headteachers must arrange for information required by the Section 151 Officer to enable him to pay salaries, wages and pensions of persons currently or previously employed at a school to be supplied promptly within a timetable laid down for such purposes. The information must be in such format as may be agreed by the Section 151 Officer and with such certificates of accuracy as may be required.

All payments for works, supplies and services provided to a school must, with the exception of imprest disbursements, be made by the Section 151 Officer unless a school has elected to operate under the Scheme of Local Cheque Book Management; in which case, all payments will be made by the school. Schools must not enter into any arrangements to pay creditors by direct debit or standing order.

Notwithstanding the actual mechanism by which creditors are paid, ALL invoices must be certified as being properly payable by the Headteacher or a senior member of staff nominated in writing by the Headteacher for that purpose.

Headteachers must arrange for each invoice to be charged to the proper budget heading using appropriate codes supplied by the Section 151 Officer.

Where in exceptional circumstances the supplier will only deliver on the basis of payment with the order or otherwise in advance, Headteachers must be responsible for ensuring that the goods/services are provided.

The process of invoice certification involves the following.

Acknowledgement of receipt of goods requires the following checks:

1. contract Standing Orders have been complied with;
2. where appropriate the invoice conforms with the official order;
3. the goods have been received;
4. the work done or services rendered have been properly carried out;
5. the invoice is arithmetically correct and has not previously been passed for payment;

and entries have been made in inventories or stock records as appropriate.

Authorisation of an invoice means that:

1. the invoice is properly payable by the Authority and complies with the VAT requirements of HM Revenue and Customs in so far as it relates to taxable supplies;
2. the net amount of the invoice can be met from within approved estimates;
3. the expenditure coding is correct;
4. the certification that "the account complies with Financial Regulations" has been made by a duly nominated member of staff who has been made aware of their responsibilities in the payments process.

The Section 151 Officer is entitled to rely on the certification of invoices passed to him or her for payment. However, he or she has the right to carry out such checks that are thought to be appropriate either before or after payment and where necessary adjust the coding allocation. In those instances where invoices are retained at a school, the Section 151 Officer has the right to carry out such checks as are considered appropriate and where necessary to adjust the coding allocation.

The Section 151 Officer reserves the right to take appropriate steps to recover any additional costs which might fall on the Authority as a direct result of a school's actions or failure to comply with these Regulations by means of a charge against the resources available to the school in either the current or future financial year.

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

The Late Payment of Commercial Debts (Interest) Act 1998

The Late Payment of Commercial Debts (Interest) Act 1998 introduced a statutory right for businesses to claim interest on the late payment of commercial debts. Late payment is defined as being if payment is received after the contracts credit period has expired; or the credit period in accordance with trade custom and practice. Where no credit period is stated in a contract the Act sets a default of 30 days from delivery of either the invoice for payment or of the goods or service, whichever is later. The rate of interest is the official dealing rate of the Bank of England (the base rate) +8%. The base rate used is that at the end of the day on which the contract says that payment is to be made.

Example

If the base rate is 7%, then the statutory rate of interest is 15%(7%+8%).

If the debt is £1,000 and it is paid 30 days late, then the interest owed is:

£1,000 x 15% = £150 (the annual rate)

£150 / 365 = £0.41 (the daily rate)

£0.41 x 30 days = £12.33 (total amount payable)

Interest stops running on a debt once the amount owing has been paid. If the purchaser does not pay the interest, the supplier can pursue the claim through the courts. It is therefore imperative that all invoices are paid within the laid down credit terms in order to avoid any additional costs.

2.1.4 Control of assets

Inventories must be maintained by all schools. The inventories must contain an adequate description of furniture, fittings, equipment, plant and machinery and other moveable non capital assets held for the purposes of the school, including items leased or on loan from other schools or from other sources. Asset registers are useful both as a deterrent to theft (through the annual checks) but also as a prime document in the event of an insurance claim. The importance of keeping records and ensuring their accuracy should therefore be acknowledged by schools. DfE guidance suggests that all items which have a cost price or market value exceeding £1,000 (exclusive of VAT) should be included in the inventory. However, the authority financial procedures require items exceeding £300 to be recorded and would therefore strongly recommend schools record all items above this level. This guidance is notwithstanding any specific requirements relating to the retention of records for areas such as grant conditions, insurance or leases. Headteachers should use their discretion in deciding whether to include items of a lesser value, although a register must be kept in some form for such items. Schools should give particular consideration to recording “portable and desirable” items (e.g. digital cameras) that may fall below the recommended levels referred to above.

Headteachers must keep a separate record of inventory items taken off the school premises. Headteachers are responsible for the control and proper use of all items on the inventory and for arranging that a check is carried out at not greater than annual intervals to ensure that all items are accounted for. Headteachers shall ensure the inventory is certified by the individual responsible for performing the check.

Headteachers are responsible for ensuring that proper records are kept in relation to the accounts and custody of any stocks and stores in the school for which the Section 151 Officer requires such controls to be established.

Headteachers are responsible for arranging proper security for all buildings, stocks, stores, furniture, equipment, money, sensitive data etc. under their control.

All members of the Governing Body and staff should be familiar with and observe the Authority’s booklet on Computer Security Policy, particularly to ensure compliance with the Data Protection Act.

2.1.5 Accounting policies (including year-end procedures)

Schools must abide by procedures issued by the Authority in relation to accounting policies and year-end procedures.

The Section 151 Officer will each year, notify schools in writing of the procedures and time- scales to be followed in the Closure of Accounts Programme.

Prior to the formal closure of the Authority's accounts, the Section 151 Officer will notify schools, in writing, of any balances remaining on delegated budgets or other earmarked and devolved funds. At the end of the closure of accounts period, the Section 151 Officer will carry forward the balances on schools' delegated budgets. Overspend or underspend on certain devolved or earmarked funds may be carried forward to the following financial year by the Section 151 Officer in consultation with the Director of Children & Family Services.

2.1.6 Writing off of debts

Property may be written off only by resolution of the Governing Body after consideration of a written report from the Headteacher. An entry must be made against the relevant entry in the inventory so as to provide a cross-reference to the resolution of the Governing Body authorising the write-off.

No property written off under these Regulations can be sold or otherwise disposed of without complying with any relevant provisions of these Regulations.

If a Governing Body proposes to write off a debt a formal report detailing the reasons for this will proposal will need to be submitted to the Section 151 Officer and the Director of Children & Family Services for approval up to a limit of £25,000. Any proposed write off's £25,000 and over would need to be approved by Cabinet.

Any write off of debt, if approved, will be charged to the schools' budget.

When a school converts to academy status and the maintained school still has outstanding debt this will be included in the schools' closing balance, therefore the debt will become the responsibility of the new academy.

2.1.7 Budget monitoring and control

The Governing Body is responsible for managing the financial resources allocated to the school.

It is acknowledged that schools often represent a focal point of a community and as such Governors may seek to maintain or develop the school's role. Financial responsibilities which are delegated to Governors do not extend to the use of any delegated monies to support any activities or initiatives which are not solely aimed to benefit the school and its pupils.

The Governing Body must establish in writing:

- a. pre-determined limits of delegated authority to committees, or nominated staff,

and

- b. channels of reporting to the Governing Body or any other associated committee.

It is considered that the Governing Body should be consulted before items of expenditure or income over a specified limit are incurred. Whilst the precise limit is a matter for the Governing Body to determine, prior consultation may be deemed appropriate in those instances where an individual order or transaction exceeds 1% of a school's budget.

The Governing Body must ensure that a member (or members) of staff is made responsible for the continuous monitoring of expenditure and income against the budgetary provision and for the monthly reconciliation of school records with those provided by the Section 151 Officer.

2.1.8 Controlled stationery

Headteachers must make arrangements to control record and store securely all numbered financial stationery issued by the Section 151 Officer to the school.

2.2 Basis of accounting

Reports and accounts furnished to the Authority must be on an accruals basis.

2.3 Submission of budget plans

Each school is required to submit a budget plan (signed by the Headteacher and Chair of Governors) by 15 May each year. This budget plan must be approved by the governing body or a committee of the governing body and must show the school's intentions for expenditure in the current financial year and the assumptions underpinning the budget plan.

The format of the budget plan may need to change to reflect funding methodology changes. It will take account of the Consistent Financial Reporting framework and the desirability of compatibility with that.

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

The Authority will supply schools with all school income and expenditure data which it holds and which is necessary for efficient planning by schools. It will supply schools with an annual statement showing when this information will be available at times throughout the year.

When schools submit their annual budget plans, it is quite permissible for them to take full account of estimated deficits/surpluses at the previous 31 March in their budget plan.

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

2.4 Efficiency & Value for Money

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 Authority's purchasing, tendering and contracting requirements

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

2.5 Virement

Schools are free to vire between budget heads in the expenditure of their budget shares but Governors are advised to establish criteria for virements and financial limits above which the approval of the Governors is required.

The Authority shall retain overall responsibility for ensuring that schools receive the necessary financial information to manage and monitor delegated and devolved budgets. The Authority may draw matters of budgetary concern to the attention of Headteachers and may in certain instances require the Governing Body to demonstrate that appropriate remedial action will be taken to remain within the budget.

2.6 Audit: General

Schools are required to cooperate with auditors employed by the Local Authority (internal audit).

With regard to internal audit, all schools come within the audit regime determined by the Authority.

The Section 151 Officer, or an authorised representative, must be afforded a reasonable right of entry to school premises and must be granted access to such documents, records and computer files as appear to them to be necessary for the purposes of the internal audit. Further, they shall be entitled to require from any Governor or person employed at the school such information or explanation as they think necessary for the purposes of the internal audit.

Whenever a matter arises which involves, or appears to involve, any irregularity concerning cash, stores, stocks or other property held for the purposes of the school or in any other way affecting the finances of the

Authority, the Headteacher or any Governor or other member of staff must forthwith notify the Section 151 Officer.

The Section 151 Officer has a responsibility to maintain an adequate and effective internal audit of the financial and other records of the Authority. That responsibility does not extend to the audit of unofficial funds which may be connected with a school, for example, school funds and PTA funds. However, they will advise on the financial management and control of such funds and is prepared to audit the final accounts on payment of a fee.

If an irregularity is suspected, it is important that the Section 151 Officer is notified as soon as possible, so that the rules of evidence are not breached. When such investigations are undertaken, if appropriate, a report will be made to the Governing Body and to the Director of Children & Family Services. It is expected that the notification of the irregularity will normally be made by the Headteacher. However, there may be circumstances when it is not practical or appropriate and provision is made for a Governor or other member of staff to be able to make the notification.

2.7 Separate external audits

Schools are required to cooperate with auditors appointed to audit the local authority itself (external audit). In relation to external audit, all schools come within the Authority external audit regime.

In line with internal audit requirements, external auditors appointed to audit the local authority itself, must be afforded a reasonable right of entry to school premises and must be granted access to such documents, records and computer files as appear to them to be necessary for the purposes of the external audit. Further, they shall be entitled to require from any Governor or person employed at the school such information or explanation as they think necessary for the purposes of the external audit.

Notwithstanding the above, governing bodies may provide, from their budget shares, funds for external audit certification of accounts. Such provision will be separate from and additional to internal audit and authority external audit.

2.8 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 any trading organisations controlled by the school.

A voluntary fund is any fund which, although not officially owned by the Authority, is controlled or administered solely, or in part, by an employee by reason of his or her employment by the Authority.

Whilst not owned by the Authority, it is unreasonable to expect contributors to these funds to distinguish between them and official monies and, therefore,

standards of accounting and propriety need to be the same as those expected for official monies.

The Authority's Financial Regulations should be viewed as best practice in the maintenance of such voluntary and private funds. (A copy of the Financial Regulations is shown within the City Council's Constitution in Annex C.)

In order to comply with the Charities Act 1993, the trustees of any voluntary fund (normally the Governing Body) which has an annual income of more than £5,000 must register that fund with the Charity Commission.

The accounts of such funds must be audited annually by a competent, independent person and must be submitted with a report to the Governing Body, within 6 months of the accounting year end. The Governing Body is required to approve and minute the appointment of the independent auditor for such funds. If the accounts of the voluntary funds have not been audited by a competent, independent person, the Section 151 Officer will complete an audit and charge a fee for doing so.

2.9 Register of business interests

The Governing Body of each school is required to establish (if it does not already have one), a register which lists for each member of the Governing Body, the Headteacher and any member of staff, any business interests they or any member of their immediate family have; to keep the register up to date with notification of changes and through annual review of entries, and to make the register available for inspection by Governors, staff and parents. It is advisable that such registers be extended to include declaration of any interest which may affect a decision making process of the school. This includes decisions that are of a financial and non-financial nature.

2.10 Purchasing, tendering and contracting requirements

The Authority's Contract Procedure Rules apply to all Officers involved in the letting of orders or contracts for works, services and supplies and must be complied with by Schools. They provide a basis for true and fair competition by providing transparent and auditable procedures, which if followed will give confidence that a fully accountable and unimpeachable procurement regime exists within the City Council. These Contract Procedure Rules protect the legal position of the City Council in respect of compliance with EU and UK law and in its contractual dealings with external suppliers and providers. The Rules also protect the interests of Members, Officers, and the Citizens of Stoke-on-Trent.

In particular:-

1. schools must obtain at least one written quotation by email for any purchases under £9,999.

2. schools must obtain at least three written quotations by email for any purchases between £10,000 to £49,999.
3. schools must carry out a full tendering process including advertising and obtain at least three written tenders for any contract between £50,000 and the EU Threshold.
4. Corporate Procurement to be involved in the process from the outset for any contracts over £181,302 (Supplies or Services) or £4,551,413 (Works). A full tendering process will be required including advertising in the Official Journal of the European Union (OJEU) and at least three written tenders must be obtained.
5. schools must ensure that they are following all statutory and EU directives. This is a complicated area which does change. If schools have any doubts, they are advised to contact Corporate Procurement (ext. 6418), who will be pleased to advise.
6. schools should assess in advance, the health and safety competence of contractors taking account of the Authority's policies and procedures.

Schools should take the time to familiarise themselves with the Contract Procedure Rules which can be found within the City Council's Constitution in Annex C. Further detailed guidance is also available in the Procurement Process Guide which can be obtained from Corporate Procurement.

Orders, in a form approved by the Section 151 Officer, must be issued for all works, supplies and services except for supplies of gas, electricity, water, rent, rates, telephones, petty cash disbursements, examination fees and Service Level Agreements entered into with the Authority.

Each order must be signed by the Headteacher or by a member of staff nominated in writing by the Governing Body for that purpose. Orders must not be signed by Governors. Where Headteachers or school staff are members of a governing body, such signatures must be made in the individual's capacity as an employee of the Authority and not as a Governor. Whoever signs the order is responsible for ensuring that the ensuing expenditure is for the proper purposes of the school and can be met from uncommitted budget allocations approved for that purpose.

Where, as a matter of urgency, works, goods or services have to be ordered orally, an official confirmatory order must be issued within two working days thereafter.

2.11 Application of contracts to schools

Schools have the right to opt out of Authority-arranged contracts except in respect of those contracts for services for which funding was delegated prior to 1 April 1999; for contracts which schools agree to be covered by in respect of services for which funding is delegated by the Authority after 1 April 1999; and for certain contracts listed in the scheme as approved by the Secretary of

State for services for which funding is delegated after 1 April 1999, irrespective of the agreement of schools.

Although governing bodies are empowered under paragraph 3 of schedule 1 to the Education Act 2002 to enter into contracts, in most cases they do so on behalf of the Authority as maintainer of the school and the owner of the funds in the budget share. Other contracts, however, 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.

2.12 Central funds and earmarking

The Authority is authorised to 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, of course, where the funding is supported by a specific grant which the Authority 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 earmarked funding from centrally retained funds is to be spent only on the purposes for which it is given, or on other budget heads for which earmarked funding is given, and is not to be vired into the school's budget share.

If the earmarked budget is overspent or spent inappropriately then the school's delegated budget will be charged with the relevant amount.

The Authority may make sums available to schools from central funds in the form of allocations which are additional to and separate from the school's budget shares. Such allocations might be sums for initiatives under the Education Development Fund. Any such allocations can only be used for the purpose intended. If not spent within specified periods, the allocations may need to be returned to the Authority.

Under no circumstances will the Authority deduct interest from the schools in relation to payment of devolved specific or special grant.

2.13 Spending for the purposes of the school

Governing bodies are free to spend budget shares 'for the purposes of the school', subject to any provisions of this scheme. By virtue of section 50(3A), amounts spent by governing bodies on community facilities or services under section 27 of the Education Act 2002 will be treated as if spent for any purposes of the school. Schools are also allowed to spend their budgets on pupils who are on the roll of other maintained schools.

2.14 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.

Where the premises are owned by the Authority, or the school has voluntary status, then the governing body shall seek the consent of the Authority to the proposed works, but such consent can be withheld only on health and safety grounds.

If the expected capital expenditure from the budget share in any one year will exceed £20,000, the Governing Body must notify the Authority and take into account any advice from the Director of Children & Family Services as to the merits of the proposed expenditure.

2.15 Bank and petty cash imprest accounts

Payments out of an imprest account must be supported by a receipted voucher and must relate to transactions properly payable by the Authority.

Schools are required to obtain an official VAT invoice for all purchases in excess of £50 in order to satisfy HM Revenue and Customs. The limit for individual items purchased from an imprest account is £25 for routine items and £100 for extraordinary items.

An imprest account provided by the Section 151 Officer must be maintained by the Headteacher, or senior member of staff nominated in writing by the Headteacher for that purpose, who is responsible for ensuring it is reconciled on a monthly basis and maintains a working balance, thereby not causing the account to become overdrawn at any time.

Other than reimbursements from the Section 151 Officer, no income is to be paid into an imprest account. Payments to employees, including travelling and subsistence, must not be made from an imprest account. The cashing of personal cheques is not permitted.

On leaving the employment of the school or otherwise ceasing to be the nominated officer, the nominated officer must account to the Section 151 Officer for the amount advanced to him or her. The nominated officer must also provide a certificate for each reimbursement.

2.16 Travelling and subsistence

All claims must be certified for payment as properly payable by the Headteacher or a senior member of staff nominated in writing to do so by the Headteacher. Such certification must be in a form approved by the Section 151 Officer.

The procedures for these will vary according to the choices schools make about the holding of bank accounts and the buying back of the Authority's payroll system.

2.17 Segregation of duties

Wherever possible arrangements should be made to secure that:

1. the signing of orders;
2. the acknowledgement of the receipt of works, goods and services; and
3. the certification of invoices

are performed by different persons.

Headteachers will be expected to maintain a current list of staff who have been nominated to sign orders, certify invoices and travel and subsistence claims on their behalf. The list should also contain a specimen signature and initials of the nominated staff, so that comparisons can be made with those appearing on orders, invoices and travelling and subsistence claims forms.

2.18 Leasing

The Governing Body must not enter into an agreement for the acquisition of any asset through a hire purchase, rental, credit or lease agreement which would involve a charge against the Authority's credit approval, without the prior written consent of the Section 151 Officer.

Where a school incurs expenditure which is deemed to count as a charge against the Authority's credit approval without the prior written consent of the Section 151 Officer the Authority may require that the full cost of the asset be met from the school's delegated budget in the year in which it was first acquired.

The Governing Body must not enter into a leasing agreement unless the terms of the lease arrangements are approved by the Section 151 Officer in consultation with the Assistant Director - Governance.

The Governing Body is responsible at all times for the payment of leasing rentals in accordance with the terms and conditions of the lease. Any costs arising through default, variation or termination of a leasing agreement will be charged to the delegated budget.

All leasing agreements must be made between the leasing company and the school as an establishment of the Authority. Leasing agreements must not be made against named individuals or in the name of a governing body.

Notes of guidance will be produced by the Section 151 Officer in consultation with the -Assistant Director - Governance.

Schools should be aware that failure to make available a leased item at the end of the lease period will almost certainly lead to the payment of a penalty.

2.19 **Notice of Concern**

The Authority may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Section 151 Officer and the Director of Children & Family Services, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of the local authority or the school.

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

These may include:

- insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;
- insisting that an appropriately trained/qualified person chairs the finance committee of the governing body;
- placing more stringent restrictions or conditions on the day to day financial management of a school than the scheme requires for all schools – such as the provision of monthly accounts to the local authority;
- insisting on regular financial monitoring meetings at the school attended by local authority officers;
- requiring a governing body to buy into a local authority's financial management systems; and
- imposing restrictions or limitations on the manner in which a school manages extended school activity funded from within its delegated budget share – for example by requiring a school to submit income projections and/or financial monitoring reports on such activities.

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

2.20 **Schools Financial Value Standard (SFVS)**

All local authority maintained schools (including nursery schools and pupil referral units (PRUs) that have a delegated budget) must demonstrate compliance with the Schools Financial Value Standard (SFVS) and complete

the assessment form on an annual basis. It is for the school to determine at which time of the year they wish to complete the form.

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

All maintained schools with a delegated budget must submit the form to the local authority before 31 March 2017 and annually thereafter.

2.21 **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 the induction for new school staff and governors.

3. Instalments of Budget Share; Banking Arrangements

Schools are entitled to choose to operate their own systems for bill and/or payroll payment. To aid the Authority in planning any changes schools can choose only:

1. to join the scheme at the start of a financial year (having given six months notice in writing of their intention);
2. to leave the scheme at the end of a financial year.

The remainder of this section relates to schools operating their own systems for payroll and creditor payment ("Cheque Book Schools").

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

3.1 Frequency of instalments

The budget share will be made available to governing bodies in monthly instalments. Top up payments for pupils with high needs will be made on a monthly basis unless alternative arrangements have been agreed with the provider.

3.2 Proportion of budget share payable at each instalment

Schools operating their own bank accounts will receive payment into their account as follows:

All instalments will be paid electronically by BACS.

The first instalment will be paid at the beginning of April. Thereafter instalments will be paid monthly at least 2 days prior to the salary payment dates applicable to the school. (Each school will need to advise the City Director's Office of their salary dates in advance of the financial year.)

Schools also have the option for the monthly instalment to be based on the total budget share or total budget share net of the previous months pay costs.

Eligible VAT incurred by schools in making creditor payments will be reimbursed in arrears on a monthly basis, following the reclaim of VAT that takes place for the Council as a whole.

3.3 Interest clawback

The Authority will deduct from budget share instalments an amount equal to the estimated interest lost by the Authority in making available the budget share in advance. The calculation basis of the deduction is set out below.

Where a school uses a bank other than that which the Council uses, then any loss of interest that the Council suffer as a result of payment of the monthly instalments will be clawed back from the school.

The interest clawed back will be determined using the base rate less 0.75%.

Schools will be notified in advance of the amount of any clawback. Full supporting calculations will also be provided.

3.3.1 Interest on late budget share payments

Late payments of budget share instalments, where a result of an Authority error, will result in the addition of interest. The rate used is that used for the clawback calculation (base rate less 0.75%).

3.4 Budget shares for closing schools

Budget shares of schools for which approval for discontinuation has been secured will be determined on a pro-rata basis and will be made available until closure with the usual frequency.

3.5 Bank and building society accounts

All schools may have an external bank account into which their budget share instalments (as determined by other provisions) are paid. Where schools have such accounts, they shall be allowed to retain all interest payable on the account unless they choose to have an account within an authority contract which makes other provision.

Schools with new bank accounts will have their budget balance transferred with immediate effect. If it is necessary to estimate the level of the balance this will be done with the agreement of the school. Any necessary correction will be made when the accounts for the relevant year are closed.

3.5.1 Restrictions on accounts

Schools without bank accounts cannot have one until any deficit balance is cleared. The LA may require any school currently operating a bank account that moves into a deficit balance position to revert back to an LA operated bank account and system (i.e. revert back to non-cheque book status).

The banks or building societies used by schools should be consistent with the Local Authority's Treasury Management Policy.

The Scheme allows for bank accounts to be operated in the name of the school rather than the authority. However, the account mandate should provide that the Local Authority is the owner of the funds in the account, is entitled to receive statements' and reserves the right to take control of the account if the school's right to a delegated budget is suspended by the

authority. The authority may restrict the signatories for bank accounts if required.

3.6 Borrowing by schools

Governing bodies may borrow money only with the written permission of the Secretary of State. Schools may not use credit cards, which are regarded as borrowing. They can, however, use procurement cards, as these can be a useful means of facilitating electronic purchase.

These restrictions do not apply to Trustees or Foundations, whose borrowing, as private bodies, does not impact on Government accounts. These debts, however, may not be serviced from the delegated budget, 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 authority when repaying loans.

This provision does not apply to loan schemes run by the Authority (see 4.10 below).

3.7 Other provisions

Schools will be allowed to retain delegated budget income and pay directly into their respective bank account. Schools will be required to pay non-delegated income into a bank account of the Authority's choosing.

4. The Treatment of Surpluses and Deficit Balances Arising in Relation to Budget Shares

4.1 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.

4.2 Use of surplus balances

In order to allow the Authority to monitor excessive balances, governing bodies are required to report to the Authority on the use which the school intends to make of surplus balances in cases where the total balance exceeds fixed percentages of the school's budget share (after taking account of any retrospective adjustments).

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

1. the Authority shall calculate by 31 May each year the surplus balance, if any, held by each school as at the preceding 31 March. For this purpose the balance will be recurrent balance as defined in the Consistent Financial Reporting Framework;
2. the Authority shall deduct from the calculated balance any amounts for which the school already has a prior-year commitment to pay from the surplus balance for the previous financial year;
3. the Authority shall then deduct from the resulting sum any amounts which the school declares to be assigned for specific purposes as permitted by the Authority as listed at paragraph 4.2.1 of the scheme, and which the authority is satisfied are properly assigned. To count as properly assigned, amounts must not be retained beyond the period stipulated for the purpose in question, without the consent of the Authority. In considering whether any sums are properly assigned the Authority may also take into account any previously declared assignment of such sums but may not take any change in planned assignments to be the sole reason for considering that a sum is not properly assigned;
4. if the result of steps 1-3 is a sum greater than 5% of the current year's budget share for secondary schools and special schools, 8% for primary schools, nursery schools and PRU's, or £10,000 (where that is greater than either percentage threshold), then the Authority shall deduct from the current year's budget share an amount equal to the excess. Before such amounts are deducted, the school will be informed of the Authority's intention and the school will have the right of appeal to the City Council's Children & Young People's Overview & Scrutiny Committee.

Funds deriving from sources other than the Authority will be taken into account in this calculation if paid into the budget share account of the school, whether under provisions in this scheme or otherwise.

Funds held in relation to a school's exercise of powers under s.27 of the Education Act 2002 (community facilities) will not be taken into account unless added to the budget share surplus by the school as permitted by the Authority.

The total of any amounts deducted from schools' budget shares by the Authority under the provision are to be applied to the Schools Budget of the Authority.

4.2.1 Specific purposes for the use of balances

The following are defined as specific purposes for the use of balances:

1. Capital Works – capital expenditure planned for the school, supported by a properly costed and timetabled plan, which will also need to be evidenced by minuted discussion at Governing Body meetings;
2. Staffing – support for staffing structures is permitted where a declining pupil roll is generating budget pressures and the use of balances in this way will support a transitional period of up to two years. Such use of balances will need to be fully costed and evidenced by minuted discussion at a Governing Body meetings;
3. Curriculum Support – support for the curriculum in the coming year is permitted where a declining pupil roll is generating budget pressures and the use of balances in this way will support a transitional period for up to one year. Such use of balances will need to be fully costed and evidenced by minuted discussion at Governing Body meetings.

4.3 Interest on surplus balances

Balances held by the Authority on behalf of schools will attract interest on the following basis:

1. Balances held within the school's Deposit Account (representing underspends from previous years) will attract a full year's interest. The rate used will be an average of the Seven Day Local Authority Deposit Rate calculated six monthly on September 30 and March 31. Any overspend as at March 31 will be deducted from the balance before any interest is calculated.
2. Balances held within the school's Current Account (representing the underspend as at 31 March) will attract half a year's interest. The rate used will be an average of the Seven Day Local Authority Deposit Rate calculated on March 31.

3. The total of all schools average capital balances (where individual school balances are positive) held by the Authority will attract interest at an average of the Seven Day Local Authority Deposit Rate calculated on March 31. The total thus calculated will be allocated to schools with positive balances pro-rata to the level of their individual balances.

4.4 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.

4.5 Planning for deficit balances

Schools must not normally plan for a deficit budget. However in certain circumstances they may have a licensed deficit which must be accompanied by an approved action plan for repayment (see 4.9 below).

4.6 Charging of interest on deficit balances

The Authority does not propose to start charging interest on deficit balances.

4.7 Writing off deficits

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

If the authority wishes to give assistance towards elimination of a deficit balance this should be through the allocation of a cash sum, from the authority's schools budget either from a de-delegated contingency for mainstream schools, or a central budget for special schools and PRU's.

4.8 Balances of closing and amalgamating schools

When a school closes, any balance (whether surplus or deficit) shall revert to the Authority; 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 transfers to an academy where a school converts to academy status under section 4(1)(a) of the Academies Act 2010.

4.9 Licensed deficits

In certain circumstances, a school may apply for a licensed deficit.

The licensed deficit shall be in accordance with the following conditions/requirements:

1. Licensed deficits will only be permitted where schools have faced unexpected overspends from previous years which cannot be accommodated by other means.

2. Schools will be required to produce an action plan, including full costing and timescales, setting out the reasons behind the application for the licensed deficit and details of how the school will return to a position of a balanced budget within a maximum period of three years. A medium term planner will also be required showing the financial implications of the plan. Once the license deficit has been approved schools will then be required to submit monthly financial monitoring, including a medium term planner, and provide a progress update on the agreed action plan.
3. Any application must be supported by a resolution of the school's Governing Body.
4. Licensed deficits can only be approved jointly by the Director of Children & Family Services and the Section 151 Officer.
5. Applications for deficits will only be considered to a maximum value of 10% of the school's budget share.
6. The aggregate value of outstanding licensed deficits at any one time will not exceed 5% of the aggregate value of school balances.
7. The Director of Children Family Services and the Section 151 Officer reserve the right to ask for and receive, from any school with a licensed deficit, information on progress monitoring relative to the approved action plan.

The withdrawal of delegation may be considered if the terms of the action plan are not complied with.

4.10 Loan schemes

The Authority will provide a form of loan arrangement for schools which do not operate by way of a licensed deficit, but rather by way of actual payments to schools or expenditure by the Authority in respect of a particular school, on condition that a corresponding sum is repaid from the budget share.

4.10.1 Credit union approach

Schools may wish to group together to utilise externally held balances for a credit union approach to loans. Where schools choose to borrow money through such a scheme the Authority will require audit certification of the running of the scheme, unless the Authority itself acts as administrator of the arrangement.

5. Income

5.1 **Income from lettings**

Schools may retain income from lettings of the school premises which would otherwise accrue to the Authority, 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 Authority shall be required to have regard to directions issued by the Authority as to the use of school premises as permitted under the Schools Standards and Framework act 1998 for various categories of schools.

5.2 **Income from fees and charges**

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

Where a school has discretion to determine its own charges, it is advisable for such charges to be approved and minuted by the Governing Body and made standard to all recipients of the goods and services. It is also recommended that such charges are reviewed at least annually and publicised to existing and potential customers.

Charges made by a school to another school or any part of the City Council must be agreed in advance by the parties concerned before the goods or services are supplied. The charges will be processed by the Section 151 Officer, after each school which initiates the charge, completes an Internal Transfer form, identifying the monetary sum and an explanation of the service. In the case of Cheque Book Schools this will be through the raising a formal invoice.

5.3 **Income from fund raising activities**

Schools may retain income from fund-raising activities.

5.4 **Income from sale of assets**

Schools may retain the proceeds of sale of assets except in cases where the asset was purchased with non-delegated funds (in which case it should be for the Authority 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 Authority.

5.5 Administrative procedures for the collection of income

Because of the potential VAT implications of providing services which lead to fees and charges, fund raising activities and the sale of assets, the Authority has established administrative procedures for the collection of income which may vary from time to time in the light of advice from the VAT authorities.

At present the guidelines are as follows:

1. The Section 151 Officer, in consultation with Headteachers, is responsible for the opening and closing of all bank accounts held at schools with the exception of those relating to unofficial (voluntary) funds.
2. All monies due to the City Council must, by arrangement with the Section 151 Officer, be paid promptly and intact, into a nominated account at one of the City Council's banking agents using bank paying-in books provided by the Section 151 Officer. All money received shall be banked on a weekly basis.
3. Each school shall send to the Section 151 Officer, on a weekly basis, an Income Return showing amounts of income received and banked. If no income has been received or banked, a 'zero' return is still required by the Section 151 Officer.
4. No personal cheques must be cashed out of the money received and under no circumstances must amounts due to the City Council be paid into unofficial (voluntary) funds, either temporarily or permanently.
5. Any loss incurred by the receipt of counterfeit bank notes and coins must be reported immediately to the Section 151 Officer, who will determine the account to which the loss is to be charged.
6. The following information must be entered on the bank paying-in slip:
 - a. the amount of each cheque or order;
 - b. some reference which will connect the cheque or order with the debt or debts (e.g. receipt number or debtor's name);
 - c. the reference number of any debtor's account which relates to the payment;
 - d. where no debtor's account has been raised, by use of codes provided by the Section 151 Officer, the budget heading to which the income is to be credited and the value to be credited to each such heading;
 - e. an indication of the purpose and source of the payment if it does not relate to a debt of the Authority.
7. Schools should normally require payment in advance of the provision of goods or services or lettings; this avoids the expense of processing debtor's accounts.

8. Unless payment has been made in advance, all accounts for money due to the school must be raised promptly using only debtor's accounts issued by the Section 151 Officer.
9. The charge made on a debtor's account may only be reduced or cancelled either by a write-off or, if it was raised in error, by the issue of an official credit note authorised by the Headteacher. Where the credit note results in an adjustment to the amount of VAT originally charged, the credit note issued to the customer must show the details required by HM Revenue and Customs as notified by the Section 151 Officer.
10. Each person who receives money on behalf of the school and which is due to the City Council must give such acknowledgement and keep such records of the transactions as are currently prescribed by the Section 151 Officer at the time of receipt. No person shall give a receipt for money other than:
 - a. on an official receipt form issued by the Section 151 Officer; or
 - b. through an authorised cash register; or
 - c. on such other record as may be approved by the Section 151 Officer.
11. Every transfer of official money from one member of staff to another must be evidenced in the school's records by the signature of the receiving officer.

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

Income from the sale of assets purchased with delegated funds may only be spent for the purposes of the school.

6. The Charging of School Budget Shares

6.1 General provision

The budget share of a school may be charged by the Authority without the school's consent only in circumstances set out in 6.2 below.

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

Schools are reminded that the Authority cannot 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.

The Authority shall make arrangements for a disputes procedure for such charges.

Local Authorities 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.

6.1.1 Charging of salaries at actual cost

The salaries of school-based staff will be charged to school budget shares at actual cost.

6.2 Circumstances in which charges can be made

Charges may be made to the budget share of a school by the Authority without the consent of the school in the following circumstances:

1. Where premature retirement costs have been incurred without the prior written agreement of the Authority to bear such costs (the amount chargeable being only the excess over any amount agreed by the Authority).
2. Other expenditure incurred to secure resignations where the school had not followed Authority advice.
3. Awards by courts and industrial tribunals against the Authority, or out of court settlements, arising from action or inaction by the governing body contrary to the Authority's advice.
4. Expenditure for which the Authority is liable where funds have been delegated to the governing body for such work, but the governing body has not carried out the required work.
5. Expenditure by the Authority incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the Authority or the school has voluntary controlled status.

6. Expenditure incurred by the Authority in insuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the Authority.
7. Recovery of monies due from a school for services provided to the school, where a dispute over the monies due has been referred to a disputes procedure set out in a service level agreement and the result is that monies are owed by the school to the Authority.
8. Recovery of penalties imposed on the Authority by HM Revenue and Customs, Teachers Pensions, the Environment Agency or other regulatory authorities as a result of school negligence.
9. Correction of Authority errors in calculating charges to a budget share (e.g. pension deductions).
10. Additional transport or swimming costs incurred by the Authority arising from decisions by the governing body on the length of the school day, and failure to notify the Authority of non-pupil days resulting in unnecessary transport or swimming costs.
11. Legal costs incurred by the governing body, although the responsibility of the Authority as part of the cost of maintaining the school - unless they relate to the statutory responsibility of aided school Governors for buildings - may be charged to the school's budget share unless the governing body acts in accordance with the advice of the Authority. It may be the case that there is a conflict of interest between the governing body and the Authority where the governing body would wish to obtain separate legal advice and in such a situation the Legal Services section of the City Director's Office would be available to advise the governing body as to practitioners with the necessary expertise.
12. Costs of necessary health and safety training for staff employed by the Authority, where funding for training has been delegated but the necessary training not carried out. Where a governing body neglects to carry out essential health and safety work, the Authority reserves the right to arrange for it to be done, and the cost shall be charged to the school's delegated budget.
13. Compensation paid to a lender where a school enters into a contract for borrowing beyond its legal powers, and the contract is of no effect.
14. Cost of work done in respect of teacher pension remittance and records for schools using non- Authority payroll contractors, the charge to be the minimum needed to meet the cost of the Authority's compliance with its statutory obligations.
15. Costs incurred by the Authority in securing provision specified in a statement of SEN or an Education Health Care (EHC) plan 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.

16. Costs incurred by the Authority due to submission by the school of incorrect data.
17. Recovery of amounts spent from specific grants on ineligible purposes.
18. Costs incurred by the Authority as a result of the governing body being in breach of the terms of a contract.
19. Interest payments for late payment where it can be demonstrated that the school is at fault.
20. 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.

DRAFT

7. Taxation

7.1 **Value Added Tax**

The Authority has established procedures to enable schools to utilise the Authority's ability to reclaim VAT on expenditure relating to non-business activity.

Amounts reclaimed through these procedures will be passed back to the school.

7.2 **Construction Industry Taxation Scheme**

Schools are required to abide by procedures issued by the Authority in connection with the Construction Industry Tax Scheme (CIS).

DRAFT

8. The Provision of Services and Facilities by the Authority

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

The Authority shall determine on what basis services from centrally retained funds will be provided to schools this includes areas such as redundancy and premature retirement contributions which may not ordinarily be thought of as services, although these areas would be restricted to existing commitments. The Authority is debarred from discriminating in its provision of services on the basis of categories of schools except where such discrimination is justified by differences in statutory duties.

8.2 **Timescales for the provision of services bought back from the Authority using delegated budgets**

The term of any arrangement with a school starting on or after 1 April 1999 to buy services or facilities from the Authority shall be limited to a maximum of three years from the inception of the scheme or the date of the agreement, whichever is the later, and periods not exceeding five years for any subsequent agreement relating to the same services. Centrally arranged premises and liability insurance are excluded from these requirements.

When a service is provided for which expenditure is not retainable centrally by the Authority under the Regulations made under section 46 of the Act, it must be offered at prices which are intended to generate income which is no less than the cost of providing those services. The total cost of the service must be met by the total income, even if the schools are charged differently.

8.2.1 **Packaging**

The Authority may provide any services for which funding has been delegated. But where the Authority is offering the service on a buyback basis it must do so in a way which does not unreasonably restrict schools' freedom of choice among the services available.

8.3 **Service level agreements**

Services offered by the City Council to schools will be detailed in the service level agreements distributed with the school budget. Schools will have at least a month to consider the terms of these agreements and schools should indicate whether they wish to accept the agreements by the end of March for them to be effective for the following financial year.

If services or facilities are provided under a service level agreement - whether free or on a buyback basis - the terms of any such agreement starting on or after the inception of the scheme will be reviewed at least every three years if the agreement lasts longer than that.

Services, if offered at all by the Authority, shall be available on a basis which is not related to an extended agreement, as well as on the basis of such agreements.

8.4 Teachers' Pensions

In order to ensure that the performance of the duty on the Authority to supply Teachers Pensions with information under the Teachers' Pensions Regulations 1997, the following conditions are imposed on the Authority and governing bodies of all maintained schools covered by this Scheme in relation to their budget shares and come into effect on 1 November 2002:

1. The conditions only apply to governing bodies of maintained schools that have not entered into an arrangement with the Authority to provide payroll services.
2. A governing body of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or agreement with a person other than the Authority to provide payroll services, shall ensure that any such arrangement or agreement is varied to require that person to supply salary, service and pensions data to the Authority which the Authority requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The Authority will advise schools each year of the timing, format and specification of the information required. A governing body shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions (AVCs) are passed to the Authority within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.
3. A governing body of any maintained school which directly administers its payroll shall supply salary, service and pensions data to the Authority which the Authority requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The Authority will advise schools each year of the timing, format and specification of the information required from each school. 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.

9. PFI Clauses

The Authority 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.

The Authority signed a PFI contract for school repairs & maintenance and energy management in October 2000. All governing bodies have agreements with the Authority specifying financial contributions to be made over the 25-year lifetime of the project.

DRAFT

10. Insurance

10.1 **Insurance cover**

If funds for insurance are delegated to any school, the Authority may require the school to demonstrate that cover relevant to an Authority's insurable interests, under a policy arranged by the governing body, is at least as good as the relevant minimum cover arranged by the Authority if the Authority makes such arrangements, either paid for from central funds or from contributions from schools' delegated budgets. The Authority is required to have regard to the actual risks which might reasonably be expected to arise at the school in question in operating such a requirement, rather than applying an arbitrary minimum level of cover for all schools.

Headteachers must give prompt notification to the Section 151 Officer of all new risks, properties, or vehicles which are required to be insured by the City Council and of any alternations affecting existing insurances.

Headteachers must notify the Section 151 Officer promptly of any loss, liability, damage or other event likely to lead to an insurance claim.

DRAFT

11. Miscellaneous

11.1 **Right of Access to Information**

Governing Bodies are required to supply all financial and other information which might reasonably be required to enable the Authority to satisfy itself as to the school's management of its delegated budget share, or the use made of any central expenditure by the Authority on the school.

11.2 **Liability of governors**

Because the Governing Body is a corporate body, Governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share, provided they act in good faith.

11.3 **Governors' expenses**

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

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

11.4 **Responsibility for Legal Costs**

Legal costs incurred by the Governing Body may be charged to the school's budget share unless the Governing Body acts on the advice of the Authority.

11.5 **Health & Safety**

Governing bodies are required to have due regard to duties placed on the Authority in relation to health and safety, and the Authority's policy on health and safety matters in the management of the budget share.

11.6 **Right of attendance for Chief Finance Officer**

Governing bodies are required to permit the Section 151 Officer (or his or her designated officers) to attend meetings of the Governing Body at which any agenda items are relevant to the exercise of her or his responsibilities.

The Section 151 Officer's attendance shall normally be limited to items which relate to issues of probity or overall financial management and shall not be regarded as routine.

11.7 **Delegation to new schools**

The Authority has the power 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 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 postponement beyond that date (which will only be given in exceptional circumstances). Section 49(3)(a) also enables the Authority to give a delegated budget to a new school in advance of its opening date.

11.8 **Special Educational Needs**

Schools should use their best endeavours in spending their budget share to secure the special educational needs of their pupils. As this is a statutory requirement the Local Authority reserves the right to suspend delegation if a breach of this requirement occurs and the situation is deemed serious enough to warrant such action.

11.9 **Interest on Late Payments**

The scheme does not affect the statutory requirements relating to Interest on Late Payments. See section 2.1.3 above.

11.10 **'Whistleblowing'**

Where persons working at a school or school governors wish to complain about financial management or financial propriety at the school, the first port of call should be the Headteacher or alternatively the Chair of Governors. It is their responsibility to seek further advice and guidance from the Local Authority (Audit Services) on how to proceed. If you feel unable to raise your concerns in this manner, then please refer to the **Confidential Reporting - (Whistleblowing) Procedure** which sets out how suspicions can be raised quickly **and in confidence**.

11.11 **Child Protection**

Schools need to release staff to attend child protection case conferences and other related events.

11.12 **Redundancy/early retirement costs**

The 2002 Education Act sets out how premature retirement and redundancy costs should normally be funded. Specific detail relating to the local redundancy process is available within the RITSSE documentation available from the authority's HR team.

12. Responsibility for Repairs and Maintenance

Illustrative examples of capital expenditure items in line with the DE's interpretation of the CIPFA code of practice are included at Annex B.

For voluntary aided schools, the liability of the Authority for repairs and maintenance (albeit met by delegation of funds through the budget share) is the same as for the maintained schools, and no separate list of responsibilities is necessary for such schools. However, eligibility for capital grant from the Secretary of State for capital works at voluntary aided schools depends on the *de minimis* limit applied by the DfE to categorise such work, not the *de minimis* limit used by the Authority.

DRAFT

13. Community Facilities Power

13.1 Introduction

Schools which choose to exercise the power conferred by s.27 (1) of the Education Act 2002 to provide community facilities will be subject to a range of controls. First, regulations made under s.28 (2), if made, can specify activities which may not be undertaken at all under the main enabling power. Second, the school is obliged to consult the Authority and have regard to advice from the Authority. Third, 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:

1. those contained in schools' own instruments of government, if any; and
2. in the maintaining Authority's scheme for financing schools made under s.48 of the Schools Standards and Framework Act 1998. Paragraph 2 of Schedule 3 to the Education Act 2002 extends the coverage of schemes to the powers of governing bodies to provide community facilities.

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

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

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

13.2 Consultation with the Authority – Financial Aspects

Section 28 (4) of the Education Act 2002 requires that before exercising the community facilities power, governing bodies must consult the Authority, and have regard to advice given to them by their authority. Such consultation should be arranged through the Director of Children & Family Services.

Upon receipt of sufficient information to provide advice on the proposal, the Authority will endeavour to provide advice within a reasonable time. Schools will be required to inform the Authority what action has been taken following the receipt of the advice.

13.3 Funding Agreements – Authority Powers

The provision of community facilities in many schools will be dependent on the conclusion of a funding agreement with a third party which will either be supplying funding or supplying funding and taking part in the provision. Any

such proposed agreement between the school and a third party should be submitted to the Authority for its comments.

Schools are reminded that if such an agreement is concluded against the wishes of the Authority, or has been concluded without informing the Authority, which in the view of the Authority is seriously prejudicial to the interests of the school or the Authority, then this may constitute grounds for the suspension of the right to a delegated budget.

13.4 Other Prohibitions, Restrictions & Limitations

In a specific instance of use of the community facilities power by a governing body, the governing body concerned may be required by the Authority to make arrangements to protect the financial interests of the Authority by either carrying out the activity concerned through the vehicle of a limited company formed for the purpose, or by obtaining indemnity insurance for risks associated with the project in question. Such a requirement will only be imposed where the Authority has good reason to believe that the proposed project carries significant financial risks.

13.5 Supply of Financial Information

Schools exercising the community facilities power will be required to provide the Authority every six months with a summary financial statement, showing the income and expenditure for the school arising from the facilities in question for the previous six months and, on an estimated basis, for the next six months. The Authority reserves the right to request such reports on a three-monthly basis, where it believes that there is cause for concern as to the school's management of the financial consequences of the exercise of the community facilities power. The Authority may also require the submission of a recovery plan for the activity in question.

13.6 Audit

Schools will be required to grant access to the school's records connected with the exercise of the community facilities power, in order to facilitate internal and external audit of relevant income and expenditure. Further, where schools conclude funding agreements with other persons pursuant to the exercise of the community facilities power, provision must be made for adequate access by the Authority to the records and other property of those persons held on the school premises, or held elsewhere insofar as they relate to the activity in question, in order for the Authority to satisfy itself as to the propriety of expenditure on the facilities in question.

13.7 Treatment of Income and Surpluses

Schools may retain all net income derived from the community facilities except where otherwise agreed with a funding provider, whether that be the Authority or some other person. Schools may carry such retained net income over from one financial year to the next as a separate community facilities surplus, or,

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

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

13.8 Health & Safety Matters

The Health & Safety Provisions noted at 11.5 are extended to the community facilities power.

Governing bodies will be responsible for the costs of securing Disclosure and Barring Service (DBS) clearance for all adults involved in community activities taking place during the school day. Governing bodies would be free to pass on such costs to a funding partner as part of an agreement with that partner.

13.9 Insurance

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

The Authority can undertake its own assessment of the insurance arrangements made by a school in respect of community facilities, and if it judges those arrangements to be inadequate, make arrangements itself and change the resultant cost to the school. Such costs could not be charged to the school's budget share.

13.10 Taxation

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

Schools are reminded that 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, the school is likely to be held liable for payment of income tax and National Insurance, in line with HM Revenue and Custom rules.

Schools will be required to follow Authority advice in relation to the Construction Industry Scheme where this is relevant to the exercise of the community facilities power.

13.11 **Banking**

The School should maintain a separate bank account for community facilities.

Schools are reminded that they may not borrow money without the written permission of the Secretary of State. This requirement does not extend to monies lent to schools by their maintaining Authority.

DRAFT

Annex A

Schools to which the Scheme applies

Type of School	Number
Nursery	6
Primary	25
Secondary	1
Special	4
PRU	2
Total Number of Schools	38

(At 01 April 2018)

NURSERY SCHOOLS

Bentilee Nursery
Burnwood Nursery
Grange Nursery
Thomas Boughey Nursery
Kingsland Nursery
Westfield Nursery

PRIMARY SCHOOLS

Abbey Hulton Primary
Alexandra Infants
Alexandra Junior
Ball Green Primary
Blurton Primary
Burnwood Primary
Christchurch CE (C)
Clarice Cliff Primary
Etruscan Primary School
Forest Park County Primary
Heron Cross County Primary
Hillside Primary
Holden Lane Primary
Jackfield Infants
Moorpark Junior
Oakhill Primary
Priory Primary
Sandford Hill Primary
Sneyd Green Primary
St. John's CE (A) Primary
St. Luke's CE (A) Primary
St. Mark's CE (A) Primary
St. Paul's CE (C) Primary
Waterside Primary
The Willows Primary

SECONDARY SCHOOLS

Birches Head Academy

SPECIAL SCHOOLS

Abbey Hill Special

Portland Special
Kemball Special
Watermill Special

PRU's
REACH
MERIT

DRAFT

Annex B

Responsibility for repairs and maintenance

Illustrative examples of the Capital/Revenue Split in line with CIPFA's Code of Practice

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

Other

Provide new covered link etc. between existing buildings	Minor repairs, maintenance to existing covered link
--	---

Rebuild or substantially repair structure of existing covered link Add porch etc. to existing building	Minor repairs, maintenance to existing structure
---	--

Rebuild or substantially repair structure of existing porch

Floors

<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

Ceilings

<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
------------	--	---

External walls

<u>Masonry/ cladding</u>	Structure Underpinning/ propping for new build External Finish on new build	Repairs Preventive measures e.g. tree removal Repair/replacement of small parts of an existing
--------------------------	---	--

structure. e.g. repointing/
recladding a proportion of a
wall where failure has
occurred.

External Finish on existing
build where needed to
prevent imminent or correct
actual major failure of the
structure. e.g.
repointing/recladding work
affecting most of a building
/replacement build

Windows and
Doors

Framing - new build

Repair/ replacement of
individual frames.
Repainting frames

Framing - structural
replacement programme

Repair/ replacement of
individual windows.
Repainting frames

Glazing - new build

Replacing broken glass

Glazing
Upgrading existing glazing

Ironmongery
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.

Masonry
chimneys

Structure

Jointing including
expansion and mortar
joints/ pointing/ DPC

Repair/ re-pointing

**Internal
walls**

Solid

Complete including various
internal finishes, linings and
decorations

Repairs and redecoration to
internal plaster/ linings tiles,
pin boards etc.

Refurbishment and
alterations

Minor alterations

Partitions

Complete structure
including linings, framing,
glazing, decoration etc.

Repairs and redecoration.

	Refurbishment and alterations	Minor alterations
<u>Doors & Screens</u>	Framing/ Screens/ Doors to new buildings including glazing, ironmongery, jointing and internal decorations	Internal maintenance and redecoration. Repair/ replacement of defective doors and screens
<u>All</u>	Glazing to meet statutory Health & Safety requirements	Replacement of broken glass
Sanitary Services		
<u>Lavatories</u>	In new buildings provision of all toilet fittings, waste plumbing and internal drainage.	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.
<u>Kitchens</u>		
	Kitchens in new buildings, complete with fittings, equipment, waste plumbing and internal drainage. Internal finishes and decorations.	Maintain kitchen to requirements of LA Cleaning out drainage systems
	General refurbishment	Redecoration Repairs
	Large and costly items of equipment	Repairs/ replacement parts
Mechanical services		
<u>Heating/ hot water</u>	Complete heating and hot water systems to new projects, including fuel, storage, controls, distribution, flues etc.	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	Replacement of defective parts

	past the end of their useful life	
	Emergency replacement of boiler plant/ systems	
<u>Cold water</u>	Provision of cold water services, storage tanks, distribution, boosters, hose reels etc. in major projects	Maintenance and repair/ replacement of defective parts such as servicing pipes. Annual servicing of cold water tanks.
<u>Gas</u>	Distribution on new and major refurbishment's, terminal units	Repairs, maintenance and gas safety All servicing
<u>Ventilation</u>	Mechanical ventilation/ air conditioning to major projects	Provision of local ventilation. Repair/ replacement of defective systems and units
<u>Other</u>	Swimming pool plant and its complete installation, including heat recovery systems	Repair/ replacement of parts to plant, pumps and controls. Water treatment equipment and all distribution pipework. Simple heat recovery systems. Solar heating plant and equipment.
Electrical services		
<u>General</u>	Main switchgear and distribution in major projects.	Testing/ replacement of distribution boards. The repair and maintenance of all switchgear and interconnecting cables including that in temporary buildings.
	Replacement of obsolete and dangerous wiring systems, including distribution boards	All testing, earthing and bonding to meet Health & Safety. All servicing.
<u>Power</u>	Control gear, distribution, fixed equipment, protection etc.	All testing, repair and replacement of small items of equipment
<u>Lighting</u>	Provision of luminaires and emergency	Replacement of luminaires, all testing, adjustments and improvements to emergency
<u>Other</u>	Lightning protection in new build Alarm systems, CCTV, lifts/ hoists etc.,	Repair/ replacement Repair and maintenance
	New installation of	Repair/ replacement/

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

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

Annex C

The current City of Stoke-on-Trent Council Constitution is available on line at the address below. Please note the Financial Regulations and Contract Procedure Rules are included in Part 4 of the constitution.

[Constitution](#)

DRAFT