



# The Hammersmith & Fulham Scheme for Financing Schools

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## Section 1. Introduction

### 1.1. The Funding Framework

The Scheme for Financing Schools is made in accordance with section 48 of the School Standards and Framework Act 1998.

The funding framework is now based on the legislative provisions in sections 45-53 of the School Standards and Framework Act 1998.

Under this legislation, local authorities determine for themselves the size of their Schools Budget and Local Authority Budget – although at a minimum a local Authority must appropriate its entire Dedicated School Grant to their Schools Budget. The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, but included within the two, taken together, is all expenditure, direct and indirect, on an authority's maintained schools. Local authorities may centrally retain funding in the Schools Budget for purposes defined in regulations made by the Secretary of State under s.45A of the Act. The amounts to be retained centrally are decided by the Authority concerned, subject to any limits or conditions prescribed by the Secretary of State. The balance of the Schools Budget left after deduction of centrally retained funds is termed the Individual Schools Budget (ISB). Expenditure items in the Local Authority budget must be retained centrally (although earmarked allocations may be made to schools).

Local authorities may retain an unallocated reserve within the ISB but must otherwise distribute the ISB amongst their maintained schools using a formula that accords with regulations made by the Secretary of State, and enables the calculation of a budget share for each maintained school. This budget share is then delegated to the Governing Body of the school concerned, unless the school is a new school which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with s.51 of the Act. The financial controls within which delegation works are set out in a scheme made by the local authorities in accordance with s.48 of the Act and approved by the Secretary of State. All revisions to the scheme must also be approved by the Secretary of State, who has power to modify schemes or impose one.

Subject to provisions of the scheme, governing bodies of schools may spend budget shares for the purposes of their school. They may also spend budget shares on any additional purposes prescribed by the Secretary of State in regulations made under s.50.

The Local Authority may suspend a school's right to a delegated budget if the provisions of the school financing scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. There is a right of appeal to the Secretary of State. A school's right to a delegated budget share may also be suspended for other reasons (s.17 of the SSAF Act 1998) but in that case there is no right of appeal.

The Authority is obliged to publish each year a statement setting out details of its planned Schools Budget and Local Authority Budget, showing the amounts to be centrally retained, the budget share for each school, the formula used to calculate those budget shares, and the detailed calculation for each school. After each financial year the Authority must publish a statement showing out-turn expenditure at both central level and for each school, and the balances held in respect of each school.

The detailed publication requirements for financial statements and for schemes are set out in regulations, but each school must receive a copy of the scheme and any amendment, and each year's budget and out-turn statements so far as they relate to that school or central expenditure.

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### 1.1.1. The Hammersmith & Fulham Scheme for Financing Schools

The Act<sup>1</sup> requires that financial controls, which regulate delegation, are set out in a scheme made by the Local Authority and approved by the Secretary of State. All revisions to the scheme must also be approved by the Secretary of State, who has power to modify schemes or impose one. This document forms the required scheme for the Local Authority which school must adhere to. Detailed operational rules are set out in the School Financial Procedures Manual – a copy of which is in every school and subject to periodic revision.

Subject to provisions of this scheme, governing bodies of schools may spend budget shares for the purposes of their school. They may also spend budget shares on any additional purposes prescribed by the Secretary of State<sup>2</sup>.

The Local Authority may suspend a school's right to a delegated budget if the provisions contained in this financing scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. There is a right of appeal to the Secretary of State<sup>3</sup>.

The Local Authority is obliged to publish each year a statement setting out details of its planned Local Schools Budget, showing:

- The amounts to be centrally retained;
- The budget share for each school;
- The formula used to calculate those budget shares;
- The detailed calculation for each school.

After each financial year the Authority must publish a statement showing out-turn expenditure at both central level and for each school, and the balances held in respect of each school<sup>4</sup>.

The detailed publication requirements for financial statements and for schemes are set out in regulations, but each school must receive a copy of the scheme and any amendments, and each year's budget and out-turn statements so far as they relate to that school or central expenditure.

## 1.2. The role of the scheme

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

Full details of the financial procedures for Hammersmith and Fulham schools are contained in the School Financial Procedures Manual.

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<sup>1</sup> S.48 of the School Standards and Framework Act 1998.

<sup>2</sup> In regulations made under s.50 of the School Standards and Framework Act 1998.

<sup>3</sup> A school's right to a delegated budget share may also be suspended for other reasons (s17 of the SSFA Act 1998).

<sup>4</sup> Both types of statement are subject to audit certification by the Audit Commission, and information in them may be collated and published by the Secretary of State.



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### **1.2.1. Application of the scheme to the Authority and maintained schools**

From 1 April 2007, this scheme applies to all community, nursery, voluntary, foundation, community special or foundation special schools and city learning centres in the area of the Local Authority, (as listed in Annex A). The scheme also applies to any new maintained schools that opened after 1 April 2007.

### **1.3. Publication of the scheme**

A copy of the scheme will be made available to the Headteacher and Chair of Governors. Approved revisions will be notified to each school and Local Authority office.

### **1.4. Revision of the scheme**

Any revisions to the scheme will be subject to consultation with schools and may need approval from the Secretary of State according to the regulations under the School Standards and Framework Act 1998.

### **1.5. Delegation of powers to the Headteacher**

Each Governing Body should consider the extent to which it wishes to delegate its powers to the Headteacher and Governing Body committees. These decisions (and any revisions) should be clearly documented in the minutes of the Governing Body. A model scheme of delegation is set out in the School Financial Procedures Manual. The key points covered by the document are:

- The framework of accountability and financial probity within the school
- The limits of delegated Authority
- Roles and responsibilities of the Governing Body, its committees, the Headteacher and other staff involved in the financial administration of the school.
- Defined procedures for the individual financial systems within the school.

Although the Headteacher may take responsibility for developing the budget, the first formal budget of each financial year must be approved by the Governing Body.

### **1.6. Maintenance of schools**

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

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## **Section 2. Financial Requirement; Audit**

### **2.1. Application of financial controls to schools**

In managing their delegated budgets all schools covered by this scheme must comply with the Authority's requirements on financial controls and monitoring which are outlined in Annex B and set out in the School Financial Procedures Manual.

#### **2.1.1. Provision of financial information and reports**

The Council's Chief Finance Officer has a duty to ensure the proper administration of the Council's financial affairs (sec. 151 Local Government Act 1972). They are also required to produce annual accounts in accordance with statutory requirements and statements of standard accounting practice. Schools must keep accounts that meet the prescribed format of the Council and will integrate with those for the Authority as a whole. They must also meet the requirements of the DfES Consistent Financial Reporting Framework (CFR).

Schools are required to provide the Authority with details of expected and actual expenditure and income, in a form and at times determined by the Authority, in order for it to comply with its own fiduciary responsibilities. The timetable for the submission of the financial monitoring returns and financial statements to the Authority is published annually. Detailed procedural notes for completion of the returns and the format of the returns are included in the School Financial Procedures Manual.

##### **1.1.2.3. Reconciliation**

Information provided from the school accounting system is reconciled by Schools Finance Team on a monthly basis to verify the integrity of the information returned as this information then forms part of the Authority's official records and accounts. Schools are informed of any discrepancies and are asked to make the necessary corrections on their local accounting system.

Schools will be responsible for managing the cash flow appropriately. Schools should supply the Local Authority with details of cash flow plans when requested.

##### **1.1.2.4. Consistent Financial Reporting**

Section 44 of the Education Act 2002 enables the Secretary of State to require schools to submit an annual financial return in a standard format, which is referred to as Consistent Financial Reporting (CFR).

CFR regulations brought this into force as a requirement from 1 April 2003. The regulations require that all Local Authority maintained schools submit a CFR return to the DfES by July each year. These returns will be checked and validated by the Local Authority.

The Local Authority sets and publishes the date by which schools will need to submit their return for validation.

### **2.1.2. Payment of salaries; payment of bills**

#### **1.1.2.1. Payroll Services**

For schools that buy into the Authority's payroll service, the Authority will ensure that staff are paid appropriately and in line with the Council's financial procedures.

Where a school opts to contract with a payroll provider, they need to be mindful that there are certain obligations placed upon schools in order that the Local Authority can fully discharge its statutory requirements. This would include for example the right to be provided with information, as the employing body, to fulfil requirements to report employee statistical data to Ofsted and other statutory organisation. It is advisable that schools contact

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the Local Authority for advice on contract specifications and the controls required to ensure the integrity of such a system, before considering such alternative arrangements.

Furthermore, schools that do not buy into the Authority's payroll service will need to make appropriate arrangements to ensure their staff are paid and that the appropriate returns such as superannuation, income tax and national insurance are made.

Further information on the payment of salaries and bills are given in Annex C. Additional details are given in the School Financial Procedures Manual.

#### **1.1.2.2. Payment of Invoices**

The procedure for paying invoices is detailed in the School Financial Procedures Manual. Schools are reminded that settlement of invoices should be made within the agreed credit terms offered by the supplier. The school should insure that the local accounting system is updated with all relevant information.

#### **2.1.3. Control of assets**

Schools will be required to maintain an inventory of their moveable non-capital assets. This should be in the form determined by the Authority. Such an inventory shall also contain procedures for the disposal of assets. However, schools are free to determine their own arrangements for keeping a register of assets worth less than £1,000.

Moveable non-capital assets are items of furniture and equipment having a purchase value (excluding VAT) of £100 or over and or the following three related factors of attractiveness, durability and a current value.

#### **2.1.4. Accounting policies (including year-end procedures)**

The accounts maintained by the Director of Finance are the Council's statutory accounts, and the amount of a school's final expenditure and income for a financial year must be determined solely by reference to the statutory accounts.

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

Additional details are given in the School Financial Procedures Manual.

#### **2.1.5. Writing off of debts**

Debts can only be written off when they are deemed to be unrecoverable or uneconomic to recover. The Authority recommends that governing bodies authorise Headteachers to write off debts to a total of £500 per annum where appropriate.

In the case of debts in excess of £500 the Governing Body should authorise the write off only after consulting with the Director of Finance. Governing bodies need to be aware that any debts written off may be chargeable against the school's bank account.

Any writing off of debt should be formally reported to the Governing Body and recorded in the minutes.

Additional details are given in the School Financial Procedures Manual.

### **2.2. Basis of Accounting**

The Council's accounts are prepared on an accrual basis. Schools will therefore be required to provide information as and when required (in normal circumstances only at the year-end) to enable relevant accruals to be entered into the Authority's accounts. Detailed guidance on this process is issued each year by the Director of Finance and will be circulated to schools via the Director of Children's Services.

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## **2.3. Submission of budget plans**

The Authority will supply schools with income and expenditure data to enable them to plan effectively. The Authority will supply schools with budgets to allow them to start to plan for the following financial year. The Authority also offers support to schools in the budget preparation process through buy back services.

Each school will be required to submit an annual budget plan approved by the Governing Body to the Authority by 31 May showing its budget plan for the current financial year. These plans will include the assumptions underpinning the budget plan. Schools will be able to take full account of estimated deficits/surpluses at the previous 31 March in their budget plan.

The Authority may require submission of revised plans throughout the year. Such revised plans will not be required at less than 3 monthly intervals.

The Authority will supply schools with an annual statement informing them of when income and expenditure information will be available throughout the year for schools.

Further information on the arrangements for the submission of budget plans is given in Annex E.

### **2.3.1. Submission of Financial Forecasts**

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

The intention of the forecast is to:

- Show that schools are looking at longer term financial planning
- Identify to the Local Authority potential budgetary problems in future years.
- Ensure School's adherence with the Financial Management Standard in Schools.

## **2.4. Best value**

Given the high proportion of local Authority spending which flows through delegated budgets, the Government considers it desirable that schools should demonstrate that they are following best value principles in their expenditure.

The annual budget plan submitted by the school should include a statement setting out the steps the school will take over the financial year to ensure that expenditure, particularly in respect of large service contracts, will reflect the principles of the best value.

Details Best Value principles are given in Annex F or can be obtained from the DfES publication 'Best Value in Schools' obtainable at <http://www.dfes.gov.uk/valueformoney/>.

## **2.5. Budget Transfers (Virements)**

Governing bodies are free to vire between budget heads in spending their budget shares. However, the Authority recommends that schools take into consideration the guidance on virements given in Annex G and that the arrangements concerning virements are recorded in the minutes of the Governing Body.

Additional details are given in the School Financial Procedures Manual.

## **2.6. Audit: General**

Schools are required to act in accordance with the Authority's audit programme in terms of internal audits. Schools are required to act in accordance with the Authority's external audit programme as required by the Audit

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Commission. Schools are required to provide access to the school's records for internal and external audit purposes.

Further details of the audit regime are given in Annex H. Additional details are given in the School Financial Procedures Manual.

## **2.7. Separate external audits**

There is no expectation by the Secretary of State that a routine annual external audit at school level of budget share expenditure is a usual feature of the funding system.

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

## **2.8. Audit of voluntary and private funds**

Schools with voluntary and private funds are required to provide audit certificates for such funds on an annual basis and of the accounts of any trading organisations controlled by the school.

## **2.9. Register of business interests**

Governing bodies are required to hold a register that lists any business interests for each member of the Governing Body and the Headteacher or any member of their immediate family. This register must be kept up to date with notifications of changes and must be reviewed annually. This register must be available for inspection by governors, staff and parents and the Authority.

The register of business interest should be formally referred to prior to the acceptance of quotations or the awarding of contracts. It should be noted in the minutes of the Governing Body that this procedure has been adopted.

## **2.10. Purchasing, tendering and contracting requirements**

Schools will want to achieve value for money from all their purchases. This should generally be accomplished by seeking competition for all contracts for goods, supplies and services. In doing so, schools should pay due regard to the Authority's financial framework and standing orders in purchasing.

Additional details are given in the School Financial Procedures Manual and Annex I.

## **2.11. Applications of contracts to schools**

Schools have the right to opt out of Local Authority arranged contracts except where this scheme provides otherwise.

The scheme may provide otherwise for:

- contracts which schools have agreed to be covered by in respect of services for which funding was delegated by the Local Authority prior to 1 April 1999;
- contracts which school agree to be covered by in respect of services for which funding is delegated by the Local Authority after 1 April 1999; and
- certain contracts approved by the Secretary of State for services for which funding is delegated after 1 April 1999, irrespective of the agreement of schools.

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The regulations allow authorities to include provisions in their schemes to bind schools into their existing contracts for a period up to 3 years after the date of delegation where there are significant financial implications.

Governing bodies are empowered under paragraph 3 of schedule 10 of the School Standards and Framework Act 1998 to enter into contracts, in most cases they do so on behalf of the Local 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.

## **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 school's budget shares. These allocations will be subject to conditions setting out the purpose or purposes for which the funds may be used; and while these conditions need not preclude virement (except, of course, where the funding is supported by a specific grant which the Authority itself is not permitted to vire), this should not be carried to the point of assimilating the allocations in the school's budget share.

Such devolved funding is to be spent only on the purposes for which it is given, or on other budget heads for which earmarked funding is given, and is not to be vired to the school's budget share.

Earmarked funds must be returned to the Local Authority if they are not spent in year; or within the period over which schools are allowed to use the funding if different.

The Local Authority is barred from making any deductions, in respect of interest costs to the Local Authority, from payments to schools of devolved specific or special grant.

## **2.13. Spending for the purposes of the school**

Although s.50(3) 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; but these will only be approved when they appear to be essential and there is no expectation that schemes will necessarily contain them.

If the Local Authority wishes to propose some 'local' restriction on governing bodies' freedom to spend the budget share for the purposes of the school, the Secretary of State would wish to see evidence of schools' reaction to consultation on the matter.

Under s.50(3)(b) the Secretary of State may prescribe additional purposes for which expenditure of the budget share may occur. He has 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 2004 (SI 2004/444).

## **2.14. Capital spending from budget shares**

Governing bodies may use their budget shares to meet the costs of capital expenditure on the school premises. This includes expenditure by the Governing Body of a voluntary aided school on work which is their responsibility under paragraph 3 of Schedule 3 of the SSAF Act 1998.

Schools will be required to notify the Local Authority of any spending from their budget share on capital works. Schools will be required to take account of the Authority's advice on any capital spending over the sum of £15,000.

However, for community schools any spending on capital works either from their budget share or outside of the budget share will need to be authorised by the Director of Children's Services and the Director of Finance.

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Any spending on capital works, which has an impact on the Authority's premises, will need the authority of Director of Children's Services and the Director of Finance. Such authority may only be withheld on the grounds of health and safety.

The reason for these requirements is to help ensure compliance with the current School Premises Regulations and DfES Construction Standards, and health and safety legislation.

### **2.15. Leasing of equipment**

Lease, rental or other deferred payment arrangement for equipment such as computers, photocopiers and telephone systems must not conflict with the Council's application of government capital controls. Full Details are listed at Annex M.

Schools must contact School Financial Section help line before entering into any lease agreement to ensure they comply with government capital regulations.

### **2.16. Financial Management Standards in Schools (FMSiS)**

The Financial Management Standard & Toolkit (FMS&T) was developed and released to schools as a self-management package in June 2004. The standard and toolkit are available at <http://www.fmsis.info/>.

All maintained schools must demonstrate compliance with the DfES' Financial Management Standard in Schools in line with the following timetable, and at any time thereafter:

- 31 March 2007 – All secondary schools must comply
- 31 March 2008 – 40% of primary and special schools must comply
- 31 March 2009 – A further 40% of primary and special schools must comply
- 31 March 2010 – All schools must comply

The Authority may require schools to demonstrate compliance through the submission of evidence showing that the school has undergone an external assessment. External assessment must be carried out by the Authority or by a third party that has been approved to carry out such assessment by either the DfES or the Local Authority.

The Chief Officer of the Local Authority is required to sign a declaration that will identify the number of schools meeting the Financial Management Standard.

### **2.17. Notice of concern**

The Local Authority may issue a notice of concern to the Governing Body of any school it maintains where, in the opinion of the Chief Finance Officer and the 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 Local Authority or school.

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

These may include:

- Insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;
- Insisting that an appropriately trained/qualified person chairs the finance committee of the Governing Body;

- 
- Placing more stringent restrictions or conditions on the day to day financial management of a school than the scheme requires for all schools – such as the provision of monthly accounts to the Local Authority;
  - Insisting on regular financial monitoring meetings at the school attended by Local Authority officers;
  - 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 projects and/or financial monitoring reports on such activities.

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



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## **Section 3. Instalments of the budget share: banking arrangements**

### **3.1. Frequency of instalments**

The Authority will make available the budget share to school governing bodies on a monthly basis. Provision is also made to allow the payment in full of additional devolved funding, where appropriate.

### **3.2. Proportion of budget share payable at each instalment**

The monthly advance will be calculated on the basis of equal twelfths of the annual budget allocation. The advance dates will be determined by the Chief Finance Officer and published accordingly.

### **3.3. Interest clawback**

If monthly profiles are not adhered to then the Authority will have the right to clawback interest from budget shares equal to the loss of interest from making such sums available. Interest would be at 1% above National Westminster Bank base rate.

#### **3.3.1. Interest on late budget share payments**

The Authority will add interest to late payments of the budget share instalments, where such late payment is the result of an error by the Authority. The interest rate will be that used for clawback calculations.

### **3.4. Budget shares for closing schools**

The Authority will make available a budget share on a monthly basis net of estimated pay for schools for which approval for closure has been secured.

### **3.5. Bank and building society accounts**

Hammersmith and Fulham schools already have bank accounts in the name of the school into which their budget share is paid. Schools will continue to be able to retain all the interest payable on the bank account.

Schools may choose an alternative bank or building society to that recommended by the Authority. Any such change should take effect at the beginning of the financial year. Schools will be required to notify the Authority by 31 December preceding the start of that financial year of any change in their bank account arrangements.

If a school chooses an alternative bank or building society to that recommended by the Authority, the Authority shall, if the school desires, transfer immediately to the account an amount agreed by both the school and the Authority as the estimated surplus balance held by the Authority in respect of the school's budget share, on the basis that there is then a subsequent correction when accounts for the relevant year are closed.

If a school choose an alternative bank or building society, the Authority will require that the account mandate should provide that the Local Authority is the owner of the funds in the account; and that the Authority can take control of the account if the school's right to a delegated budget is suspended by the Authority.

Further information on banking arrangements is given in Annex J.

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### **3.5.1. Restrictions on accounts**

Schools should bear in mind that the budget shares held by the school in its bank account are the property of the Authority until it is spent and as such one of the conditions on the bank account shall be that the Director of Finance is recognised as an overriding signatory.

Unofficial funds must not be held with funds provided by the Authority, i.e. separate banking arrangements must be in place for such funds (e.g. Parent Teacher Association funds).

Maintained schools will be able to operate bank accounts at the banks and building societies listed in Annex K.

### **3.6. Borrowing by schools**

School governing bodies may only borrow sums with the written permission of the Secretary of State. Schools should notify the Director of Children's Services and the Director of Finance before making such requests.

This does not apply to Trustees and Foundations (such as in the case of voluntary aided schools), whose borrowing makes no impact on Government accounts.

### **3.7. Other provisions**

The school's bank account must be reconciled to the Authority's accounts on a monthly basis. Schools must provide the Authority with a copy of their bank statement as at 31 March for their bank account each year in order for the Authority to meet its audit requirements.

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## **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 will be able to carry forward from one financial year to the next any shortfall in expenditure relative to the school's budget share for the year plus/minus any balance brought forward from the previous year.

School balances are part of the Council's general reserves and may be used to support the overall financial requirements of the Council but subject to the absolute understanding that the balances will always be available for the use of school governing bodies when required.

The schools surplus balance at 1 April shall be equal to that of 31 March of the same calendar year.

Schools opening an external bank account for the first time will have their actual previous years balance transferred to the school bank account in July. Where a school has expressed a desire to receive an estimate amount prior to this date, the provisional calculation will be based on an estimated carry forward shown on the school's forecast out-turn return for the previous year and will be transferred to the school bank account in the May budget instalment.

### **4.2. Reporting on the intended use of surplus balances**

Schools will be required to report to the Authority annually on the purposes to which any surplus balances over 5% of their budget share will be put.

Surplus balances held by schools as permitted under this scheme are subject to the following restrictions with effect from 1 April 2007.

- (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 and any unspent Standards Fund grant for the previous financial year.
- (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 are properly assigned. To count as properly assigned, amounts must not be retained beyond the period stipulated for the purpose in question, without the consent of the Authority. In considering whether any sums are properly assigned the Authority may also take into account any previously declared assignment of such sums but may not take any change in planned assignments to be the sole reason for considering that a sum is not properly assigned.

The condition outlined here is intended to ensure schools can build up reserves towards particular projects but cannot defer implementation indefinitely. In deciding whether a sum is properly assigned a scheme may make explicit the right of an Authority to take account of a school's previous plans for any surplus balances in the event that such plans have changed. However, an Authority may not take a change in the plans of a school as the only criterion by which it can consider a sum to be properly assigned or not.

- (d) If the result of steps a-c is a sum greater than 5% of the current year's budget share for secondary schools, 8% for primary and special schools, or £10,000 (where that is greater than either percentage threshold), then the Authority shall deduct from the current year's budget share an amount equal to the excess.

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The thresholds set out in paragraph (d) above are the maximum permitted. The department will accept (a) lower thresholds or (b) higher thresholds for particular types of schools where local authorities can justify them

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

- Funds held in relation to a school's exercise of powers under s.27 of the Education Act 2002 (community facilities) will not be taken into account unless added to the budget share surplus by the school as permitted by the Authority.
- The total of any amounts deducted from schools' budget shares by the Authority under this provision are to be applied to the Schools Budget of the Authority.

#### **4.3. Interest on surplus balances**

Surplus balances held by the Authority at the year end will accrue within the school's own bank account.

#### **4.4. Obligation to carry forward deficit balances**

Schools will be able to carry forward deficit balances. Such deficits will be deducted from the schools budget share in the following financial year at the discretion of the Local Authority. Schools deficit balances as at 1 April will be equal to that balance as at 31 March of the same calendar year. School budget plans must include provision for any deficit from the previous year. Schools should bear in mind that they cannot plan for a deficit.

#### **4.5. Planning for deficit budgets**

Schools may not plan for a deficit budget except in exceptional circumstances. Information on the circumstances in which schools may plan for a deficit budget is given in paragraph 4.9 below.

#### **4.6. Charging of interest on deficit balances**

The Authority will charge interest on deficit balances at a rate of 1% above the National Westminster Bank Base rate.

#### **4.7. Writing off deficits**

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

#### **4.8. Balances of closing and replacement schools**

When a school closes or is amalgamated the balance (either surplus or deficit) shall revert to the Authority. Such funds will not be transferred to any other school, including any successor school to the closing school.

#### **4.9. Licensed deficits**

Schools not conforming to the requirements of this scheme will not be permitted to operate deficit.

Any school that wishes to operate a licensed deficit will be required to obtain in advance, the agreement of the Director of Children's Services and the Director of Finance. For licensed deficits of £50,000 or less, the Director of Children's Services and the Director of Finance shall have the Authority to agree a licensed deficit. For deficits above that level, any agreement shall be subject to approval by members.

Any school applying for a licensed deficit will be required to submit a business plan stating the size of the deficit, the reasons for the deficit and showing how the deficit and the interest will be paid off. The request to establish a licensed deficit must be submitted to the Director of Children's Services no later than 30 January in advance of the financial year in which the deficit will apply.

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The Authority will not agree to a licensed deficit if the expenditure required by the school is to cover capital works, consumables or major development works.

The Authority will only agree to a request for a licensed deficit where that deficit is more than 3% of the total formula allocation for the individual school and less than 10% of the total formula allocation in the year in which the deficit is agreed.

Any agreed deficit will be for a period of no longer than three years and business plans should show how the school expects to reach a zero balance by the end of the third year. Officers will work with the Governing Body of any school with a licensed deficit to ensure that a quarterly review of expenditure against the business plan is carried out so that spending is kept in line with the three year profile of the school. If the school does not reach a zero balance by the end of the third year, the Authority reserves the right to make any outstanding deficit the first charge against the budget.

The Authority will charge interest on a licensed deficit at the rate of 1% above the National Westminster base rate. Business plans will need to incorporate the payment of interest as well as the deficit as part of the submission for a licensed deficit.

If a school has a licensed deficit, it must seek prior agreement from the Authority to spend its' School Standard Grant on purposes other than reducing the deficit. The Authority will agree to such a proposal unless in its view the proposed expenditure is unreasonable in the school's financial circumstances.

#### **4.10. Loan schemes**

In exceptional circumstances the Local Authority may allow a school to request a small capital loan from the Local Authority. The loan scheme will be funded from overall school balances.

The conditions are based on those identified in 4.9 – Licensed Deficits.

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## **Section 5. Income**

### **5.1. Income from lettings**

Schools will have the right to retain income from lettings of the school premises subject to the provisions arising from any joint use or Private Finance Initiative agreements. Schools may cross-subsidise lettings from community and voluntary use with income from other lettings, provided there is no net cost to the budget share. Income from lettings should not normally be paid into the voluntary and private funds held by the school. Schools will need to have regard to guidance issued by the Authority on the use of school premises, as permitted by the School Standards and Framework Act 1998.

### **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 central funds. Schools should take into account any policy statements on charging produced by the Authority.

### **5.3. Income from fund-raising activities**

Schools will be able to retain income from fund-raising activities.

### **5.4. Income from sale of assets**

Schools will be able to retain the proceeds from the sale of assets except where such assets were purchased by the Authority from non-delegated funds. Schools may not dispose of land or buildings forming part of the school premises where this is owned by the Authority.

### **5.5. Administrative procedures for the collection of income**

The Governing Body shall be responsible for arrangements concerning the collection, custody, control and deposit of income that they are delegated to collect/control. Schools should have regard to the Authority's procedures for the collection of income.

Additional details are given in the School Financial Procedures Manual.

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

Income from the sale of assets purchased with delegated funds may only be used for the purposes of the school and must be held within the approved bank accounts of the school with other official Authority funding.

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## Section 6. The charging of school budget shares

### 6.1. General provision

The budget share of a school will only be charged without the consent of the Governing Body in exceptional circumstances. The Authority will consult schools on the intention to charge and will notify schools following such a charge.

Schools will be charged salaries of school-based staff at actual costs.

Annex L lists the circumstances in which such charges may be made.

### 6.2. General Teaching Council

The General Teaching Council for England (Deduction of Fees) Regulations 2001 (“the Regulations”, S.I. 2001 No. 3993) came into force on 10 January 2002. The Regulations apply to teachers at maintained schools registered with the General Teaching Council for England (“the GTC”) or required to be so registered by the Teachers (Compulsory Registration) (England) Regulations 2001 (S.I. 2001 No.1266). The Regulations place a duty on the employer of such teachers to deduct and remit the GTC fee in respect of a teacher who has not already paid the fee to the GTC where the GTC has notified the employer to deduct and remit the fee of that teacher. This includes teachers who have indicated to the GTC that they wish to pay the fee by a salary deduction as well as teachers who have not indicated how they wish to pay the fee.

In order to ensure the performance of the duties to deduct and remit the fee imposed on employers by the Regulations 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.

- (1) By virtue of section 46 of the School Standards and Framework Act 1998 and the regulations made under that section (at present the Financing of Maintained Schools (England) Regulations 2001 (S.I. 2001 No.475, Part II and Schedule 1) the costs of payroll administration for teachers in the Authority’s maintained schools fall to be met from the budget shares which are allocated to governing bodies pursuant to section 47 of the Act, and which are delegated to them pursuant to sections 49-50. Accordingly, by virtue of Chapter IV of Part II of that Act and this Scheme, governing bodies of maintained schools are responsible for making suitable arrangements (or ensuring that such arrangements are made) for the administration of payroll services in respect of their teachers.
- (2) A Governing Body of a community school, community special school or a voluntary controlled school, though not the employer of the teachers at such a school, shall:-
  - (a) where the Governing Body has entered into any arrangement or agreement with the Authority to provide payroll services, ensure that any such arrangement or agreement is amended to allow for the deduction and remittance of fees by the Authority to the GTC. The Governing Body shall meet any consequential costs from the school’s budget share;
  - (b) where the Governing Body has entered into any arrangement or agreement with a person other than the Authority to provide payroll services, ensure that any such arrangement or agreement is amended to allow for the deduction and remittance of fees by that person to the Authority or directly to the GTC where this has been agreed between the GTC and the Authority. The Governing Body shall meet any consequential costs from the school’s budget share; and
  - (c) where the Governing Body directly administers the payroll, deduct and remit the fees to the Authority or directly to the GTC where this has been agreed between the GTC and the Authority. The Governing Body shall meet any consequential costs from the school’s budget share.

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- (3) A Governing Body of a foundation school, a foundation special school or a voluntary aided school, as the employer of its teachers, is by virtue of the Regulations under a duty to deduct (or arrange for the deduction of) the fee and to remit the fee to the GTC. Accordingly, a Governing Body shall:-
- (a) where the Governing Body has entered into any arrangement or agreement with the Authority to provide payroll services, ensure that any such arrangement or agreement is amended to allow for the deduction and remittance of the fees by the Authority to the GTC on the Governing Body's behalf. The Authority shall agree to any such amendment. The Governing Body shall meet any consequential costs from the school's budget share;
  - (b) where the Governing Body has entered into any arrangement or agreement with a person other than the Authority to provide payroll services, ensure that any such arrangement or agreement is amended to allow for the deduction and remittance of the fees by that person to the GTC or to the Governing Body for onward transmission to GTC. The Governing Body shall meet any consequential costs from the school's budget share; and
  - (c) where the Governing Body directly administers the payroll, deduct and remit the fees to the GTC. The Governing Body shall meet any consequential costs from the school's budget share.
- (4) All this shall be done whether the funding for the salary payments is paid to the Authority by the school from budget share instalments which have been held by the school in an independent bank account, or the salary costs are directly charged by the Authority to the school's budget share account.



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## **Section 7. Taxation**

### **7.1. Value Added Tax (VAT)**

The Authority will pass onto schools any VAT reclaimed on their behalf. Schools should follow the Authority's procedure for reclaiming VAT expenditure as given in guidance by the Authority.

Additional details are given in the School Financial Procedures Manual.

### **7.2. Construction Industry Taxation Scheme (CITS)**

Schools will need to abide by the procedures issued by the Authority in connection with CITS.

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## **Section 8. The provision of services and facilities by the Authority**

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

The Authority will decide how it provides services for which it retains central funding.

The Authority will retain expenditure for premature retirement costs and redundancy payments which falls to be met by the Authority.

The Authority will not discriminate in its provision of services on the basis of categories of schools except in the case that funding has been delegated to some schools only or where such differentiation is justified by differences in the schools' statutory duties.

### **8.2. Provision of services bought back from the Local Authority using delegated budgets**

The Authority will offer services to schools with delegated funds on the basis of the most appropriate arrangement.

When a service is provided to schools to purchase from their delegated funding, the service will be offered at a price which is intended to generate income which is no less than the cost of providing that service. The total cost of the service will be met by the total income, even if schools are charged differentially.

#### **8.2.1. Packaging**

The Authority will offer such services in a way which does not unreasonably restrict schools choice among the services available.

### **8.3. Service level agreements**

Service level agreements will be reviewed at least every three years. Schools will be able to purchase such services on an annual basis in addition to any extended basis. The Authority will be able to charge different rates for services provided on an annual basis and those under an extended agreement.

Schools will have a month to consider the terms of any new service level agreements.

Centrally arranged premises and liability insurance are specifically excluded from these arrangements.

### **8.4. Teachers' Pensions**

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

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 annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The Authority will advise schools each year of the timing, format and specification of the information required. A Governing Body shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions

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

A Governing Body of any maintained school which directly administers its payroll shall

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

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## Section 9. PFI/PPP

The Local Authority shall have the power to issue regulations from time to time relating to PFI/PPP projects. Amongst other issues these may deal with the reaching of agreements with the governing bodies of schools as to the basis of charges relating to such schemes; and the treatment of monies withheld from contractors due to poor performance.

- Governing bodies will be required to undertake to contribute a sum towards the unitary charge by the Authority. This will be outlined in the legal agreement between the Council and the School Governing Body.
- Income from lettings and other third party agreements agreed as part of the PFI contract may be diverted to the private sector where required. In addition, the proceeds of sales of assets acquired from delegated funds may be diverted to the private sector where appropriate and required by the contract.
- This arrangement will apply for the entire contracted period and will be amended for future delegated sums associated with expenditure within the remit of the contract.
- Proposals may be brought forward to develop a separate formula for schools operating in managed buildings under future PFI scheme proposals; such proposals will be the subject of further consultation with schools and final approval by the Secretary of State.
- Monies will be withheld from the contractor in line with an agreed default mechanism that ensures performance is in line with the contract specification. Withheld sums will be used initially to reimburse contract administration costs with any residue returned proportionately to contributors.
- The Council will require the Governing Body to formally agree the appropriate arrangements in respect of PFI at the relevant time.

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## **Section 10. Insurance**

### **10.1. Insurance cover**

If funds for insurance are delegated to any school, and the school chooses not to buy into the insurance cover available from the Authority, they will be required to demonstrate that cover relevant to the Authority insurable interest is at least as good as the relevant minimum cover arranged by the Authority. The Authority shall be able to charge the school if such minimum cover is not met taking into account the actual risks which might reasonably be expected to arise at the school in question.

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## **Section 11. Miscellaneous**

### **11.1. Right of access to information**

Schools will be required to make available to the Authority any financial or other information, which will enable the Authority to satisfy itself of the school's management of the delegated budget or the use made of any central expenditure (such as earmarked funds).

### **11.2. Liability of governors**

Under the terms of Section 50(7) of the School Standards and Framework Act 1998 and because governing bodies are corporate bodies, individual governors will not incur personal liability in the exercise of their power to spend the delegated budget share provided they act in good faith.

### **11.3. Governors' expenses**

Under Schedule 11 of the School Standard and Framework Act 1998, only allowances in respect of purposes specified in the regulations may be paid to governors from a school budget share. Governing bodies may not make payments for any purposes outside of these regulations. The Authority will set the level of the payments. The Authority will publish a guide as to what it considers to be reasonable expenses.

Schools will be barred from the payment of expenses for additional governors appointed by the Secretary of State under special measures which duplicate those paid by the Secretary of State.

### **11.4. Responsibility for legal costs**

Legal costs incurred as a result of legal action 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. The Authority will inform the Governing Body in writing before taking such action.

In the case of any disputes which involve a conflict of interest between the Local Authority and the Governing Body, schools should take advice from external bodies such as the National Association of Governor Managers, Institute of School and College Governors, National Governors Council or from appropriate legal bodies. In addition, advice can be sought from the appropriate Diocesan Boards for voluntary aided schools.

### **11.5. Health and safety**

Governing bodies must have due regard to health and safety legislation and guidance and the duties placed on the Local Authority when expending the school's budget share.

### **11.6. Right of attendance of Chief Finance Officer**

The Chief Finance Officer of the Authority, or any officer nominated by the Chief Finance Officer, shall have the right to attend governing bodies meeting where he/she judges it to be appropriate in the exercise of his/her duties under S151 of the Local Government Act.

### **11.7. Delegation to new schools**

The Authority will determine whether or not and at what time delegation to governing bodies for schools which have yet to receive delegated budgets should occur. Any new maintained school will receive a delegated budget not later than the date on which it opens unless the Local Authority has obtained a postponement from the Secretary of State.

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### **11.8. Optional delegated funding**

Schools may exercise their option to receive delegated or devolved funding for a particular service once a year. Schools will need to inform the Authority of any decision to receive such optional delegation by 30 November before the financial year in which such delegation occurs.

### **11.9. Special educational needs**

Governing bodies should use their best endeavours in spending the budget share to secure the special educational needs of their pupils.

### **11.10. 'Whistleblowing'**

Any person working at a school or a school governor who is concerned about financial management or financial propriety at the school should use the complaints procedure to notify the Authority of their concerns.

Annex N gives details of the Authority complaints procedure.

### **11.11. Child protection**

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

### **11.12. School meals**

The Governing Body has delegated responsibilities for the provision of school meals. When discharging these duties it must have due regard for the Local Authority's policies on school meal provision.

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## **Section 12. Responsibility for Repairs and Maintenance**

### **12.1. Responsibility for Repairs and Maintenance**

The Authority has delegated funding for repairs and maintenance to schools.

The Authority will retain expenditure for capital expenditure in line with the CIPFA code of practice on Local Authority accounting.

Voluntary aided schools will continue to be eligible for grant from the DfEE in respect of their statutory responsibilities. In addition, they will have responsibility for other repairs and maintenance items on the same basis as community and foundation schools.

The division between the Authority's responsibilities for repairs and maintenance and those of schools are given in Annex N.



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## Section 13. Community Facilities

### 13.1. Introduction

Governing bodies of maintained schools may now provide community facilities or services that will benefit pupils, their families or people living and working in the locality of the school concerned. Schools that choose to exercise the power conferred by Section 27(1) of the Education Act 2002 to provide such community facilities will be subject to a range of controls.

Firstly, regulations made under Section 28(2), if any, can specify activities which may not be undertaken at all under the main enabling power. Secondly, the school is obliged to consult the Local Authority and have regard to any advice given. Thirdly, the Secretary of State issues guidance to governing bodies about a range of issues connected with exercise of the power, to which a school must have regard.

However, under Section 28(1), the main limitations and restrictions on the power will be

- a. Those contained in schools' own instruments of government, if any; and
- b. In the London Borough of Hammersmith & Fulham Council's (the Authority) scheme for financing schools (made under section 48 of the School Standards and Framework Act 1998, extended to cover the powers of governing bodies to provide community facilities, by paragraph 2 of Schedule 3 to the Education Act 2002).

Schools are therefore subject to the prohibitions, restrictions and limitations in the Scheme for Financing Schools.

This section 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.

The budget share of a school (and any accumulated surplus on the budget share) may not be used to fund community facilities – either start-up costs or ongoing expenditure – or to meet deficits arising from such activities.

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

### 13.2. Consultation with the Local Authority

Section 28(4) of the Education Act 2002 requires that before exercising the community facilities power, governing bodies must consult the Authority and have regard to any advice given to them.

Schools are likely to benefit from informal contacts and advice from officers with the relevant professional expertise well before the formal consultation commences. Formal consultation with the Authority will commence when the full consultation material has been submitted in writing and the response period will begin upon receipt of the full consultation material.

The Authority will provide formal advice in writing within six weeks of receipt. Subsequently, the Governing Body should inform the Authority of the action taken, or proposed to take, in response to this advice.

The formal consultation document should contain:

- A full business plan for the provision of the proposed community facilities or services covering the first three years of operation
- In the case of capital projects which affect the existing buildings on the school site and/or the construction of new buildings the full plans and costing of the works proposed

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- Details of any planning and environmental considerations and evidence of discussions with relevant regulatory agencies
  - Expressions of support from potential user groups, local community groups, neighbouring schools, business representatives etc as appropriate
  - Details of how the facility will be managed and how this relates to the management of the school
  - A statement that the proposed activities will not interfere with the overriding purpose of the school in achieving higher standards for pupils
  - Details of any proposed funding agreements with third parties
  - The insurance arrangements proposed

The consultation document should be sent to the Director of Children's Services.

### **13.3. Funding agreements**

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

Any funding agreements with third parties (as opposed to funding agreements with the Authority itself) should be submitted to the Authority for its comments and advice. Such draft agreements should form part of the consultation and schools must have regard to any advice given.

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 Council, that may constitute grounds for suspension of the right to a delegated budget.

The Council will not be liable for any redundancy or employment tribunal costs for staff employed by the Governing Body or by those employed by any third party supplier to the Governing Body. The Governing Body should ensure that such liabilities are covered by themselves or detailed in any agreement with a third party supplier.

### **13.4. Supply of financial information**

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

If the Authority 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 then the school will be required, after having received notice from the Authority, to supply financial statements every three months and, if appropriate, submit a recovery plan for the activity in question.

Financial information relating to community facilities must also be included in returns made by schools under the Consistent Financial Reporting Framework (CFR).

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### **13.5. Audit**

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

In concluding funding arrangements with third parties in the exercise of the community facilities power, schools are required to ensure that such agreements contain adequate provision for access by the Authority to the records and other property of those persons held on the school premises, 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.

### **13.6. Treatment of income and surpluses**

Schools may retain all net income derived from community facilities except where otherwise agreed with a funding provider, whether that be the Authority or a third party.

Where a surplus has been accumulated then this may be carried over from one financial year to the next as a separate community facilities surplus, or subject to the agreement of the Authority at the end of each financial year, transferred wholly or in part to the budget share balance. In this instance the main budget share surplus should be separately identified, in case there is a future requirement to offset a subsequent community facilities deficit.

Since expenditure incurred by the Governing Body in the exercise of the community facilities power may not be met from the budget share the school's formula allocation will not include the rates or floor area allocations relating to the community facilities.

When a community school or community special school ceases to be maintained by the Authority, any accumulated retained income obtained from exercise of the community facilities power reverts to the Authority unless otherwise agreed with a funding provider.

### **13.7. Health and Safety Matters**

Any health and safety provisions of the main scheme for financing of schools are extended to the community facilities power. The Governing Body is responsible for the costs of securing Criminal Records Bureau (CRB) clearance for all adults involved in community activities taking place during the school day. Governing Bodies are free to pass on such costs to a funding partner as part of an agreement with that partner.

### **13.8. Insurance**

It is the responsibility of the Governing Body to ensure adequate arrangements are made for insurance against risks arising from the exercise of the community facilities power, taking professional advice as necessary. Details of these arrangements should be included in the formal consultation material submitted to the Authority. Such insurance must not be funded from the school budget share.

As an integral part of its plans, a school should undertake an assessment of the insurance implications and costs, seeking professional advice if necessary. The school should seek the advice of the Authority before finalising any insurance arrangement for community facilities.

The Authority may undertake its own assessment of the insurance arrangements made by a school in respect of community facilities, and if it judges those arrangements to be inadequate, make arrangements itself and charge the resultant cost to the school. Such costs could not be charged to the school's budget share. This provision is to protect the Authority against possible third party claims.

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### **13.9. Taxation**

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

Expenditure from funds obtained directly by schools from private (or indeed central government) sources are not covered by the VAT reclaim facility.

If any members of staff are employed by the school or Local Authority in connection with community facilities then schools must be mindful of their liability for the payment of income tax and National Insurance, in line with Inland Revenue rules. Payments to staff for hours worked, travel, subsistence etc should not be made directly to individuals, but should be made via a school's payroll provider.

### **13.10. Banking**

The school should maintain separate bank accounts for budget share and community facilities. Other provisions relating to the banking of monies relating to community facilities mirror those contained in the main part of this scheme (Section 3).

Schools are reminded that they may not borrow money without the written consent of the Secretary of State.

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## Annex A: List of schools covered by the scheme

### Primary Schools

- Addison Primary School
- All Saints Primary School
- Avonmore Primary School
- Bentworth Primary School
- Brackenbury Primary School
- Canberra Primary School
- Flora Gardens Primary School
- Fulham Primary School
- Greenside Primary School
- Holy Cross Primary School
- John Betts Primary School
- Kenmont Primary School
- Langford Primary School
- Larmenier and Sacred Heart School
- Lena Gardens Primary School
- Melcombe Primary School
- Miles Coverdale Primary School
- New Kings Primary School
- Normand Park Primary School
- Old Oak Primary School
- Peterborough Primary School
- Pope John Primary School
- Queens Manor Primary School
- Sir John Lillie Primary School
- St Augustines Primary School
- St Johns CE Walham Green Primary School

- St Marys Primary School
- St Pauls Primary School
- St Peters Primary School
- St Stephens CE Primary School
- St Thomas of Canterbury Primary School
- Sullivan Primary School
- The Good Shepherd RC Primary School
- Wendell Park Primary School
- Wormholt Park Primary School

### Secondary Schools

- Fulham Cross Secondary School
- Henry Compton Secondary School
- Hurlingham and Chelsea Secondary School
- Lady Margaret School
- Phoenix High School
- Sacred Heart High School
- The London Oratory School

### Special Schools

- Cambridge School
- Gibbs Green School
- Jack Tizard School
- Queensmill School
- Woodlane High School

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## **Annex B: Application of financial controls to schools**

These regulations shall apply to the governing bodies of schools with delegated powers and responsibilities and to Headteachers and others to whom functions may be delegated under the 1998 School Standards and Framework Act.

The Director of Finance is the Officer required by Section 151 of the Local Government Act 1972 to be responsible for the administration of the Council's financial affairs and to perform duties as prescribed by the Accounts and Audit Regulations 1983, and is the Chief Finance Officer of the Council for the purposes of Section 114 of the Local Government Finance Act 1988. He/She shall exercise supervision over all financial matters and shall maintain an adequate and effective internal audit over the Council's financial affairs.

The Director of Finance shall be provided with any information necessary to enable him/her to comply with these statutory duties and otherwise to comply with these Regulations and shall be allowed access to documents and records for this purpose, including records associated with school bank accounts which hold Local Authority funding.

School governing bodies shall keep the Directors of Children's Services and Finance informed of any matter which is likely to have significant financial consequences. The Director of Children's Services or his/her representatives shall have the right to attend meetings of full governing bodies or Sub-Committees to give advice subject to the provisions of the School Standards and Framework Act 1998. The Director of Finance or his/her representatives shall have the right to attend meetings of full governing bodies or Sub-Committees to give advice or report on finance matters.

A persistent failure to meet the requirements as given in Authority's School Financial Procedures Manual, and/or a persistent overspending of delegated budgets shall be considered as not managing the resources of the establishment in an effective and efficient manner and may lead to the suspension of a Governing Body's delegated powers subject to the provisions of the School Standards and Framework Act 1998.

Schools must abide by the Authority's requirements on financial controls and monitoring as contained in the scheme.

Additional details are given in the School Financial Procedures Manual.

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## **Annex C: Payment of salaries; payment of bills**

Each Governing Body (or Headteacher if so authorised by the Governing Body) shall keep such records and provide such information with regard to salaries, wages and emoluments as the Director of Finance may require and shall be responsible for the accuracy and authenticity of such records and information.

For schools using the Authority's payroll service, the schools will notify the Director of Finance, via the Director of Children's Services, in such form as he/she may require, of all matters affecting payment.

If schools choose not to use the payroll service operated by the Council, they will need to supply the Authority with advance notice of the decision to use another payroll service. The Authority will require six months notice of the intention to change to another payroll provider. The Authority will need to be satisfied that such external payroll services will be able to supply the Authority with the appropriate information in the appropriate format in order to meet audit and monitoring and inland revenue requirements.

Additional details are given in the School Financial Procedures Manual.

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## Annex D: Control of assets

Governing bodies and Headteachers shall be responsible for all Council assets which fall under their control. This responsibility is to include:

- The receipt, care, custody, issue and return of stocks and stores.
- Any plant, vehicles, machinery, equipment, tools furniture, furnishings and other non-consumable property.

They shall use and maintain the systems and records approved by the Director of Finance for controlling these assets. Any income realised from assets bought with Local Authority funds must be paid into the Authority's own bank account.

Additional details are given in the School Financial Procedures Manual.



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## **Annex E: Submission of budget plans**

The Authority will supply schools with the income and expenditure information necessary to enable them to plan effectively.

Following receipt of the final budget share, the Headteacher's proposed budget must be presented to the full Governing Body for consideration and agreement. Governing bodies may make any additional arrangements for consideration of the budget as they see fit. The final budget plan must be returned to the Authority no later than 31 May.

Total planned expenditure for the financial year must not exceed the budget share, adjusted by any surpluses or deficits carried forward from the previous year, and estimated income receivable.

The form of the final budget plan must be in accordance with the requirements of the Director of Children's Services and the Director of Finance but may contain such additional information as Governors may prescribe. The plan will include assumptions underpinning the budget in terms of the educational priorities of the school and how the budget is intended to support raising standards.

The Authority may request additional in-year expenditure plans as it sees fit. Such revisions will not be required at less than three-month intervals.

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## Annex F: Best Value and Schools

This statement is intended to assist schools in considering the relevance of best value principles to the expenditure of funds from their delegated budget share. When submitting annual budget plans, schools are required to say how best value principles are being followed.

Best value will be a statutory duty to deliver services to clear standards, covering both cost and quality, the most effective and efficient means available. Legislation is to place a duty on local authorities to secure best value in respect of the way in which they exercise their functions. The new duty is not intended to apply to those functions which are exercised by the governing bodies of Local Authority maintained schools. However, schools will be encouraged to adopt the best value performance management framework.

In relation to schools and expenditure from delegated budgets, the main features of best value can be summarised as a need for the governing body of a school to ensure:

- (1) The existence of a programme of performance review which will aim for continual improvement. Existing mechanisms such as school development plans and post-OFSTED inspection plans can be developed to satisfy the requirements for review. The reviews should include:
  - (a) Challenging how and why a service is provided (including consideration of alternative providers)
  - (b) Comparison of performance against other schools taking into account the views of parents and pupils
  - (c) Mechanisms to consult stakeholders, especially parents and pupils
  - (d) Embracing competition as a means of securing efficient and effective services
- (2) The development of a framework of performance indicators and targets which will provide a clear practical expression of a school's performance, taking national requirements into account
- (3) That the following are included in school development plans:
  - (a) A summary of objects and strategy for the future
  - (b) Forward targets on an annual and longer term basis
  - (c) Description of the means by which performance targets will be achieved
  - (d) A report on current performance
- (4) That internal and external audit takes place ensuring that performance information is scrutinised. Authority oversight of school finances provides external review

The independent inspection and intervention elements of the best value framework will be the responsibility of other bodies and therefore not relevant to demonstration by a Governing Body of adherence to best value principles.

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## **Annex H: Audit programme requirements**

The Director of Finance and any officer to whom they have delegated the Authority of Internal Audit shall have access at any reasonable time to all educational premises. Further such persons shall have the Authority to apply any test or check they may deem necessary to the accounts, cash, securities, or other property or records which relate in any way to the finances of the Authority.

Governors and Headteachers shall ensure that the Director of Finance, or their representatives, are provided with appropriate facilities to enable audit to be carried out. Governors, and any Council employees, will be required to provide such explanations as the Director of Finance considers necessary.

Whenever any matter arises which may point to irregularity in financial, stores or accounting transactions within an educational establishment it shall be the duty of the governors and the Headteacher concerned to notify the Director of Children's Services and Director of Finance immediately.

The Director of Finance in consultation with the Director of Children's Services shall issue such guidelines on financial procedures and practises as seem necessary to satisfy themselves that proper arrangements are being made to secure economy efficiency and effectiveness in the use of the Council's resources.

All governing bodies will be required to make available such financial information and returns as the Director of Finance, their nominees, and the Authority's external auditors require. This will include information appropriate for Inland Revenue and Customs and Excise (VAT) returns.

The school must retain all documents relating to financial transactions for a period of six years unless otherwise advised by the Director of Finance.

Additional details are given in the School Financial Procedures Manual.

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## Annex I: Purchasing, tendering and contracting arrangements

Official orders, stating the estimated amount involved and any contract or agreed prices must be issued for all works, goods or services. Such orders should not be issued unless there is sufficient expenditure in the schools budget share to support the spending.

It is the duty of governors, and their nominated representatives, when arranging the purchase of works, goods or services to achieve best value. All expenditure likely to exceed £5,000 should only be committed after an estimate in writing has been obtained.

When ordering works, goods or services governing bodies are strongly advised to adhere to the following recommendations:

- Schools will be required to assess in advance, where relevant, the health and safety competence of contractors, taking account of the Local Authority's policies and procedures
- Three written quotations should be obtained before committing any order for works, goods or services. Governing bodies should note that they are not required to accept the lowest tender if this does not appear to offer best value.
- Before committing any order for works, goods or services in excess of £10,000 but less than £20,000, discuss the matter with the Director of Children's Services.
- Before committing any order for works, goods or services in excess of £20,000 discuss the matter with the Director of Children's Services and the Director of Finance.
- All works should be carried out by a suitably registered contractor, for example, CORGI (Council for Registered Gas Installers) registered for works to gas services and appliances, and NICEIC (National Inspection Council for Electrical Installation Contractors) for works to electrical installations and appliances.

Payment of examination fees or goods, works or services of a proprietary/specialist nature may be processed by schools, but schools should notified to the Governing Body and the Director of Children's Services in advance.

Additional details are given in the School Financial Procedures Manual.

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## **Annex J: Bank and building society accounts**

Banking facilities for all schools will initially be offered via National Westminster Bank (including interest-earning accounts). Grant-maintained schools will be able to continue with their existing banking arrangements.

New banking arrangements may only be made with effect from the beginning of each financial year after notifying the Director of Finance of the intention to change banks by 31<sup>st</sup> December in the preceding year.

Schools will be able to choose an institution from a list of such institutions approved by the Director of Finance. Although schools will be able to negotiate the terms of such an account and will retain any interest earned, they will also be responsible for any bank charges and other costs incurred.

The Authority will pay monies into the school's bank account on a monthly basis, according to the budget expenditure profile sent to the Authority. If that profile differs significantly from that recommended by the Authority on the basis of expected spending patterns, then the Authority will charge the school's account with interest on the amount involved.

Budget expenditure profiles may have a contingency of up to 5% of school's budget held until the end of the financial year. This contingency can be brought forward at the request of the school without the establishment incurring interest charges.

Any other deviation from the profile involving the bringing forward of payments into the school's account will lead to interest charges to compensate the Authority for loss of income on the sums involved. The reasons for other deviations will be investigated by the Authority prior to payments being brought forward; these investigations should take no longer than one week to complete.

Additional details are given in the School Financial Procedures Manual.

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## Annex K: List of banks and building societies

### UK Banks

- Abbey National
- Alliance and Leicester
- Barclays Bank
- Co-operative Bank
- Halifax
- Lloyds Bank
- Clydesdale Bank
- Midland Bank
- National Westminster Bank
- Woolwich

### Building Society

- Nationwide

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## **Annex L: List of examples where the school's budget may be charged by the Authority**

- Premature retirement costs - where premature retirement costs have been incurred without the prior written agreement of the Authority to bear such costs. The amount chargeable would be the excess over any amount agreed by the Authority.
- Other expenditure to secure resignations where the school failed to follow Local Authority advice.
- Awards by courts and industrial tribunals or out of court settlements against the Local Authority arising from action or inaction by the Governing Body contrary to Local Authority advice.
- Cost incurred by the Local Authority in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the Local Authority.
- Costs for buildings works incurred by the Local Authority in making good defects in building work funded by capital spending from budget shares where the premises are owned by the Local Authority.
- Local Authority insurance where the school has failed to make suitable insurance arrangements and where the Local Authority has an insurable interest.
- Recovery of monies due from a school for services provided to the school, where a dispute has been referred to a dispute procedure set out in a service level agreement, and the result is that monies are owed by the school to the Local Authority.
- Recovery of penalties imposed by Inland Revenue, Contributions Agency, HM Revenue and Customs, Teachers Pensions or regulatory Authority as a result of school negligence.
- Corrections of Local Authority errors in calculating charges to budget share.
- Additional transport costs incurred by the Local Authority arising from the decision of the Governing Body on the length of the school day and failure to notify the Local Authority of non-pupil days resulting in unnecessary transport costs.
- Legal costs following failure to accept Local Authority advice.
- Costs of health and safety for staff employed by Local Authority where such funds were delegated but the necessary training had not been carried out.
- Compensation to lender where school exceeds legal contractual powers for borrowing and the contract is of no effect.
- Cost of work done in respect of teacher pension remittance and records for schools using non-Local Authority payroll contractors, the charge to be the minimum needed to meet the cost of the Authority's compliance with its statutory obligations.
- Costs incurred by the Local Authority in securing provision specified in a statement of SEN where the Governing Body of a school fails to secure such provision despite the delegation of funds in respect of that statement.
- Costs incurred by the Local Authority due to submission by the school of incorrect data.
- Recovery of amounts spent from specific grants on ineligible purposes.

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- Costs incurred by the Local Authority as a result of the Governing Body being in breach of the terms of a contract.
  - Out of court settlements arising from action or inaction by the Governing Body contrary to the Local Authority's advice.



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## Annex M: Complaints Procedure

### The Background

Schools already have in place a Model Code of Conduct, which makes clear that employees should report any impropriety or breach of procedure that they encounter while at work. However, the Code of Conduct does not give a detailed framework for what is now commonly termed “whistle blowing” by employees.

This confidential reporting code is based upon a model drawn up by the Local Government Management Board and has been adopted by the Council in relation to non-school employees. The procedure takes into account the requirements of the law, specifically the Public Interest Disclosure Act. The Act gives employees two safeguards in respect of disclosures of information. Firstly, an employee is entitled not to be subjected to any detriment by virtue of having made a protected disclosure. Secondly, if an employee is dismissed because of having made such a disclosure, the dismissal will automatically be unfair, and further, there will be no need for the employee to have a year’s continuous employment before bringing a claim for unfair dismissal.

### Trade Union consultation

Staff side support the principle of introducing a whistle blowing code.

#### 1. Introduction

Employees are often the first to realise that there may be something seriously wrong within the workplace. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the school. They may also fear harassment or victimisation. In these circumstances it may be easier to ignore the concern rather than report what may just be a suspicion of malpractice.

The Local Education Authority is committed to the highest possible standards of openness, probity and accountability. In line with that commitment we expect employees who have serious concerns about any aspect of the school’s work to come forward and voice those concerns. It is recognised that most cases will have to proceed on a confidential basis.

This Code makes it clear that you can do so without fear of victimisation, subsequent discrimination or disadvantage. This confidential reporting policy is intended to encourage and enable employees to raise serious concerns within the school rather than overlooking a problem or ‘blowing the whistle’ outside.

The policy applies to all employees at the school.

#### 2. Aims and scope of this policy

This policy aims to:

- encourage you to feel confident in raising serious concerns and to question and act upon concerns about practice
- provide avenues for you to raise those concerns and receive feedback on any action taken
- ensure that you receive a response to your concerns and that you are aware of how to pursue them if you are not satisfied
- reassure you that you will be protected from possible reprisals or victimisation if you have a reasonable belief that you have made any disclosure in good faith.

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There are existing procedures in place to enable you to lodge a grievance relating to your own employment. The confidential reporting policy is intended to cover major concerns that fall outside the scope of other procedures. These include:

- conduct, which is an offence or a breach of law
- disclosures related to miscarriages of justice
- health and safety risks, including risks to the public as well as other employees
- damage to the environment
- the unauthorised use of public funds
- possible fraud and corruption
- sexual or physical abuse, or
- other unethical conduct.

Thus, any serious concerns that you have about any aspect of service provision or the conduct of employees or governors or others acting on behalf of the school can be reported under the confidential reporting policy. This may be about something that:

- makes you feel uncomfortable in terms of known standards, your experience or the standards you believe the school subscribes to;
- is against the school's standing orders, financial regulations, contracts code, or other policies;
- falls below established standards of practice;
- amounts to improper conduct

### **3. Safeguards - Harassment or victimisation**

Governing bodies are committed to good practice and high standards and want to be supportive of employees.

Governing bodies recognise that the decision to report a concern can be a difficult one to make. If what you are saying is true, you should have nothing to fear because you will be doing your duty to your employer and those for whom you are providing a service.

Governing bodies will not tolerate any harassment or victimisation (including informal pressures) and will take appropriate action to protect you when you raise a concern in good faith.

Any investigation into allegations of potential malpractice will not influence or be influenced by any disciplinary or redundancy procedures that already affect you.

### **4. Confidentiality**

All concerns will be treated in confidence and every effort will be made not to reveal your identity if you so wish. At the appropriate time, however, you may need to come forward as a witness.

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## 5. Anonymous Allegations

This policy encourages you to put your name to your allegation whenever possible.

Concerns expressed anonymously are much less powerful but will be considered at the discretion of the Chair of Governors.

In exercising this discretion the factors to be taken into account would include:

- the seriousness of the issues raised
- the credibility of the concern; and
- the likelihood of confirming the allegation from attributable sources.

## 6. Untrue allegations

If you make an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against you. If however, you make an allegation which can be shown to have been made frivolously, maliciously or for personal gain, disciplinary action may be taken against you.

## 7. How to raise a concern

As a first step, you should normally raise concerns with your immediate manager or the Head teacher. This depends, however, on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. For example, if you believe that management is involved, you should approach the Chair of Governors. As the responsible officer, the Chair of Governors will be informed of each concern that is raised under the procedure. If the Chair of Governors is suspected of the malpractice, the Director of Education should be approached.

Concerns may be raised verbally or in writing. Staff who wish to make a written report are invited to use the following format:

- the background and history of the concern (giving relevant dates);
- the reason why you are particularly concerned about the situation.

The earlier you express the concern the easier it is to take action. Although you are not expected to prove beyond doubt the truth of an allegation, you will need to demonstrate to the person contacted that there are reasonable grounds for your concern.

You may obtain advice/guidance on how to pursue matters of concern from the Director of Children's Services.

You may wish to consider discussing your concern with a colleague first and you may find it easier to raise the matter if there are two (or more) of you who have had the same experience or concerns. You may invite your trade union, professional association representative or a friend to be present during any meetings or interviews in connection with the concerns you have raised.

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## 8. How your concerns will be dealt with

Your concerns will receive a response from the Chair of Governors. Do not forget that testing out your concerns is not the same as either accepting or rejecting them.

Where appropriate, the matters raised may:

- be investigated by management, the internal audit section of the Council, or through the disciplinary process
- be referred to the police
- be referred to the external auditor
- form the subject of an independent inquiry

In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. The overriding principle, which the Chair of Governors will have in mind, is the public interest. Concerns or allegations which fall within the scope of specific procedures (for example, child protection or discrimination issues) will normally be referred for consideration under those procedures.

Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required this will be taken before any investigation is conducted.

Within ten working days of a concern being raised, the Chair of Governors will write to you:

- acknowledging that the concern has been received
- indicating how the matter will be dealt with
- giving an estimate of how long it will take to provide a final response
- telling you whether any initial enquiries have been made
- supplying you with information on staff support mechanisms, and
- telling you whether further investigations will take place and if not, why not.

The amount of contact between the individuals considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from you.

Where any meeting is arranged, off-site if you so wish, you can be accompanied by a union or professional association representative or a friend.

The governing body will take steps to minimise any difficulties that you may experience as a result of raising a concern. If you are required to give evidence in criminal or disciplinary proceedings, the Local Education Authority will arrange for you to receive advice about the procedure. The governing body accepts that you need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, you will be informed of the outcome of any investigation.

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## 9. The responsible officer

The Chair of Governors has overall responsibility for the maintenance and operation of this policy. The Chair maintains a record of concerns raised and the outcomes (but in a form which does not endanger your confidentiality) and will report as necessary to the LEA.

### How the matter can be taken further

This policy is intended to provide you with an avenue within the school and the Local Education Authority to raise concerns. If you are not satisfied with any action taken and if you feel it is right to take the matter outside the Education Department, the following are possible contact points:

- Public Concern at Work (020 7404 6609)
- District Audit (020 7233 6400)
- your trade union
- Fulham CAB, Hammersmith & Fulham Community Law Centre
- relevant professional bodies or regulatory organisations
- the police.

If you do take the matter outside the Local Authority and the Council you should ensure that you do not disclose confidential information.

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## Annex M: Leased Equipment

The Authority's leasing policy is outlined in the Schools Financial Procedures Manual. For convenience the major points are detailed as follows:

- Three written quotations should be obtained and the quote offering value for money (not necessarily least cost) should be accepted.
- Payments to the leasing company must be the first charge on each year's budget.
- Government legislation requires that the equipment does not belong to the school at the end of the lease and is subject to market, not pre-agreed renewal rentals.
- According to the latest current financial regulations (SORP – Statement of Recommended Practice), the total rentals must also have a Net Present Value of less than 90% of the equipment cost when discounted at the rate implicit in the lease.
- The above consists an operating lease and schools are not permitted to sign any other form of lease. Where in exceptional circumstance, the Operating Lease Scheme is not used, a formal written sign-off must be obtained from Children's Services Finance.
- The decision to lease equipment must be made by the Governing Body and the decision, including details of the company, terms of the lease and details of payments over the three years, should be recorded in the minutes of the full governing body or the finance committee.
- A copy of the relevant minute approving the expenditure should be attached to a copy of the lease and sent to Children's Services Finance for approval. Once approved, the school will be notified in writing that the document can be signed by the Headteacher or Chair of Governors. The completed document should then be sent to the leasing company.
- Each school will be expected to make repayments as they are due. The Local Authority recommends that schools opt for annual payments rather than quarterly.

## Annex N: Responsibility for Repairs and Maintenance

Capital/Revenue split in line with CIPFA Code of practice.

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

	structure to prevent imminent or correct actual major failure of the structure	purlins etc. Not complete trusses
	Insulation in a new building/extension	Repair/replacement/ increasing thickness of insulation in an existing roof
	Insulation. Replacement /repair of substantially all. Improve insulation to current standards	
	Bargeboards/ Fascias in a new building/extension, replacement of all/substantially all on existing roof	Repairs/ replacement/Repainting
	Drainage in a new building/extension	Clearing out gutters and downpipes. Replacement/repairs of individual pipes/gutters
	Drainage. Replacement of all/substantially all on existing roof	
	Other e.g. Flashings, Roof windows in a new building/extension, replacement of all/substantially all on existing roof	Repair/ Replacement/cleaning
	Roof finish in a new building/extension, replacement of all/substantially all on existing roof	Replace missing/ damaged small parts
<u>Other</u>	Provide new covered link etc. between existing buildings	Minor repairs, maintenance to existing covered link
	Rebuild or substantially repair structure of existing covered link	
	Add porch etc. to existing building	Minor repairs, maintenance to existing structure
	Rebuild or substantially repair structure of existing porch	
<b>Floors</b>		
<u>Ground Floor</u>	Structure and dpc in new building	Repair/replacement of small parts of an existing structure
	Structure and dpc - Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure	



	of the structure	
	Screed and finish in new build, replacement of all/substantially all on existing floor - e.g. replacement of most carpets/ tiles in a room	Replacement and repair of screed and finishes/ Replacement of mats/ matwells. Maintenance e.g. revarnishing wooden floors.
<u>Upper Floor</u>	Structure - as ground floor	As ground floor
	Screed and Finish - as ground floor	Repairs of finishes/ Replacement - as ground floor
<b>Ceilings</b>		
<u>Top/ only storey</u>	Suspension	Repair/ replacement incl. From water damage, & necessary decoration
	Membrane	
	Fixed	Repair/ replacement inc. from water damage
	Access panels	Repair/ replacement
<u>Lower storeys</u>	Suspension	Repair/ replacement
	Membrane	
	Fixed	Repair/ replacement
<u>All</u>	Specialist removal/ replacement of damaged/ disturbed Asbestos based materials, planned or emergency	Inspection/ air testing Applying sealant coats to asbestos surfaces for protection
<b>External walls</b>		

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

<b>Internal walls</b>		
<u>Solid</u>	Complete including various internal finishes, linings and decorations	Repairs and redecoration to internal plaster/ linings tiles, pin boards etc.
	Refurbishment and alterations	Minor alterations
<u>Partitions</u>	Complete structure including linings, framing, glazing, decoration etc.	Repairs and redecoration.
	Refurbishment and alterations	Minor alterations
<u>Doors &amp; Screens</u>	Framing/ Screens/ Doors to new buildings including glazing, ironmongery, jointing and internal decorations	Internal maintenance and redecoration. Repair/ replacement of defective doors and screens
<u>All</u>	Glazing to meet statutory Health & Safety requirements	Replacement of broken glass
<b>Sanitary Services</b>		
<u>Lavatories</u>	In new buildings provision of all toilet fittings, waste plumbing and internal drainage.	Repair/ replacement of damaged sanitary ware, fittings, waste plumbing etc.
	Large scale toilet refurbishment	Small areas of refurbishment
	Provision of disabled facilities, and specialist facilities related to pupils with statements	Repair/ replacement of damaged fittings, waste plumbing etc.
<u>Kitchens</u>		

	Kitchens in new buildings, complete with fittings, equipment, waste plumbing and internal drainage. Internal finishes and decorations.	Maintain kitchen to requirements of LA Cleaning out drainage systems Redecoration
	General refurbishment	Repairs
	Large and costly items of equipment	Repairs/ replacement parts
<b>Mechanical services</b>		
<u>Heating/ hot water</u>	Complete heating and hot water systems to new projects, including fuel, storage, controls, distribution, flues etc.	General maintenance of all boiler house plant including replacement of defective parts. Regular cleaning. Energy saving projects
	Safe removal of old/ damaged asbestos boiler and pipework insulation, where risk to Health & Safety.	Monitoring systems Health & safety issues
	Planned replacement of old boiler/ controls systems past the end of their useful life	Replacement of defective parts
	Emergency replacement of boiler plant/ systems	
<u>Cold water</u>	Provision of cold water services, storage tanks, distribution, boosters, hose reels etc. in major projects	Maintenance and repair/ replacement of defective parts such as servicing pipes. Annual servicing of cold water tanks.

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

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