



Knowsley Council

CHILDREN'S SERVICES

SCHEME FOR FINANCING SCHOOLS 2024

Statutory Guidance

School Standards and Framework Act 1998, and Schedule 14 to the Act
Schools and Early Years Finance (England) Regulations

SCHEME FOR FINANCING SCHOOLS

1. INTRODUCTION

- 1.1 The funding framework
- 1.2 The role of the scheme
- 1.2.1 Application of the scheme to the Authority and maintained schools
- 1.3 Publication of the scheme
- 1.4 Revision of the scheme
- 1.5 Allocation of duties and responsibilities
- 1.5.1 Executive Director (Resources)
- 1.5.2 Executive Director (Children's Services)
- 1.5.3 Governing Bodies
- 1.5.4 Headteacher
- 1.6 Maintenance of Schools

2. FINANCIAL CONTROLS

- 2.1.1 Application of financial controls to schools
- 2.1.2 Provision of financial information and reports
- 2.1.3 Payment of salaries; payment of bills
- 2.1.4 Control of assets
- 2.1.5 Accounting policies (including year-end procedures)
- 2.1.6 Writing off of debts
- 2.2 Basis of accounting
- 2.3 Submission of budget plans
- 2.3.1 Submission of financial forecasts
- 2.4 Schools Resource Management
- 2.5 Virement (transfers between budget headings)
- 2.6 Audit: General
- 2.7 Separate external audits
- 2.8 Audit of voluntary and private funds
- 2.9 Register of business interests
- 2.10 Purchasing, tendering and contracting requirements
- 2.11 Application of contracts to schools
- 2.12 Central funds and earmarking
- 2.13 Spending for the purposes of the school
- 2.14 Capital spending from budget shares
- 2.15 Notice of Concern
- 2.16 Schools Financial Value Standard (SFVS)
- 2.17 Fraud

3. INSTALMENTS OF BUDGET SHARE; BANKING ARRANGEMENTS

- 3.1 Frequency of instalments
- 3.2 Proportion of budget share payable at each instalment
- 3.3 Interest on late budget share payments
- 3.4 Budget shares for closing schools
- 3.5 Bank and building society accounts
- 3.5.1 Restrictions on accounts
- 3.6 Borrowing by schools

4. THE TREATMENT OF SURPLUSES AND DEFICIT BALANCES ARISING IN RELATION TO BUDGET SHARES

- 4.1 Right to carry forward surplus balances
- 4.2 Controls on surplus balances
- 4.3 Interest on surplus balances
- 4.4 Obligation to carry forward deficit balances
- 4.5 Planning for deficit budgets
- 4.6 Charging of interest on deficit balances
- 4.7 Writing off deficits
- 4.8 Balances of closing and replacement schools
- 4.9.1 Licensed deficits
- 4.9.2 Loan schemes

5. INCOME

- 5.1 Income from lettings
- 5.2 Income from fees and charges
- 5.3 Income from fund-raising activities
- 5.4 Income from the sale of assets
- 5.5 Administrative procedures for the collection and banking of income
- 5.6 Purposes for which income may be used

6. THE CHARGING OF SCHOOL BUDGET SHARES

- 6.1 General provision
- 6.2 Circumstances in which charges may be made
- 6.3 Disputes procedure

7. TAXATION

- 7.1 Value Added Tax
- 7.2 CIS (Construction Industry Scheme)

8. THE PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITY

- 8.1 Provision of services from centrally retained budgets
- 8.2 Provision of services bought back from the LA using delegated budgets
 - 8.2.1 Packaging
- 8.3 Service level agreements
- 8.4 Teachers Pensions

9. PRIVATE FINANCE INITIATIVE AND PUBLIC PRIVATE PARTNERSHIPS

10. INSURANCE

- 10.1 Insurance cover

11. MISCELLANEOUS

- 11.1 Right of access to information
- 11.2 Liability of governors
- 11.3 Governor's allowances
- 11.4 Responsibility for legal costs
- 11.5 Health and Safety
- 11.6 Right of attendance for Chief Finance Officer
- 11.7 Special Educational Needs
- 11.8 Interest on late payments
- 11.9 Whistleblowing
- 11.10 Child protection
- 11.11 Redundancy and early retirement costs

12. RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

13. COMMUNITY FACILITIES

- 13.1 Introduction
- 13.2 Consultation with the Local Authority – Financial Aspects
- 13.3 Funding Agreements – Local Authority Powers
- 13.4 Other Prohibitions, Restrictions and Limitations
- 13.5 Supply of Financial Information
- 13.6 Audit
- 13.7 Treatment of income and Surpluses
- 13.8 Health and safety
- 13.9 Insurance
- 13.10 Taxation
- 13.11 Banking

APPENDIX 1

List of Knowsley Schools to which the Scheme applies

APPENDIX 2

Responsibility for Redundancy and Early Retirement Costs

APPENDIX 3

Responsibility for Repairs and Maintenance

SECTION 1: INTRODUCTION

1.1 The Funding Framework

The funding framework which replaces Local Management of Schools is based on the legislative provisions in sections 45 to 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 a local authority must appropriate its entire dedicated schools grant to its schools budget.

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

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

The amounts to be retained for these purposes are decided by the local 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.

Local authorities must distribute the ISB amongst their maintained schools using a formula which accords with regulations made by the Secretary of State, and enables the calculation of a budget share for each maintained school. The Local Authority must consult all schools on changes to the schools funding formula and the same applies to early years formula, where there must be a consultation with all providers.

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

The financial controls within which delegation works are set out in a scheme made by the local authority in accordance with section 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 local authority may apply to the Secretary of State for approval in the event of the Schools 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 budget shares as they think fit for any purposes of their school and for any additional purposes prescribed by the Secretary of State in regulations made under section 50 of the Act.

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 (section 50(3A) of the Act).

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

A school's right to a delegated budget share may also be suspended for other reasons, under schedule 17 to the Act.

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

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

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

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

The scheme sets out the financial relationship between the Local Authority and the maintained schools in Knowsley that it funds. The scheme contains requirements relating to financial management and associated issues, binding on both the Authority and on schools.

1.2.1 Application of the scheme to the Authority and maintained schools

The Scheme applies to all community, nursery, special, voluntary, foundation (including trust), foundation special schools and pupil referral units (PRUs).

A list of schools which the Authority will be maintaining is attached for information at Appendix 1.

The scheme applies to all community, special, voluntary, foundation (including trust), foundation special schools and PRUs maintained by the authority, whether they are situated in the area of the authority or situated elsewhere. It does not apply to schools situated in the authority's area which are maintained by another authority. Nor does it apply to academies.

1.3 Publication of the scheme

The Scheme will be published on the Local Authority website by the date the revisions come into force, together with a statement that the revised scheme comes into force on that date.

1.4 Revision of the scheme

Any proposed revisions to the Scheme will be the subject of consultation with the governing body and the head teacher of every school maintained by the authority prior to submission to the Schools Forum.

All proposed revisions must be submitted to the Schools Forum for approval by Members of the Forum representing maintained schools. Where the Schools Forum does not approve them or approves them subject to modifications which are not acceptable to the authority, the authority may apply to the Secretary of State for approval.

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

1.5 Allocation of Duties and Responsibilities

1.5.1 Executive Director (Resources)

The Executive Director (Resources) has a statutory responsibility to ensure the proper administration of the Authority's financial affairs, including those of schools. To fulfil this responsibility governing bodies must provide the Executive Director (Resources) with all necessary access to information, documents and records. In addition, the Executive Director (Resources) or their representative has a right to attend governing body meetings to give advice or information on financial matters which may affect these statutory responsibilities.

1.5.2 Executive Director (Children's Services)

The Executive Director (Children's Services) is responsible for the management of the Knowsley Scheme; for monitoring the effectiveness of the Scheme; and, in conjunction with the Executive Director (Resources), for recommending to the Authority the withdrawal of delegation where appropriate.

1.5.3 Governing Bodies

Governing bodies have a statutory responsibility to ensure the proper administration of their schools financial affairs. To this end Governing Bodies should establish their own procedures to determine their conduct of the school's financial affairs. Such procedures must take into account the Authority's own requirements on financial controls and monitoring. This includes not only those requirements and controls in the Scheme but also those contained in more detailed publications referred to in the Scheme but outside and compatible with it, e.g. the Authority's Constitution, Financial and Contract Procedure rules. Where these are inconsistent with the provisions of this Scheme, then the provisions of this Scheme will prevail.

Governing Bodies are responsible for ensuring that this Scheme is observed in their school and that a system of internal controls is established, which ensures that all activities under their control are conducted in a proper, efficient, effective and well-ordered manner.

1.5.4 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.

The Headteacher is required to keep the Governing Body regularly informed regarding the school's financial affairs and, in particular, to ensure the Governing Body has the information it needs to enable it to discharge its duty to determining the school policies and strategy.

The Governing Body must retain responsibility for approving the first formal budget plan of each financial year and should ratify all in year revisions to the spending plan.

The Governing Body may request that all purchases in excess of £5,000 must be approved in advance by the Finance Committee.

1.6 Maintenance of the School

The Authority is responsible for maintaining the schools covered by the Scheme. This includes the duty of defraying all the expenses of maintaining them (except for voluntary aided schools where some of the expenses are, by statute, payable by the governing body). Part of the way the Authority maintains schools is through the delegated funding system put in place under sections 45 to 53 of the School Standards and Framework Act 1998.

SECTION 2: FINANCIAL CONTROLS

2.1.1 Application of financial controls to schools

In the management of their delegated budgets, schools must comply with the Authority's requirements on financial controls and monitoring. These requirements relate not only to those in the scheme but also those requirements in more detailed publications referred to in the scheme.

2.1.2 Provision of financial information and reports

Schools should provide the Authority with details of anticipated and actual expenditure and income, in a form and at scheduled times as determined by the Authority.

This is different from a requirement for annual budget plans.

2.1.3 Payment of salaries; payment of bills

Currently, for all maintained schools the payment of salaries is through the Authority's payroll system. For schools without a local cheque account the payment of invoices is through the Authority's creditor system.

2.1.4 Control of assets

Each school is required to maintain an inventory of its moveable non-capital assets valued above £1,000 setting out the basic authorisation procedures for disposal of assets. Schools are free to determine their own arrangements for keeping a register of assets worth less than £1,000. However, schools are encouraged to register anything that is portable and attractive, such as a camera,

2.1.5 Accounting Policies (including year-end procedures)

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

2.1.6 Writing off of debts

Governing Bodies are only authorised to write off debts up to a cumulative level of £1,000 in any financial year. All debt write offs must be minuted by the Governing Body, the minutes are to include the name of the debtor, the amount and the reason the debt is being written off.

In the case of larger debts, the school must consult with the Executive Director (Resources).

2.2 Basis of accounting

Within the accounts of the Authority, income and expenditure is matched to services provided during the year; this is known as accruals accounting. The Authority does not enforce an accrual accounting system within schools but does recommend that this approach is adopted.

2.3 Submission of budget plans

Each school will receive notification of its budget for the following financial year by the last working day of February each year. The Governing Body must prepare, formally approve and submit a budget plan to the Authority by 30 June.

The Authority will supply schools with all school income and expenditure data which it holds which is necessary for efficient planning by schools, and supply schools with an annual statement showing when this information will be available at times through the year. The budget plan allows schools to take full account of estimated deficits and surpluses at the previous 31 March in their budget plan.

The form for submission of budget plans takes account of the consistent financial reporting framework and the desirability of compatibility with that.

The intervals at which revisions may be required will not be more often than once every three months.

The format of the plan is specified by the Business Information Systems Team separately from this document.

2.3.1 Submission of financial forecasts

All schools are required to produce three-year budget forecast each year. The deadline for submission of financial plans is 30 June.

The forecasts can be used not only for undertaking effective financial planning but can be used as evidence to support the Authority's assessment of schools financial value standards, to inform the audit process or used in support of the Authority's balance control mechanism.

2.4 School Resource Management (formerly Efficiency and 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 Headteachers and Governors to determine at school level how to secure better value for money.

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

2.5 Virement (transfers between budget headings)

Schools may vire freely between budget headings to facilitate a more effective deployment of resources.

The Governing Body must stipulate in the schools financial procedures the amount the Headteacher is authorised to vire between budget heads. It is suggested that up to a maximum of £5,000 [Primary Schools] and £10,000 [Secondary Schools] on staffing accounts and £500 on non-staffing accounts would be appropriate.

All virements must be reported to the Governing Body or nominated sub-committee.

2.6 Audit: General

All schools are within an internal audit regime defined by the Executive Director (Resources) and the Authority's external audit regime as determined by the Local Authority and Accountability Act 2014. Currently this means that all primary schools will normally be subject to an internal audit at least once within a four-year period and all specials schools and the remaining secondary school will normally be audited at least once in a three year period.

Officers from the Authority's Finance team, in conducting their internal audit duties, have the authority to:-

- Visit and enter school premises at all reasonable times
- Have access to all records and documents of the school
- Require explanation in relation to any financial matters
- Require cash, stores and property to be produced for verification; and
- Access data in computer systems (using interrogation packages where necessary)

Headteachers will have the opportunity to comment on matters of accuracy within the draft report before it is issued to the school in its final version. The results of internal audit reviews will be notified in writing to heads and must be reported to the Governing Body. A written response is required to any recommendations contained in audit reports. An auditor will normally be available to present the report to the Governing Body if so requested.

Governing Bodies must ensure that the Executive Director (Resources) is notified immediately when a matter arises which involves, or is thought to involve, any suspected financial irregularity. The Executive Director (Resources) will investigate all suspected irregularities in accordance with the Authority's agreed procedures.

There is a fundamental requirement for schools to co-operate openly with both internal and external auditors.

2.7 Separate external audits

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

The Authority's audit regime can include sample visits to schools by the Authority's external auditors.

2.8 Audit of voluntary and private funds

Schools should provide audit certificates in respect of voluntary and private funds held by schools, and of the accounts of any trading organisations controlled by the school.

The purpose of such a provision is to allow the Authority to satisfy itself that public funds are not being misused.

The Authority must not seek to impose a right to audit these funds themselves or otherwise access the accounts of private funds.

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

2.9 Register of business interests

The Governing Body of each school must maintain a register which lists for all members of staff and each member of the Governing Body and the Headteacher:

- Any business interests they or any member of their immediate family have;
- Details of any other educational establishments that they govern;
- Any relationships between school staff and members of the Governing Body; and

The register must be kept up to date with notification of changes and through annual review of entries, to make the register available for inspection by governors, staff and parents, and the Authority and to publish the register, for example on a publicly accessible website.

2.10 Purchasing, tendering and contracting requirements

Schools must abide by the Authority's Constitution, Financial Procedure Rules, and Contract Procedure Rules in purchasing, tendering, and contracting matters. This includes a requirement to assess in advance, where relevant, the professional competence of contractors in regard to areas such as Health & Safety, Safeguarding, etc., taking account of the Authority's policies and procedures.

However, any section of the Constitution, Financial Procedure Rules, and Contract Procedure Rules shall not apply if it requires schools:-

- (a) To do anything incompatible with any of the provisions of this scheme, or any statutory provision, or the Public Contracts Regulations 2015 (and any successor legislation);
- (b) To seek Authority officer countersignature for any contracts for goods or services for a value below £60,000 in any one year;
- (c) To select suppliers only from an approved list; and
- (d) To seek fewer than three tenders in respect of any contract with a value exceeding £10,000 in any one year.

2.11 Application of contracts to 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. Contracts may be made solely on behalf of the Governing Body, when the Governing Body has clear statutory obligations – for example, contracts made by aided or foundation schools for the employment of staff.

In other instances, schools have a right to opt out of Authority arranged contracts and advice should be sought from the Corporate Procurement Team or relevant Authority Service Manager (for e.g. with energy supply arrangements).

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.

Allocations shall be subject to conditions setting out the purpose or purposes for which the funds may be used. 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, or SEN or other initiatives funded from the central expenditure of the Authority's schools budget or other authority budget.

Such earmarked funding from centrally retained funds should 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 vired into the budget share. Separate "Cost Centres" should be maintained by schools to be able to demonstrate that the above requirement has been complied with. Earmarked funds will normally have to be returned to the Authority if not spent in-year, or within the period over which the schools are allowed to use the funding.

The Authority will not make deduction, in respect of interest costs, from payments to schools of devolved specific grant.

2.13 Spending for the purposes of the school

Although section 50(3) of the Act allows Governing Bodies to spend budget shares for the purposes of the school, this is subject to regulations made by the Secretary of State and any provisions of the scheme.

As well as the various standard provisions local authorities may wish to propose their own restrictions on this freedom, arising from local circumstances. By virtue of section 50(3A) (which came into force on 1 April 2011), 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.

Under section 50(3)(b) the Secretary of State may prescribe additional purposes for which expenditure of the budget share may occur. They have done so in the School Budget Shares (Prescribed Purposes) (England) Regulations 2002 (SI 2002/378), which have been amended by the School Budget Shares (Prescribed Purposes)(England)(Amendment) Regulations 2010 (SI 2010/190). These regulations allow schools to spend their budgets on pupils who are on the roll of other maintained schools or academies.

2.14 Capital spending from budget shares

Governing Bodies may use their budget shares to meet the cost of capital expenditure on the school premises. This includes expenditure by the Governing Body of a voluntary aided school on work which is their responsibility under paragraph 3 of Schedule 3 of the Act.

If the expected capital expenditure from the budget share in any one year will exceed £15,000 the Governing Body must notify the Authority and take into account, any advice from the Executive Director (Resources) as to the merits of the proposed expenditure. The consent can only be withdrawn on Health & Safety grounds. If the premises are owned by

the Authority, then the Governing Body must seek the consent of the Authority to the proposed works.

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

Where any cash values appear, these can be updated when the scheme is revised.

These provisions would not affect expenditure from any capital allocation made available outside the delegated budget share.

2.15 Notice of Concern

The local authority can issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Executive Director of Resources and the Executive Director of Children's Services, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of the 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 or 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
- 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, financial monitoring reports on such activities, or both

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 local authority may take where the governing body does not comply with the notice.

The purpose of this provision is to enable a local authority to set out formally any concerns it has regarding the financial management of a school it maintains and require a governing body to comply with any requirements it deems necessary.

The principal criterion for issuing a notice, and determining the requirements included within it, must be to safeguard the financial position of the local authority or school.

It should not be used in place of withdrawal of financial delegation where that is the appropriate action to take; however, it may provide a way of making a governing body aware of the local authority's concerns short of withdrawing delegation and identifying the actions a governing body should take in order to improve their financial management to avoid withdrawal.

The local authority will arrange for the notice to be withdrawn once the governing body has complied with the requirements it imposes.

2.16 Schools Financial Value Standard (SFVS)

All 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 what time in 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 Authority before 31 March each year.

2.17 Fraud

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

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

SECTION 3: INSTALMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS

The Authority's treasury management activity is undertaken by the Authority's Financial Management Service (in conjunction with Arlingclose who are the Authority's treasury management advisors), and is operated in accordance with the best practice approach set out in the CIPFA Code of Practice on Treasury Management, and the Authority's 2024-25 Treasury Management Strategy, approved at the Authority's Council meeting held on 6 March 2024.

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

3.1 Frequency of Instalments

Section 50(2) of the Act provides that local authorities shall make budget shares available at all times but requests should be made prior to the start of the relevant financial year. The budget share for schools with a local cheque book account will be termly.

Top up payments for pupils with high needs to the Authority's maintained special schools are made on a half termly basis in arrears.

3.2 Proportion of Budget Share Payable at Each Instalment

Schools with a termly non pay/non-employee related local cheque account will receive their budget share in the following proportion:-

May	40% of the Non Staffing budget
September	30% of the Non Staffing budget
December	30% of the Non Staffing budget

The split between staffing and non staffing estimates will be calculated with reference to returns provided by the school via the Local Cheque proforma.

In the event that advances for termly instalments are over and above the amount due, adjustments will be made to future instalments.

3.3 Interest on late budget share payments

The Authority must add interest to late payments of budget share installations, where late payment is the result of Authority error. The interest rate used should be that used for clawback calculations or if no such clawback would be at least the current Bank of England base rate.

3.4 Budget shares for closing schools

Budget shares of schools operating a bank account, for which approval for discontinuation has been secured, will be made available until closure on a monthly basis, net of estimated pay costs, even where some different basis was previously used.

3.5 Bank and building society accounts

All schools are entitled to have external bank accounts into which their budget share instalments are paid. Where schools have such accounts they shall be allowed to retain all interest payable on the account.

The exception to this is where proposals to establish a new school part way through the financial year are approved. In these circumstances consideration will be given to requests for the approval of banking arrangements from the date of the school's opening.

If a school opens an external bank account the Authority must, if the school desires, transfer immediately to the account an amount agreed by both school and the Authority as the estimated surplus balance held by the Authority in respect of the schools budget share, on the basis that there is then a subsequent correction when the accounts of the relevant year are closed.

Schools without bank accounts cannot have one until any deficit balance is cleared.

3.5.1 Restrictions on accounts

Schools can have accounts for budget share purposes which are in the name of the school rather than the Authority. However, if a school has such an account the scheme should require that the account mandate provides that the Authority is the owner of the funds in the account, that it is entitled to receive statements, and that it can take control of the account if the school's right to a delegated budget is suspended by the Authority.

The Authority can continue to have arrangements negotiated with certain banks whereby the accounts are in the name of the Authority but specific to each school, and offer such arrangements to schools

Budget Share Funds paid by the Authority and held in school accounts remain authority property until spent as per section 49(5) of the Act.

3.6 Borrowing by schools

Governing Bodies may borrow money (which includes the use of finance leases) only with the written permission of the Secretary of State. The introduction of IFRS16 for Local Authorities from 1 April 2024 ends the distinction between operating and finance leases at maintained schools for accounting purposes. Under the Education Act 2002, all leases will be classed as borrowing and will require the Secretary of State for Education's consent. Information on IFRS16 can be found here - [Leasing for maintained schools - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/leasing-for-maintained-schools)

The Secretary of State has agreed to provide blanket consent to a range of the most common leasing activities, as set out in the IFRS16 Maintained Schools Finance Lease Class Consent 2024. Leases not included in this Order will still require the written consent of the Secretary of State and it remains the general position that schools will only be granted permission for other types of borrowing in exceptional circumstances.

From time to time, however, the Secretary of State may introduce limited schemes in order to meet broader policy objectives.

Schools may use any scheme that the Secretary of State has said is available to schools without specific approval.

Schools are permitted to use credit cards but no interest charges should be incurred by schools with balances fully cleared on a monthly basis. Overdrafts are not permitted. Procurement cards are not classed as borrowing, and therefore permitted in the scheme. This allows schools to facilitate electronic purchasing.

The restrictions do not apply to Trustees and Foundations, whose borrowing, as private bodies, makes no impact on Government accounts. These debts may not be serviced directly from the delegated 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 local authority when repaying loans.

This provision does not apply to loan schemes run by the local authority.

SECTION 4: THE TREATMENT OF SURPLUS AND DEFICIT BALANCES ARISING IN RELATION TO BUDGET SHARES

4.1 The right to carry forward surplus balances

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

For a school having a new bank account, the amount of any balance to be transferred to a school's bank account should be calculated on a provisional basis and the date by which the transfer would occur, pending a later reconciliation.

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

4.2 Controls on surplus balances

The Authority has the right to claw back schools excess surplus balances.

However, the Authority gives regard to the principle that schools should be moving towards greater autonomy, should not be constrained from making early efficiencies to support their medium-term budgeting in a tighter financial climate, and should not be burdened by bureaucracy.

The mechanism is therefore only focused on those schools which have built up significant excessive uncommitted balances or where some level of redistribution would support improved provision across a local area.

Schools are subject to the following restrictions:

- a. The Authority shall calculate by 31 May each year the surplus balance, if any, held by each school as at the preceding 31 March. For this purpose the balance will be the recurrent balance as defined in the Consistent Financial Reporting framework;
- b. The Authority shall deduct from the calculated balance any amounts for which the school has a prior year commitment to pay from the surplus balance;
- c. The Authority shall then deduct from the resulting sum any amounts which the governing body of the school has declared to be assigned for specific purposes permitted by the Authority, and which the authority is satisfied as properly assigned. A pro-forma will be made available to all schools and need to be completed by both the Headteacher and the Chair of Governors. 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 previous declared assignment of such sums but may not take into account any change in planned assignments to be the sole reason for considering that a sum is not properly assigned;
- d. If the result of steps a-c is greater than 5% of the current year's budget share for secondary schools, or 8% for primary and special schools, or £10,000 where that is

greater than the percentage threshold, then the Authority will review how much of the amount above 5% or 8% has been held for 2 years.

- e. The Authority can clawback balances above the allowable threshold that have been held for 2 years at the percentage rates above.

Funds derived from other sources, for instance collaborative funds, will be taken into account when calculating excess balances. Funds held for community facilities powers will also be taken into account.

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

4.3 Interest on surplus balances

No interest will be paid by the Authority on surplus balances to schools that have their own bank accounts.

4.4 Obligation to carry forward deficit balances

Deficit balances will be carried forward and will be deducted from the following year's budget share.

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

4.5 Planning for deficit budgets

Schools are allowed to plan for deficits only in certain approved circumstances – see 4.9.1 below.

4.6 Charging of interest on deficit balances

The Authority's current policy is not to charge interest to schools with deficit budgets.

4.7 Writing off deficits

The Authority cannot write off the deficit balance of any school.

If an 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 (from a centrally held budget specified for the purpose of expenditure on special schools and pupil referral units in financial difficulty or, in respect of mainstream maintained schools, from a de-delegated contingency budget where this has been agreed by Schools Forum).

4.8 Balances of closing and replacement schools

Where in the funding period, a school has been established or is subject to a prescribed alteration as a result of the closure of a school, the Authority may add an amount to the budget share of the new or enlarged school to reflect all or part of the unspent budget share,

including any surplus carried over from previous funding periods, of the closing school for the funding period in which it closes.

4.9.1 Licensed deficits

The Authority operates a licensed deficit system.

The Authority will permit schools to plan for a deficit budget in particular circumstances. The funding to allow such a deficit budget shall be provided from the collective surplus of school balances held by the Authority on behalf of schools. If no such surplus is available it is open to the Authority to make alternative arrangements if it can do so within the relevant local authority finance legislation.

The detailed arrangements applying to this Scheme are as follows:-

- (a) the maximum length over which schools may repay the deficit (i.e. reach at least a zero balance) is three years. The Authority will monitor the situation to ensure that the deficits are not simply extended indefinitely;
- (b) the purposes for which the deficit arrangement will be agreed with the Governing body and the Authority;
- (c) the maximum size of the deficits which may be agreed; this may be by reference to the size of the budget share or in cash terms or some combination;
- (d) the maximum proportion of the collective balances held by the Authority which will be used to back the arrangement
- (e) the Assistant Executive Director (Resources) and Cabinet Member for Children's Services are to agree any arrangements for individual schools;
- (f) the minimum size of the deficit which may be agreed is £10,000.

4.9.2 Loan schemes

Loans will only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year.

Loans will not be used as a means of funding a deficit that has arisen because a school's recurrent costs exceed its current income.

If loans are made to fund a deficit and a school subsequently converts to academy status, the Secretary of State will consider using the power under paragraph 13(4)(d) of Schedule 1 to the Academies Act 2010 to make a direction to the effect that such a loan does not transfer, either in full or part, to the new academy school.

SECTION 5: INCOME

Schools should be able to retain income except in certain specified circumstances

5.1 Income from lettings

Schools are entitled to retain income from lettings of the school premises which would otherwise accrue to the Authority, subject to alternative provisions arising from any joint use of PFI agreements or purchasing power parity agreements.

Schools are allowed 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 are required to have regard to directions issued by the LA as to the use of school premises, as permitted under the Schools Standards Framework Act 1988 for various categories of schools.

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

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.

Income from boarding charges is collected on behalf of the local authority and should not exceed that needed to provide board and lodging for the pupils concerned.

5.3 Income from fund-raising activities

Schools are allowed to retain income from fund-raising activities.

5.4 Income from the sale of assets

Schools are entitled to 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.

The retention of proceeds of sale for premises not owned by the Authority will not be a matter for the scheme.

5.5 Administrative procedures for the collection and banking of income

Schools should be aware of the potential VAT implications of providing services which lead to fees and charges, fund raising activities and the sale of assets, the Authority will establish administrative procedures for the collection of income. VAT received on income should be included on the schools VAT return

All income must be banked promptly and intact by the school.

5.6 Purposes for which income may be used

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

SECTION 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 consent of the governing body only in circumstances expressly permitted by the scheme listed below. The Authority will consult the school before making the charge, and will notify schools when it has been done.

Schemes may provide for a disputes procedure for such charges.

Although the right of local authorities to protect their financial position from liabilities caused by the action or inaction of governing bodies by charging budget shares is well established, the government is anxious to ensure that schools are clearly aware of the circumstances in which this may happen.

The main circumstances are listed below.

The Authority cannot act unreasonably in the exercise of any power given by the scheme, or it may be the subject of a direction under section 496 of the Education Act 1996.

For each of the circumstances below the Authority would have to be able to demonstrate that they had necessarily incurred the expenditure now charged to the budget share. This means that where the Authority cannot incur a liability because the statutory responsibility rests elsewhere, no charging is possible. Therefore, the position on charging will vary between categories of school.

The Authority will ensure that steps have been taken to enable advice to be given whenever possible, and will remind schools of this.

For each of these circumstances the Authority would have to be able to demonstrate that the authority had necessarily incurred the expenditure now charged to the budget share. This means that where the Authority cannot incur a liability because the statutory responsibility rests elsewhere, no charging is possible. Therefore the position on charging will vary between categories of school.

The Authority is required to charge salaries of school-based staff to school budget shares at actual cost.

For the avoidance of doubt, the Authority 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.

6.2 Circumstances in which charges may be made

6.2.1 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);

6.2.2 Other expenditure incurred to secure resignations where this is good reason to charge this to the school (see Appendix 2);

6.2.3 Awards by courts and employment 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; Awards may sometimes be against the governing body directly

and would fall to be met from the budget share. Where the local authority is joined with the governing body in the action and has expenditure as a result of the governing body not taking authority advice, the charging of the budget share with the authority expenditure protects the authority's position. Authorities should ensure in framing any such advice that they have taken proper account of the role of aided school governing bodies.

- 6.2.4 Expenditure by the Authority in carrying out health and safety work or capital expenditure for which the Authority is liable where funds have been delegated to the governing body for such work, but the governing body has failed to carry out the required work;
- 6.2.5 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;
- 6.2.6 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; The Authority itself needs to consider whether it has an insurable interest in any particular case.
- 6.2.7 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;
- 6.2.8 Recovery of penalties imposed on the Authority by the Board of Inland Revenue, the Contributions Agency, HM Customs and Excise, Teachers Pensions, the Environment Agency or regulatory authorities as a result of school negligence;
- 6.2.9 Correction of Authority errors in calculating charges to a budget share (e.g. pension deductions); Before applying any such provision, the Authority should consider whether it is reasonable to do so. If the error dates back several years it may be questionable whether such charging is reasonable.
- 6.2.10 Additional transport 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 costs.
- 6.2.11 Legal costs which are incurred by the Authority because the governing body did not accept the advice of the Authority.
- 6.2.12 Costs of necessary health and safety training for staff employed by the Authority, where funding for training had been delegated but the necessary training not carried out.
- 6.2.13 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.
- 6.2.14 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 Authorities compliance with its statutory obligations;
- 6.2.15 Costs incurred by the Authority in securing provision specified in an education, health and 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;

6.2.16 Costs incurred by the Authority due to submission by the school of incorrect data;

6.2.17 Recovery of amounts spent from specific grants on ineligible purposes;

6.2.18 Costs incurred by the Authority as a result of the governing body being in breach of the terms of a contract.

6.2.19 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.

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

6.3 Disputes procedure

In the event of any dispute the matter will be resolved by the Executive Director (Children's Services) in consultation with the Cabinet member for Children's Services.

SECTION 7: TAXATION

7.1 Value Added Tax

HMRC has agreed that VAT incurred by schools when spending any funding made available by the local authority is treated as being incurred by the Authority and qualifies for reclaim by the Authority. This does not include expenditure by the governors of a voluntary aided school when carrying out their statutory responsibilities to maintain the external fabric of their buildings. "VAT recovery guidance for Voluntary Aided schools is available here from HMRC [VATGPB7530 - Local authority education services: voluntary aided schools: paragraphs 1 to 4 of guidance on section 33 recovery agreed with the Department for Education - HMRC internal manual - GOV.UK \(www.gov.uk\)](#)

If necessary, the Authority may consult the local VAT business advice centre on issues

Local cheque account schools should follow the Authority's current process in order to be able to utilise the authority's ability to reclaim VAT on expenditure relating to non-business activity. VAT amounts reclaimed will be passed back to the school.

Regarding items of a capital nature, the Governing Body of a Voluntary Aided school is responsible for meeting all capital expenditure in relation to the school premises, except when it falls within a relevant de-minimis level.

The de-minimis level separates revenue from capital expenditure. For the Authority, this level is £10,000. Therefore, anything below this level can be seen as revenue spends rather than capital and VAT recovered.

HMRC stipulates that the level should not be used to artificially identify capital expenditure as revenue to recover VAT. An example of this would be a new heating system costing £9,999 would fall under capital, and therefore not VAT recoverable.

For schools not operating a local cheque account, VAT will continue to be accounted for by the Authority.

7.2 CIS (Construction Industry Scheme)

The Authority does not apply CIS rules to maintained schools.

SECTION 8: THE PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITY

8.1 Provision of services from centrally retained budgets

The Authority will determine on what basis services (including existing premature retirement costs and redundancy payments) from centrally retained funds will be provided to schools.

The Authority will not discriminate in its provision of services on the basis of categories of schools except where this would be permitted under the Schools and Early Years Finance regulations or the dedicated schools grant conditions of grant.

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

Any arrangement with a school to buy services or facilities from the Authority is limited to a maximum of three years from the date of the agreement, and periods not exceeding five years for any subsequent agreement or extensions relating to the same services.

However, schemes for contracts for supply of catering services may be limited to a maximum of 5 years, with a maximum agreement of 7 years if the contract is extended.

There is no minimum period, although arrangements lasting less than 2 years may well be uneconomic.

When a service is provided for which expenditure is not retainable centrally by the Authority, under the regulations made under section 45A of the act, it should 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 should be met by the total income, even if schools are charged differently.

This provision complements the implied requirements of the regulations on central retention of funds. It is recognised that absolute break-even or profit is not always achievable over fixed financial years; it is for the local authority to show during audit tests that the charging policy can reasonably be expected to avoid central subsidy of services.

8.2.1 Packaging

The Authority may provide any services for which funding has been delegated and invite schools to buy back such services. Packaging will not unreasonably restrict schools' freedom of choice among the services available and where practicable, this will include provision on a service-by-service basis as well as in packages of services.

This provision would not prevent local authorities offering packages of services which offer a discount for schools taking up a wider range of services, but authorities are encouraged to offer services singly as well as in combination.

8.3 Service level agreements

A range of services are on offer to schools from the Authority through Service Level Agreements.

Please refer to the Traded Services brochure for further details which is available on line which can be viewed here:-

[ASK Knowsley](#)

8.4 Teachers Pensions

Governing bodies of schools which provide payroll services should submit a monthly return of salary and service to the Authority.

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

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

A Governing Body of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or agreement with a person other than the Authority to provide payroll services, shall ensure that any such arrangement or agreement is varied to require that person to supply salary, service and pensions data to the authority which the Authority requires to submit its monthly return of salary and service to Teachers' Pensions and to produce its audited contributions certificate.

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

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

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

SECTION 9: PRIVATE FINANCE INITIATIVE AND PUBLIC PRIVATE PARTNERSHIPS

The Authority has the power to issue regulations from time to time relating to Private Finance Initiatives (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 has the power to charge to the school's budget share amounts agreed under a PFI/PPP agreement entered into by the Governing Body of a school.

SECTION 10: INSURANCE

10.1 Insurance cover

The Authority may require, for funds for insurance which are delegated to any school, 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 evidence required to demonstrate the parity of cover should be reasonable, not place an undue burden upon the school, nor act as a barrier to the school exercising their choice of supplier.

The Authority has 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. Instead of taking out insurance, a school may join the Secretary of State's Risk Protection Arrangement (RPA) for risks that are covered by the RPA.

Schools have been able to join the RPA since 1 April 2020 if they so wish. Schools may do this individually when any insurance contract of which they are a part of expires.

It should be noted that primary and/or secondary maintained schools can join the RPA collectively by agreeing through the Schools Forum to de-delegate funding.

SECTION 11: MISCELLANEOUS

11.1 Right of access to information

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.

11.2 Liability of governors

Because the governing body is a corporate body, and because of the terms of s.50(7) of the Schools Standards and Framework Act 1998, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share provided they act in good faith. An example of behaviour which is not in good faith is the carrying out of fraudulent acts. Breaches of the scheme are not in themselves failures to act in good faith, neither is rejection of Authority advice as to financial management.

11.3 Governors' Allowances

This guidance is for schools without delegated budgets.

The Authority is permitted to delegate to the governing body of a school yet to receive a delegated budget, funds to meet governors' expenses. Governing Bodies would not normally have any discretion in the amounts of such allowances.

Under section 50(5) of the act, only allowances in respect of purposes specified in the regulations made under section 19 of the Education Act 2002 may be paid to governors from a school's delegated budget share.

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.

For schools with delegated budgets, the Authority may publish, separately from the scheme, a guide to what it considers to be reasonable expenses.

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 in accordance with the advice of the Authority; although this is the responsibility of the authority, as part of the cost of maintaining the school unless they relate to the statutory responsibility of voluntary aided school Governors for buildings.

The effect of this is that a school cannot expect to be reimbursed for the cost of legal action against the Authority itself; although there is nothing to stop an authority making such reimbursement if it believes this to be desirable or necessary in the circumstances.

The costs referred to are those of legal actions, including costs awarded against a local authority; not the cost of legal advice provided.

This does not mean that a special procedure should be established, but Governing Bodies should be made aware of the potential problems that may arise and how they may resolve these.

On those occasions when there may be a conflict of interest between the Authority and the Governing Body of a school the school should obtain legal advice separate from that of the Authority.

11.5 Health and 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 Executive Director (Resources) or his representative to attend meetings of the governing body at which any agenda items are relevant to the exercise of their responsibilities.

The Executive Director (Resources) attendance would normally be limited to items which relate to issues of probity or overall financial management; such attendance should not be regarded as routine. Notice should be given prior to the meeting unless this is impracticable.

11.7 Special Educational Needs

Schools should use their best endeavours to spend the budget share to secure the special educational needs of their pupils. Failure to do this could mean, if the situation was serious enough to warrant, the suspension of delegation. This would not normally relate to an individual pupil.

11.8 Interest on Late Payments

As a reminder to schools, statutory requirements now allow businesses to charge interest on any payment made later than the credit terms.

11.9 'Whistleblowing'

Every school maintained by the local authority should adopt a Whistleblowing procedure (also referred to as Confidential Reporting Procedures). This procedure should include the different routes available to the whistle-blower to assist them in raising their concerns, including who they can contact within the school and within the local authority.

Any member of staff, governors, or contractors who suspect, with good reason, that financial irregularity or any other wrongdoing has occurred should immediately refer to the school's Confidential Reporting Policy for guidance on how to raise their concerns.

It is a requirement of the Schools Financial Value Standard (SFVS) that schools should publicise and raise awareness of their Whistleblowing procedures with staff and governors.

11.10 Child Protection

There is a need to release staff to attend child protection case conferences and other related events. However, the Authority does not make any specific payments to meet the cost of these.

11.12 Redundancy and Early Retirement Costs

The 2002 Education Act sets out how premature retirement and redundancy costs should normally be funded. Please see Appendix 2 for further guidance.

SECTION 12: RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

The Authority delegates funding for repairs and maintenance to schools; only capital expenditure is retained.

For these purposes, expenditure is treated as capital only if it fits the definition of capital used by the Authority for financial accounting purposes in line with the CIPFA code of practice on local authority accounting.

Appendix 3 of the scheme contains a list of repairs and maintenance and the responsibility for these. Examples are given in line with the CIPFA code of practice.

It should be noted that 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 other maintained schools, and no separate list of responsibilities is necessary for such schools.

The Authority applies a £10,000 de minimis level for the definition of capital and revenue in assigning responsibility for types of work.

It should be noted that eligibility for capital grants from the Secretary of State for capital works at voluntary aided schools depends on the de minimis limit applied by DfE to categorise such work, not the de minimis limit used by the Authority (see section 7 of the scheme for more detail on de minimis levels).

The Authority undertakes its own three year rolling programme of building condition surveys across its community and special school (non PFI) estate to help inform how the annual School Condition Allocation grant received from the DfE is allocated for school condition capital improvement schemes. Under these schemes, schools are required to contribute 5% of the total project costs. The arising proposals from the condition surveys are periodically presented to the Authority's Education Asset Management Working Group for endorsement

SECTION 13: COMMUNITY FACILITIES

13.1 Introduction

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

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

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

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

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

13.2 Consultation with the LA – Financial Aspects

Changes made by the Children and Families Act 2014 mean that schools no longer need to consult the local authority when establishing community facilities under Section 27 of the Education Act 2002. Nor do they have to have regard to advice given to them by their local authority.

However, as public bodies, they are expected to act reasonably, and this includes consulting those affected by decisions that they make.

13.3 Funding agreements – Local Authority Powers

The provision of community facilities in many schools may be dependent on the conclusion of a funding agreement with a third party which will either be supplying funding or supplying funding and taking part in the provision. A very wide range of bodies and organisations are potentially involved.

The Authority requires that any such proposed agreements should be submitted to the authority for its comments, and may impose a time requirement for doing so to give the authority adequate notice.

However, this does not impose a right of veto for the Authority on such agreements, either directly or through requiring a right to countersign the agreement. If the third party requires Authority consent to the agreement for it to proceed, such a requirement and the method by which Authority consent is to be signified is a matter for that third party, not for the scheme.

The Secretary of State does not consider that it is appropriate for local authorities to have a general power of veto for these agreements.

However, if an agreement has been or is to be 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, that may constitute grounds for suspension of the right to a delegated budget.

13.4 Other Prohibitions, Restrictions and Limitations

The Authority requires that in a specific instance of use of the community facilities power by a Governing Body, the Governing Body concerned must 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, as specified by the Authority.

The Authority may propose restrictions that are necessary to safeguard the financial position of the Authority or the school, or to protect pupil welfare or education. Any provisions will be as minimal as possible.

Section 28 provides that the exercise of the community facilities power is subject to prohibitions, restrictions and limitations. The Authority may propose other scheme provisions of that nature if felt necessary. The restrictions would only be in existence if deemed necessary to safeguard the financial position of the Authority or school, or to protect pupil welfare or education, such provisions will be as few in number as possible.

13.5 Supply of financial information

Schools which exercise the community facilities power, must provide the Authority every 6 months with a summary statement, in a form determined by the Authority, showing the income and expenditure for the school arising from the facilities in question for the previous 6 months and on an estimated basis, for the next 6 months.

If the Authority, on giving notice to the school, believes there to be cause for concern as to the school's management of the financial consequences of the exercise of the community facilities power, to require such financial statements to be supplied every three months and, if the authority sees fit, to require the submission of a recovery plan for the activity in question.

Financial information relating to community facilities should be included in returns made by schools under the consistent financial reporting (CFR) framework, and will be relied upon by the Authority as the main source of information for the financial aspects of community facilities.

However, the Authority can request supplementary information in order to ensure that schools are not at financial risk. Schedule 15 of the Act provides that mismanagement of funds spent or received for community facilities is a basis for suspension of the right to delegation of the budget share.

13.6 Audit

Schools should grant the Authority access to records connected with exercise of the community facilities power, in order to facilitate internal and external audit of relevant income and expenditure.

When schools are concluding funding agreements with other persons pursuant to the exercise of the community facilities power, it should be ensured that such agreements contain adequate provision for access by the Authority to the records and other property of those persons held on the school premises, 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 can retain all net income derived from community facilities except where otherwise agreed with a funding provider, whether that be the Authority or some other person.

Schools are able to carry such retained net income over from one financial year to the next as a separate community facilities surplus.

13.8 Health and safety

All health and safety provisions covered within the main scheme are extended to the community facilities power.

The governing body will be responsible for the costs of securing Disclosure and Barring Service clearance, where appropriate for all adults involved in community activities taking place during the school day.

Governing Bodies are free however 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 school Governing Body to ensure adequate arrangements are made for insurance against risks arising from the exercise of the community facilities power, and they should taking professional advice as necessary.

Schools should seek the Authority's advice before finalising any insurance arrangement for community facilities.

Insurance issues arising from use of the community facilities power are the same as those which already arise from non-school use of school premises. However, a school proposing to provide community facilities should, as an integral part of its plans, undertake an assessment of the insurance implications and costs, seeking professional advice if necessary.

The Authority can undertake an assessment of the insurance arrangements made by a school in respect of community facilities, and if it is judged that these arrangements are inadequate, arrangements can be made by the Authority and the charge will be costed to the school. This protects the Authority against possible third-party claims.

A school may join the RPA for risks that are covered by the RPA.

13.10 Taxation

All schools should seek advice from the Authority and the local VAT office on any issues relating to the possible imposition of VAT 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 the Authority in connection with community facilities at the school is paid from funds held in a school's own bank account, whether a separate account is used for community facilities or not, the school is likely to be held liable for payment of income tax and national insurance, in line with HMRC rules.

13.11 Banking

All schools are entitled to use the Authority's banking arrangements or operate its own external bank account in connection with the community facilities power. The general approach to these matters mirror those contained within the main part of the scheme at section 3.

SCHEME FOR FINANCING SCHOOLS**List of Knowsley Schools to which the Scheme Applies****November 2024****Secondary Schools**

All Saints High School

Primary Schools

St Andrews	Stockbridge Village Primary
St Marks' RC	Hope Primary School
Halewood Holy Family	St Albert's RC
Cronton Holy Family	St Brigid's RC
St Leos & Southmead RC	St John Fisher RC
Malvern	Knowsley Village
Roby Park	Park Brow
St Columba's RC	Westvale
St Aloysius RC Primary	Millbrook
St Margaret Mary's Infant	Kirkby CE
St Margaret Mary's Juniors	St Laurence's RC
St Aidan's RC	St Joseph's RC The Worker
Huyton St Joseph's RC	St. Michael & All Angels RC
St Anne's RC	St Marie's
St Mary and St Paul	Ravenscroft
Prescot Primary	St Peter & Paul RC
Evelyn	Eastcroft Park
Our Lady's RC	Northwood Primary School
St Luke's RC	

Special Schools

Meadow Park (PRU)	Bluebell Park
Knowsley Central School	Alt Bridge Secondary Centre

RESPONSIBILITY FOR REDUNDANCY AND EARLY RETIREMENT COSTS

This guidance note summarises the position relating to the charging of voluntary early retirement and redundancy costs. It sets out what is specified in legislation and provides some examples of when it might be appropriate to charge an individual school's budget, the central schools budget or the local authority's non-schools budget.

Section 37 of the 2002 Education Act says:

“(4) costs incurred by the local education authority in respect of any premature retirement of a member of the staff of a maintained school shall be met from the school's budget share for one or more financial years except in so far as the authority agree with the governing body in writing (whether before or after the retirement occurs) that they shall not be so met.

(5) costs incurred by the local education authority in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school shall not be met from the school's budget share for any financial year except in so far as the authority have good reason for deducting those costs, or any part of those costs, from that share.

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

The default position, therefore, is that premature retirement costs must be charged to the school's delegated budget, while redundancy costs must be charged to the Local Authority's budget.

In the former case, the Local Authority has to agree otherwise for costs to be centrally funded, while in the latter case, there has to be a good reason for it not to be centrally funded, and that cannot include having a no redundancy policy.

Ultimately, it would be for the courts to decide what was a good reason, but the examples set out below indicate the situations in which exceptions to the default position might be taken.

Charge of dismissal or resignation costs to delegated school budget:

- if a school has decided to offer more generous terms than the local authority's policy, then it would be reasonable to charge the excess to the school
- if a school is otherwise acting outside the local authority's policy
- where the school is making staffing reductions which the local authority does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit
- where staffing reductions arise from a deficit caused by factors within the school's control
- where the school has excess surplus balances and no agreed plan to use these
- where a school has refused to engage with the local authority's redeployment policy

Charge of premature retirement costs to local authority non-schools budget or central schools budget:

- where a school has a long-term reduction in pupil numbers and charging such costs to their budget would impact on standards
- where a school is closing, does not have sufficient balances to cover the costs and where the central schools budget does not have capacity to absorb the deficit
- where charging such costs to the school's budget would prevent the school from complying with a requirement to recover a licensed deficit within the agreed timescale
- where a school is in special measures, does not have excess balances, and employment of the relevant staff is being or has been terminated as a result of local authority or government intervention to improve standards

Costs of early retirements or redundancies may be charged to the central school services block of the schools budget, as a historic commitment, where the expenditure is to be incurred as a result of retirement and redundancy charges agreed before 1 April 2013. Costs may not exceed the amount budgeted in the previous financial year.

The Local Authority can retain a central budget within the schools budget to fund the costs of new early retirements or redundancies by a deduction from maintained school budgets, excluding nursery schools, only where the relevant maintained school members of the Schools Forum agree.

It is important that the local authority discusses its policy with its schools forum. Although each case should be considered on its merits, this should be within an agreed framework. It may be reasonable to share costs in some cases, and some local authorities operate a panel to adjudicate on applications.

A de-delegated contingency could be provided, if schools forum agree, to support individual schools where a governing body has incurred expenditure which it would be unreasonable to expect them to meet from the school's budget share.

For staff employed under the community facilities power, the default position is that any costs must be met by the governing body, and can be funded from the school's delegated budget if the governing body is satisfied that 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.

Section 37 now states:

“(7) Where a local education authority incur costs—

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

(b) in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school who is employed for those purposes they shall recover those costs from the governing body except in so far as the local authority agree with the governing body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable.

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

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

(8) Where a person is employed partly for community purposes and partly for other purposes, any payment or costs in respect of that person is to be apportioned between the 2 purposes; and the preceding provisions of this section shall apply separately to each part of the payment or costs."

RESPONSIBILITY FOR REPAIRS AND MAINTENANCE**CAPITAL / REVENUE SPLIT AND ITEMS WHICH ARE THE SEPARATE RESPONSIBILITY OF GOVERNORS IN VOLUNTARY AIDED (VA) SCHOOLS**

Illustrative examples in line with CIPFA code of practice.

ELEMENT	CAPITAL : AS CIPFA CODE OF PRACTICE	REVENUE :REPAIRS & MAINTENANCE	VA SCHOOL GOVERNORS RESPONSIBILITIES
Roofs			
<u>Flat</u>	Structure. New (not replacement) structure	Repair/replacement of small parts of an existing structure	New structure and repair replacement of 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	Replacement of structure
	Screed / insulation in a new building/extension	Repair/replacement of screed/ insulation where defective	New screed/insulation and repairs
	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	Replacement/repair of screed/insulation
	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	Finish on new build. Replacement of roof finish on existing building. Re-coating
	Edge Trim/ Fascia on new build	Repairs/ replacement. (uPVC) Repainting	Edge Trim/fascia on new build and repairs/replacement/ repainting
	Edge Trim/ Fascia, Replacement of all/substantially all on existing roof	Repairs/ replacement. (uPVC) Repainting.	Replacement of edge Trim/Fascia on existing building
	Drainage on new build	Clearing out gutters and downpipes. Replacement/repair/	Drainage on new building and repairs/replacement/ repainting

		repainting of/ individual gutters/pipes	(<u>Not</u> cleaning gutters/downpipes)
	Other e.g. Flashings, Rooflights on new build Replacement of all/substantially all on existing roof	Repair/ Replacement/ cleaning of individual items	Flashings/rooflights on new building and repair/replacement (<u>Not</u> cleaning)
<u>Pitched</u>	Structure. New (not replacement) structure	Repair/replacement of small parts of an existing structure	Structure of new roof and all repairs <u>Except</u> trusses (i.e. internal repairs)
	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	Replacement of internal structure <u>Except</u> trusses (i.e. internal repairs)
	Insulation in a new building/extension	Repair/replacement/ increasing thickness of insulation in an existing roof	Insulation in new building and repair/replacement
	Insulation. Replacement /repair of substantially all. Improve insulation to current standards		Repair/replacement or improve insulation
	Roof finish in a new building/extension, replacement of all/substantially all on existing roof	Replace missing/ damaged	Finish in new building/extension and repair/replacement in existing building
	Bargeboards/ Facias in a new building/extension, replacement of all/substantially all on existing roof	Repairs/ replacement/ repainting	Bargeboards/facias in new building/extension and repairs/replacement/ repainting in existing building
	Drainage in a new building/extension	Clearing out gutters and downpipes. Replacement/repairs of individual pipes/gutters	Drainage in new building/extension and repair/replacement. (<u>Not</u> cleaning guttering or downpipes)
	Drainage. Replacement of all/substantially all on existing roof		Drainage replacement in existing roof

<p><u>Other</u></p>	<p>Other e.g. Flashings, Roof windows in a new building/extension, replacement of all/substantially all on existing roof</p> <p>Provide new covered link etc. between existing buildings</p> <p>Rebuild or substantially repair structure of existing covered link Add porch etc. to existing building</p> <p>Rebuild or substantially repair structure of existing porch</p>	<p>Repair/ Replacement /cleaning</p> <p>Minor repairs, maintenance to existing covered link</p> <p>Minor repairs, maintenance to existing</p>	<p>Flashings, roof windows in new building/ extension and repair replacement (<u>Not</u> cleaning) in existing roof</p> <p>Provide new covered link and repairs to existing. (<u>Not</u> cleaning)</p> <p>Rebuild or repair structure of existing covered link</p> <p>Add new porch and minor repairs to existing</p> <p>Re-build or repair existing porch</p>
<p>Floors</p> <p><u>Ground Floor</u></p> <p><u>Upper Floor</u></p>	<p>Structure and damp proof course (dpc) in new building</p> <p>Structure and dpc - Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure</p> <p>Screed and finish in new build</p> <p>Structure - as ground floor</p>	<p>Repair/replacement of small parts of an existing structure</p> <p>Replacement and repair of screed and finishes. Replacement of mats, matwells carpets and tiles in existing buildings. Maintenance e.g. revarnishing wooden floors</p> <p>As ground floor</p>	<p>Structure and dpc of new building and replacement of existing structure</p> <p>Provide screed and finish in new buildings (<u>Not</u> repairs to finishes, matwells etc.)</p> <p>Structure of new buildings and replacement of existing structure</p>

	Screed and Finish - as ground floor	Repairs of finishes/ Replacement - as ground floor	As ground floor
Ceilings			
<u>Top/ only storey</u>	Suspension	Repair/ replacement incl. from water damage, & necessary decoration	Provision, (<u>Not</u> repair or replacement)
	Membrane		Provision, (<u>Not</u> repair or replacement)
	Fixed	Repair/ replacement incl. from water damage	Provision, (<u>Not</u> repair or replacement)
	Access panels	Repair/ replacement	Provision, (<u>Not</u> repair or replacement)
<u>Lower storeys</u>	Suspension	Repair/ replacement	Provision, (<u>Not</u> repair or replacement)
	Membrane		Provision, (<u>Not</u> repair or replacement)
	Fixed	Repair/ replacement	Provision, (<u>Not</u> repair or 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	Removal/replacement of damaged/disturbed asbestos <u>Except</u> where part of repair project
External walls			
<u>Masonry/ cladding</u>	Structure Underpinning/ propping for new build	Repairs Preventive measures e.g. tree removal	Structure, underpinning/ propping of new building and repairs, (<u>Not</u> tree removal unless part of clearing new site)
	External Finish on new build	Repair/replacement of small parts of an existing structure. e.g. repointing/ re-cladding a proportion of a wall where failure has occurred	External finish on new building and repairs/replacement of existing structure including re-pointing/re-cladding
	External Finish on existing build where needed to prevent		External finish on existing building

	imminent or correct actual major failure of the structure. e.g. repointing/recladding work affecting most of a building /replacement build		including correcting of structure
<u>Windows and Doors</u>	Framing - new build	Repair/ replacement of individual frames. Repainting frames	New window frames and doors in new building and repairs/replacement (<u>Not</u> replacement/ repair/ re-painting of internal doors or windows)
	Framing - structural replacement programme	Repair/ replacement of individual windows. Repainting frames	New windows in replacement programme
	Glazing - new build	Replacing broken glass	Glazing new building and replace broken glass
	Glazing - upgrading existing glazing		Upgrading existing glazing
	Ironmongery in new build.	Repair/ replacement, upgrading locks etc.	Ironmongery to improve security and repair/replacement
	Jointing including mastic joints		Jointing
	Internal and external decorations to new build	Internal and external decoration to include cleaning down and preparation	Internal and external decoration of new provision, external re-decoration (<u>Not</u> internal re-decoration)
<u>Masonry chimneys</u>	Structure		Structure of chimneys
	Jointing including expansion and mortar joints/ pointing/ dpc	Repair/ re-pointing	Jointing/Pointing and dpc of chimneys and repair/re-pointing
Internal walls			
<u>Solid</u>	Complete including various internal finishes, linings and decorations in new build.	Repairs and redecoration to internal plaster/ linings tiles, pin boards etc.	New walls & finishes, (<u>Not</u> repair/ replacement)

	Major planned refurbishment and alterations	Minor alterations	
<u>Partitions</u>	Complete structure including linings, framing, glazing, decoration etc.	Repairs and redecoration	New partitions, (<u>Not</u> repair/ replacement)
	Planned schemes of 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	Provision of new, (<u>Not</u> repair/ replacement)
<u>All</u>		Replacement of broken glass and replacement in order to comply with Health & Safety requirements	New glazing and replacement of broken glass, (<u>Not</u> internal window repairs)
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.	Provision. (<u>Not</u> repair/ replacement of damaged sanitary ware)
	Large scale toilet refurbishment (above £10,000)	Small areas of refurbishment to the value of £10,000 or less	Provision / refurbishment (Not replacement of damaged sanitary ware)
	Provision of disabled facilities, and specialist facilities related to pupils with statements	Repair/ replacement of damaged fittings, waste plumbing etc.	Provision, (<u>Not</u> repair/ replacement of damaged fittings etc.)
<u>Kitchens</u>			
	Kitchens in new buildings, complete with fittings, equipment, waste plumbing and internal drainage. Internal finishes and decorations	Maintain kitchen to requirements of LA. Cleaning out drainage systems. Redecoration	
	General refurbishment	Repairs	

	Items of equipment valued at £10,000 or more	Repairs/ replacement parts to the value of £10,000 or less	
Mechanical services			
<u>Heating/ hot water</u>	<p>Complete heating and hot water systems to new projects, including fuel, storage, controls, distribution, flues etc.</p> <p>Safe removal of old/ damaged asbestos boiler and pipework insulation, where risk to Health & Safety</p> <p>Planned replacement of old boiler/ controls systems past the end of their useful life</p> <p>Emergency replacement of boiler plant/ systems</p>	<p>General maintenance of all boiler house plant including replacement of defective parts. Regular cleaning. Energy saving projects</p> <p>Monitoring systems. Health & safety issues e.g. application of sealant coats to encapsulate asbestos etc. Replacement of defective parts</p>	Provision of complete system, (<u>Not</u> repair/ replacement or maintenance)
<u>Cold water</u>	Provision of cold water services, storage tanks, distribution, boosters, hose reels etc. in major projects	Repair & replace defective parts such as servicing pipes. Annual servicing and cleaning cold water tanks	Provision of complete system, (<u>Not</u> repair/ replacement or maintenance)
<u>Gas</u>	Distribution on new and major refurbishments, 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	Provision, (<u>Not</u> repair/ replacement)
<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.	If governors provided

		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	Provision, (<u>Not</u> repair/ replacement or maintenance)
	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	Provision, (<u>Not</u> repair/ replacement)
<u>Lighting</u>	Provision of luminaires and emergency on new build	Replacement of luminaires, all testing, adjustments and improvements to emergency	Provision, (<u>Not</u> repair/ replacement)
<u>Other</u>	Lightning protection in new build	Repair/ replacement	Provision and repair
	Whole school replacement of alarm systems, CCTV, lifts/ hoists etc.	Repair and maintenance and additional protection to new areas	Provision, (<u>Not</u> repair or maintenance)
	New installation of communication systems, radio/ TV, call, telephone, data transmission, IT etc. and provision in new build	Repair/ replacement/ maintenance, including all door access systems	
External Works			
<u>Paving's</u>	Provision of new roads, car parks, paths, court, terraces, play pitches, steps and handrails, as part of	Maintenance and repair Car park and playground markings	Provision if part of statutory proposal project. <u>Not</u> repair or maintenance

	major project, including disabled access		Provision and repair of ramps and steps.
<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	Foul drainage plus external gutters and drainpipes. Not maintenance
<u>Services distribution</u>	Heating mains gas mains water mains electricity mains, renewal of any above	Annual servicing	Provision grant aided but <u>not</u> for repair