

CITY OF DONCASTER COUNCIL

THE SCHEME FOR FINANCING SCHOOLS

Released January 2025

This document conveys the latest version of the Scheme for Financing Schools. All Schools and Pupil Referral Units, maintained by the City of Doncaster Council, are required to adhere to the contents of this document. This document is supported by the latest version of the Schools Financial Regulations.

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Definitions

References throughout this document:-

- “Scheme” refers to this Scheme for Financing Schools
- “the Act” is the School Standards and Framework Act 1998
- “the Regulations” are the School and Early Years Finance (England) Regulations 2022
- “Budget Share” refers specifically to the total of Schools block, Early Years block, High Needs block and 6th Form funding.
- “school” refers to both maintained schools and PRUs unless otherwise stated.
- “Governing Body” refers to such a body of a maintained school, but also refers to the Management Committee of a PRU.

1 INTRODUCTION

1.1 The funding framework

The funding framework is 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 their non-schools education budget – although at a minimum a local authority must appropriate its entire Dedicated Schools Grant to their Schools Budget.

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

Local Authorities may centrally retain funding in the Schools Budget for purposes specified in Regulations made by the Secretary of State under s.45A of the Act (the centrally retained expenditure).

The amounts to be retained centrally are decided by the Local Authority concerned, subject to any limits or conditions, including gaining the approval of their Schools Forum or the Secretary of State in certain circumstances, as 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 non-schools education budget must be retained centrally, although earmarked allocations may be made to schools.

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

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

The financial controls within which delegation works are set out in this Scheme made by the Local Authority in accordance with section 48 of the Act and Regulations made under that section.

All proposals to revise the Scheme must be approved by the Schools Forum, though the Local Authority may apply to the Secretary of State for approval in the event of the Schools Forum rejecting a proposal or approving it subject to modifications that are not acceptable to the Local Authority.

Subject to any provisions made by or under the Scheme, Governing Bodies of schools may spend such amounts of their budget shares as they see fit for any purposes of their school and for any additional purposes prescribed by the Secretary of State in Regulations made under section 50 of the Act.

Section 50 states amounts spent by Governing Bodies on providing community facilities or services under section 27 of the Education Act 2002 are treated as if they were amounts spent for the purposes of the school.

A Local Authority may suspend a school's right to a delegated budget if the provisions of this Scheme (or rules applied by the Scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. A school's right to a delegated budget share may also be suspended for other reasons, under Schedule 17 of the Act.

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

The detailed publication requirements for financial statements are set out in directions issued by the Secretary of State. A copy of each year's budget and outturn statements should be made easily accessible to all schools.

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

1.2 The role of the Scheme

The Scheme sets out the basis of the financial relationship between the LA and schools, which it funds. The Scheme, which is binding on both schools and the Local Authority, relates to financial management and associated issues.

1.2.1 Application of the Scheme to the Local Authority and schools

The Scheme applies to all nursery, community, voluntary, trust, foundation, community special, foundation/trust special schools and pupil referral units (PRUS) maintained by the Local Authority. It does not apply to Academies.

The list of schools covered by the Scheme as at the time of release is attached at Annex A.

1.3 Publication of the Scheme

A copy of the Scheme is supplied to each school covered by the Scheme and will be accessible to schools and the general public via the Local Authority's website. Any approved revisions to the Scheme will be notified to each school by e-mail and uploaded to the website.

1.4 Revision of the Scheme

Revisions to the Scheme will be subject to consultation with all schools before they are submitted to the Schools Forum for approval by members of the Forum representing schools. The Secretary of State will act as arbitrator where the Schools Forum does not agree with the Local Authority.

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

1.5 Delegation of powers to the Headteacher

Governing Bodies must review annually the extent to which they wish to delegate their financial powers to the Headteacher. The agreed level of delegation (including the monetary value) must be recorded in the minutes of the Governing Body. Detailed guidance is set out in the School Financial Regulations, namely, Section 2 Governance & Accountability and Section 3 Financial Planning & Budgetary Control.

The first formal budget plan of each financial year must be approved by the Governing Body, or by a committee of the Governing Body. The Governing Body should ratify any significant in-year budget revisions.

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 case of a voluntary school where some of the expenses are, by statute, payable by the Governing Body). Part of the way a Local Authority maintains schools is through the funding system put in place under sections 45 to 53 of the Act.

2 FINANCIAL REQUIREMENTS

2.1 Financial Controls

2.1.1 Application of financial controls to schools

Schools are required to abide in the management of their delegated budgets by the financial requirements of the Scheme of delegation and the Schools' Financial Regulations and Contract Procedure Rules prepared by the Local Authority. These regulations, which are separate from the Scheme, are referred to, where appropriate, within the Scheme.

Schools are expected to comply with those elements of the publication 'Keeping your Balance' published by OFSTED and the former Audit Commission, which are not specifically covered by the Scheme or the Local Authority's Schools Financial Regulations. The Chief Financial Officer shall for the purpose of Section 151 of the Local Government Act 1972 be responsible for the proper administration of the Council's financial affairs.

2.1.2 Provision of financial information and reports

All Schools are required to submit quarterly reports as per the Schools Financial Regulations (3.28). Schools are required to provide the Local Authority with details of anticipated and actual income and expenditure, in a format and at times determined by the Local Authority.

Schools which operate bank accounts are required to supply the Local Authority with quarterly returns of income and expenditure as soon as possible, but not later than the deadlines shown in the key dates schedule sent to schools prior to the beginning of each financial year. However, the returns should be submitted as soon as possible following the period end date. The Local Authority may insist on more frequent returns where a school is in the first year of operation or where the Local Authority has notified the school that it is concerned at the financial position of the school. VAT and Bank Reconciliation (includes cash reconciliation) returns are required monthly, in a format prescribed by the Local Authority.

VAT Refunds will be withheld if a fully balanced Bank Reconciliation is outstanding. Payment would be delayed until the issues were resolved.

In the event of non-compliance with the submission of reports/returns, a Local Authority officer may visit the school to retrieve the required reports/returns.

If the school elects to use an Imprest facility then reimbursement claims must be made in accordance with the bank-based Imprest Procedure as per the Schools Financial Regulations.

2.1.3 Payment of salaries; payment of bills

The relevant administrative procedures, to reflect the extent to which independent bank account facilities are being used for the payment of salaries and invoices, are provided separately. This information can be found primarily in the Schools Financial Regulations as well as relevant FMS training materials.

2.1.4 Control of assets

Schools are required to keep an inventory of moveable non-capital assets in accordance with the Schools' Financial Regulations (Section 7) published by the Local Authority.

Schools are free to determine their own arrangements for keeping a register of assets worth less than £1,000, however a register must be kept in some form to register anything that is portable and attractive, such as a camera. It is suggested that schools follow the guidance currently in place with regards to all moveable non-capital assets.

Moveable non-capital assets are typically items of furniture and equipment having a purchase value (excluding VAT) of at least £100 and/or where attractiveness, durability and a current value are all factors that apply to an item.

It is important to note that equipment with a useful life expectancy in excess of one year, which brings a long-term benefit to the school and adds value (not merely maintains value) to the overall school establishment, is deemed to be a capital asset. Such an asset would usually be in excess of £20,000 in value at the time of purchase, but discretion could be used for items of lesser value.

Such items should be treated as capital expenditure, not revenue, and should be accounted for in accordance with current capital accounting procedure.

2.1.5 Accounting policies (including year-end procedures)

Schools are required to abide by the procedures issued by the Local Authority, including year-end procedures and in accordance with the Schools' Financial Regulations.

The year-end procedures are set out in the year-end procedure notes and close down timetable sent to schools by the Local Authority prior to the start of the close down period of each financial year (usually sent late January / early February).

2.1.6 Writing off of debts

Governing Bodies may write off bad debts up to the value of £100 as per the Schools Financial Regulations, they must however notify the Chief Financial Officer of the Local Authority.

In the case of debts greater than £100, these must be referred to the Chief Financial Officer of the Local Authority, as per the Schools Financial Regulations.

2.2 Basis of accounting

All reports and accounts supplied by schools to the Local Authority must be on an accruals basis.

2.3 Budget Preparation and Submission of budget plans

Schools are required to submit a budget plan showing the intentions for expenditure in the current financial year, including the assumptions underpinning the plan, including estimated balances brought forward, no later than 1st May each year or no later than 1st October in the case of a new school opening in September, to the Local Authority's Chief Financial Officer. The Headteacher and the Chair of Governors should sign the budget plan following Governing Body approval. During the course of the financial year any changes to a school's budget plan must be submitted to the Chief Financial Officer at least on a quarterly basis. The Chief Financial Officer, in consultation with the Director of Children, Young People and Families, will prescribe the form of such notification (budget spreadsheet), which will take into account the Consistent Financial Reporting (CFR) Framework.

The Local Authority will supply school income and expenditure data which it holds that is necessary to assist in efficient planning by schools, in a format agreed by the Chief Financial Officer in consultation with schools and Director of Children, Young People and Families. An annual statement (reports timetable) will be sent to schools showing when this information will be available at times throughout the year.

The Local Authority will supply each school with details of its budget share for the forthcoming financial year by the deadlines stipulated in the Regulations.

2.3.1 Submission of financial forecasts

Schools must submit a 3-year budget forecast each year, by no later than 30 June.

The 3-year forecasts will be used not only for confirming schools are undertaking effective financial planning but mainly as evidence to support the local authority's assessment of schools financial value standards and in support of the authority's balance control mechanism.

2.4 School Resource Management

Schools must seek to achieve effective management of resources and value for money, to optimise the use of their resources and to invest in teaching and learning, taking into account the Local Authority's purchasing, tendering and contracting requirements (see section 2.10).

It is for Heads and Governors to determine at school level how to optimise the use of resources and maximise value for money. It is important for schools to review their current expenditure, compare it to other schools and to think about how to make improvements.

There is no longer a requirement to have or to submit a Best Value statement when submitting a budget plan to the Local Authority each year.

2.5 Virement

Schools are able to vire freely between their respective budget headings in the expenditure of their budget shares. Virement is not allowed between budget shares and earmarked sums devolved to schools for specific purposes.

2.6 Audit: General

The Chief Financial Officer has delegated responsibility for the provision of an effective system of Internal Audit as detailed in Schools' Financial Regulations. External Audit of the Local Authority is as determined by the Auditing Body. Schools are required to give full co-operation to both internal and external auditors in carrying out their work, including allowing access to the school records.

2.7 Separate external audits

Schools are able to appoint and charge against their budget share the cost of independent external audit if they so wish, which would be separate from any Local Authority Internal or External Audit process. Where a school chooses to seek such an additional audit, it does not eradicate the requirement that the school must also co-operate in full with the Local Authority's internal and external auditors.

2.8 Audit of voluntary and private funds

Schools must provide the Chief Financial Officer with annual audit certificates in respect of voluntary and private funds they hold and the accounts of any trading organisation they control within four months of the end of the fund's financial year-end.

2.9 Register of business interests

The Governing Body of each school must have a register which lists for each member of the Governing Body and every member of staff employed at the school any business or pecuniary interests they or their immediate family have, details of any other educational establishments that they govern, and any relationships between schools staff and members of the Governing Body. The register is to be kept up-to-date by notifications of any changes by those referred to and through annual review of entries. The register is to be made available for inspection by Governors, staff, parents and the Local Authority. The register must also be published, for example on a publicly accessible website.

The register should be formally referred to prior to each Finance meeting and the minutes of the meeting should demonstrate that this occurred. A Governor, Headteacher or member of staff should refrain from having any involvement in the decision making process if they or a member of their immediate family have an interest in the issue at hand.

2.10 Purchasing, tendering and contracting requirements

Schools are required to abide by the Schools' Financial Regulations in purchasing, tendering and contracting requirements. Schools are also required to assess in advance, where relevant, the health and safety competence of contractors, taking account of the Local Authority's policies and procedures.

The Schools' Financial Regulations prepared by the Local Authority will not apply if a school is required to: -

- a) do anything which is incompatible with any of the provisions of the Scheme or any statutory provision;
- b) seek a Local Authority officer countersignature for any contracts for goods or services of a value below £60,000 in any one year;
- c) select suppliers only from an approved list;
- d) seek fewer than three tenders or quotation in respect of any contract with a value exceeding £10,000 in any one year.

Schools may seek advice on a range of compliant deals via [Buying for schools](#).

2.11 Application of contracts to schools

Although Governing Bodies are empowered under paragraph 3 of schedule 1 to the Education Act 2002 to enter into contracts, in most cases they do so on behalf of the Local Authority as maintainer of the school and owner of the funds in the budget share. Other contracts may be made solely on behalf of the Governing Body, when the Governing Body has clear statutory obligations – for example, contracts made by aided, trust or foundation schools for the employment of staff.

2.12 Central funds and earmarking

The Local Authority may, from time to time, make sums available to schools from central funds including specific grants in the form of devolved allocations, which are additional to and separate from schools' budget shares. Unless specifically stated, such sums are to be spent only on the purpose for which the money has been allocated, as determined by the conditions of the grant. Such sums of money may not be added to the school budget share and are returned to the Local Authority if not spent in year (or within the period specified by the grant conditions). The Local Authority will not make any deduction in respect of interest costs to the Local Authority from payments to schools of devolved specific grants/allocations.

2.13 Spending for the purposes of the school

Under section 50 (3) of the Act, Governing Bodies are allowed 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. By virtue of section 50(3A) of the Act, amounts spent by Governing Bodies on community facilities or services under section 27 of the Education Act 2002 will be treated as if spent for any purposes of the school. The Secretary of State may prescribe additional purposes for which expenditure of the budget share may occur. They have done so in the School Budget Shares (Prescribed Purposes) (England) (Amendment) Regulations 2010 (SI 2010/190), (These allow schools to spend their budgets on pupils who are on the roll of other schools or academies).

2.14 Capital spending from budget shares

Schools may use their budget share to meet capital expenditure on school premises. This includes expenditure by the Governing Body of a voluntary aided school on work which is their responsibility under paragraph 3 of Schedule 3 of the Act. The Director of Children, Young People and Families must be notified of planned capital expenditure over £20,000, on which schools may receive advice which they must take into account.

Approval of the Local Authority will be required for such expenditure at all schools excluding Foundation, Trust and Voluntary Aided schools. However, the consent of the Local Authority can only be withheld on health and safety grounds.

2.15 Schools Financial Value Standard (SFVS)

All Local Authority schools must demonstrate compliance with the Schools Financial Value Standard (SFVS) and complete the assessment form on an annual basis. It is for the school to determine at what time in the year they wish to complete the form.

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

All schools with a delegated budget must submit the form to the Local Authority before 31st March each year.

2.16 Consistent Financial Reporting (CFR)

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

The regulations require that all Local Authority schools submit a CFR return to the Department for Education (DfE) each year.

The Local Authority will inform schools of the deadlines for validation and submission of CFR returns (via the Local Authority) each year.

2.17 Notice of Concern

The Local Authority may issue a notice of (financial) concern to the Governing Body of any school it maintains where, in the opinion of the Chief Financial Officer and the Director of Children, Young People and Families, the school has failed to comply with any provisions of the Scheme, or where actions need to be taken to safeguard the financial position of the Local Authority or the school.

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

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

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

2.18 Fraud

All schools must have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets. The Governing Body and Head Teacher must inform all staff of school policies and procedures related to fraud and theft, the controls in place to prevent them; and the consequences of breaching these controls. This information must also be included in induction for new school staff and Governors.

3 INSTALMENTS OF BUDGET SHARE; BANKING ARRANGEMENTS

The Local Authority has adopted CIPFA's Code of Practice for Treasury Management in Local Authorities, which states that all executive decisions on borrowing, investment or financing shall be delegated to the Chief Financial Officer of the Local Authority.

For the purposes of this section, budget share includes any place-led funding for special schools or PRUs.

For schools electing not to operate a bank account, their budget shares will be available from 1st April each year. For schools with their own bank accounts, the detailed requirements of the Scheme are contained within the Schools Financial Regulations issued by the Local Authority. Top up payments for high needs pupils will be made on a monthly basis, unless agreed otherwise.

3.1 Frequency of instalments

All bank account schools will have their budget share paid into their account on a monthly basis. A school opting to become a bank account school must notify the Chief Financial Officer, at least one calendar month before the bank account status comes into effect, of the school's banking details so that the first advance can be paid on time. Existing bank account schools must notify the Chief Financial Officer of any changes to the school's bank account details at least one calendar month before the first advance to be paid into the new account is due.

Bank account schools will receive their Devolved Formula Capital in full in June. Approval may be granted following a request in writing to the Chief Financial Officer for the full allocation of the Devolved Formula Capital to be paid in advance, where a school is due to pay a large capital bill at the beginning of the financial year.

Pupil Premium grant will be paid in equal instalments (25%) in July, October, January and March. Initially, payments will be based on provisional allocations, with final revised allocations being used later in the year.

3.2 Proportion of budget share payable at each instalment

Schools will receive 12% of their full budget share (Schools, Early Years and High Needs blocks only) on the first banking day of April, followed by 8% three working days prior to pay day in May and for the following ten months. The advances will be paid directly into the schools' bank account. Schools that opt to purchase the Local Authority's payroll service must make arrangements to pay the monthly salary costs back to the Local Authority on the day salaries are paid each month.

Payments will be in line with the schedule of payments the Local Authority receives from the Education Funding Agency (EFA).

In-year revisions to the budget share will take full effect in the first advance payment following each revision. Early Years block funding will be revised on a termly basis, High Needs top-up revisions are made on a half termly basis, Schools block funding may be revised in July and January with changes to Business Rates and also at the point of any permanent exclusions.

3.3 Interest clawback

Schools receiving monthly advances of their budget share will incur no interest charge from the Local Authority.

3.3.1 Interest on late budget share payments

The Local Authority is required to add interest to late payments of budget share instalments, where such late payment is the result of Local Authority error or where the final revision to budget share takes place in the following financial year. The current interest rate determined by the Local Authority is applied, which is based on the average investment rate achieved by the Local Authority during the year in question.

3.4 Budget shares for closing schools

In the year in which a school closes funding will be made available on a monthly basis determined by the Chief Financial Officer in consultation with the Director of Children, Young People and Families.

3.5 Suspension of Financial Delegation

A Local Authority may suspend the right of a school to a delegated budget if the provisions of this Scheme are substantially or persistently breached or if the budget share has not been managed satisfactorily or if a school is due to close within a year.

If the Governing Body of a bank account school has had its right to a delegated budget suspended, the bank account facility may also be suspended and the school may be required to use the Local Authority's accounting systems and banking arrangements.

The Local Authority may suspend delegation by giving at least one month's written notice to the Headteacher and Governing Body of the school. In an emergency situation the Local Authority can suspend delegation immediately with a written notice from the Secretary of State. Schools have a right of appeal to the Secretary of State.

3.6 Bank and building society accounts

Under the Scheme of delegation all schools are permitted to have bank accounts into which their budget share instalments are paid. Interest earned on school bank accounts will be retained by the schools.

Where a school opens an external bank account the Local Authority must, if the school desires, transfer immediately to the account an amount agreed by both school and Local Authority as the estimated surplus balance held by the Local 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.

Arrangements are only made for schools to begin operating a bank account from the beginning of a financial year (1st April). The Chief Financial Officer must be notified of the schools intention to become a bank account school at least four months (by 30th November) prior to the beginning of the financial year.

Schools must provide the following by the deadline in order for their application to be considered:-

- A letter signed by the Head and/or Chair of Governors confirming the school's intention to operate a bank account.
- A copy of the Governing Body minutes which clearly show that Governors discussed the matter and approved the decision to operate a bank account.
- A copy of the school's latest four year projections which must clearly show the forecast financial position of the school at the end of the current and three subsequent financial years.

Schools are required to meet the following conditions before they will be able to begin operating a bank account:-

- A surplus of at least 5% of budget share or £30,000, whichever is the lower, must be projected at the end of the current financial year. A projected balance below this level will result in an application being declined.
- The above condition should also be met for the subsequent three financial years. Where this is not evident, an application will only be accepted if reassurances are provided to explain how the school will manage their cash flow and look to improve their financial position; these reassurances must be considered satisfactory by the LA in order for the application to be progressed.

If a school's application is accepted but:-

- the actual year-end outturn position that materialises is below the 5% or £30,000 level, but is still in surplus, then the school can operate the bank account but the LA will closely monitor the cash flow situation.
- the actual year-end outturn position that materialises is a deficit, then the school can continue to operate the bank account but must apply to the LA for a loan, as per the Regulations, to the value of the deficit and repay this as soon as possible, or over the period of the recovery plan if the school has a licensed deficit.

3.6.1 Restrictions on accounts

Schools are able to choose their own bank from the following list of financial institutions approved by the Chief Financial Officer. The list has been updated to show specific core banks, as from January 2019 the largest UK banks must separate core retail banking from investment banking. The approved list is consistent with the Local Authority's Treasury Management policy.

HSBC UK	Bank of Scotland PLC
Barclays Bank UK PLC	Nationwide
Santander UK PLC	National Westminster Bank
RBS	Lloyds Bank PLC

Schools having bank accounts with other banks prior to 1st April 2016 are allowed to retain those accounts.

A school closing one bank account and opening another must choose a bank from the list even if the closed account was with a bank not on the above list.

A school wishing to use any other financial institution is required to obtain the express approval, in writing, of the Chief Financial Officer.

Bank accounts into which budget shares are paid should be in the name of the school, not the Local Authority. The account mandate should provide that the Local Authority is the owner of the funds in the account, are entitled to receive statements and can take control of the account if the schools right to a delegated budget is withdrawn.

Budget share funds paid by the Local Authority and held in school accounts remain the Local Authority's property until spent (s.49(5) of the Act).

The Local Authority must be informed by new bank account schools of the bank used, account numbers and authorised signatories for all accounts. Any changes to banks or signatories should also be notified in due course by all bank account schools.

3.7 Borrowing by schools

Governing Bodies may borrow money (including the use of finance leases) only with the written permission of the Secretary of State.

The introduction of IFRS16 for local authorities from 1 April 2024 ends the distinction between operating and finance leases at maintained schools for accounting purposes. Under the Education Act 2002, all leases will be classed as borrowing and will require the Secretary of State for Education's consent.

The Secretary of State has, however, agreed to provide blanket consent to a range of the most common leasing activities, as set out in the [IFRS16 Maintained Schools Finance Lease Class Consent 2024](#). Leases not included in this Order will still require the written consent of the Secretary of State, and it remains the general position that schools will only be granted permission for other types of borrowing in exceptional circumstances. From time to time, however, the Secretary of State may introduce limited schemes to meet broader policy objectives. Schools are permitted to use any such scheme without obtaining specific approval.

Schools must not allow under any circumstances for an account to become overdrawn or to arrange an overdraft facility or to take any other form of credit. However, Credit/Purchase cards are permissible so long as the school has informed the Local Authority of its intention to use such a facility, however, no interest charges should be incurred by the school, with balances fully cleared on a monthly basis.

This restriction does not apply to Trustees and Foundations, whose borrowing, as private bodies, makes no impact on Government accounts.

To be unambiguous, all schools, including trust/foundation and voluntary aided/controlled schools, cannot borrow funds without the Secretary of State's approval. This would apply even if the loan came from a Diocese when interest is charged. Only a separate organisation, such as trustees or a charity group/foundation, could borrow funds using their own accounts for the benefit of a school, but even then, could not use the school's budget to service the loan.

Governing Bodies do not act as agents of the Local Authority when repaying loans.

This provision does not apply to loan schemes run by the Local Authority.

Where a bank account school encounters short-term cash-flow difficulties an application for a short-term loan can be made to the Local Authority. This loan is in actuality an advance of the school's future budget share. A daily interest rate will be charged by the Local Authority for any loan, which will be determined by the average investment rate achieved by the Local Authority during the year in question.

The loan advance and interest will be recovered from a future monthly advance. Details of the application procedure and the repayment terms can be found in the School Financial Regulations (Section 4).

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

4.1 Right to carry forward surplus balances

Any under spends on a school's budget share will accrue to the school and will be added to any balance brought forward from a previous year. Where a new bank account starts from April an estimated carry forward figure (agreed between the school and the Local Authority) will be paid to the school on 1st banking day in April and adjusted once the final figures are known.

4.2 Controls on Surplus Balances

DfE guidance states that this Scheme may contain a mechanism to claw-back excess surplus balances. Such a control is no longer a mandatory requirement.

There is no Control on Surplus Balances mechanism in Doncaster. This means that no claw-back on excessive balances is permitted and the submission of evidence to justify surplus balances is not required.

It is the responsibility of the Governing Body however to ensure that the delegated budget is used to support the education of its pupils. As such, the Head Teacher should bring any likely surplus balances to the attention of the Governing Body so that the use of these funds can be planned for and used in a constructive manner. Any such discussions and decisions made in relation to the use of surplus balances should be minuted.

The Local Authority in conjunction with the Schools Forum will however have the right to enquire about the surplus balance of a school, especially where the Local Authority has specific concerns regarding school performance. Any discussion with a school would however take place in an informal manner.

4.3 Interest on surplus balances

Interest will be paid on surplus balances held by the Local Authority; the calculation of such interest will be based on:

Individual school's opening balances + closing balance / 2 x interest rate determined by the Local Authority in accordance with the Schools' Financial Regulations.

4.4 Obligation to carry forward deficit balances

A school's deficit balance against budget share from a previous year will be carried forward and deducted from the school's budget share for the following year.

4.5 Planning for deficit budgets

Schools must submit a recovery plan to the local authority when their revenue deficit rises above 5% of the school budget share or £30,000, whichever is the lower, at 31 March of any year.

A schedule of repayments will be required from primary and special schools and PRUs to show how the deficit will be repaid within 3 years, as per 4.9 (Licensed Deficits). In exceptional circumstances and only with the written agreement of the Director of Children, Young People and Families and the Chief Financial Officer, the repayment period may be extended to five years. A planned deficit budget must be approved by the Chief Financial Officer; if the planned deficit meets the conditions detailed in 4.9, a plan must be submitted as per this section.

For deficit balances below these limits a budget should be set and approved by the Governing Body and submitted to the Local Authority as prescribed in the School Financial Regulations, demonstrating how the deficit will be managed going forward.

4.6 Charging of interest on deficit balances

Interest will be charged on deficit balances; the calculation of such interest will be based on:

Individual school's opening balances + closing balance / 2 x interest rate determined by the Local Authority in accordance with the Schools' Financial Regulations.

4.7 Writing off deficits

The Local Authority is not allowed to write off the deficit balance of any school.

The Local Authority can allocate a cash sum from its Dedicated Schools Grant to give assistance towards elimination of a deficit balance. However, this must be done from a centrally held budget specified for the purpose of expenditure on special schools and PRUs in financial difficulty or, in respect of mainstream schools, from a de-delegated contingency budget where this has been agreed by Schools Forum.

4.8 Balances of closing and replacement schools

When a school closes, any balance (surplus or deficit) will revert to the Local Authority. It will only transfer as a balance to another school:

- Where a school converts to academy status under section 4(1)(a) of the Academies Act 2010, then a surplus balance transfers to the academy;
- Where a school's age range is expanded, or a new school is established, as a result of the closure of another school, any surplus balance of the closing school will transfer to the successor or expanded school.

A deficit balance under any of the circumstances above would remain with the LA except where it relates to a school converting to academy status which will not be a sponsored academy, in which case the DfE will reimburse the Local Authority and claim the deficit back from the academy.

4.9 Licensed deficits

The Scheme approves an arrangement whereby schools, which have no deficit at the 31st March, are allowed to plan for a deficit subject to the following: -

- a any licensed deficit will need to be repaid within three financial years;
- b the minimum size of deficit requiring approval is 5% of a school's budget share or £30,000, whichever is the lower. This applies to primary and special schools and PRUs.
- c the maximum proportion of the total school balances held by the Local Authority which will be used to support the scheme is 25%.
- d the approval of both the Director of Children, Young People and Families and the Chief Financial Officer is required for any arrangement with individual schools for licensed deficits.
- e schools' with a deficit budget must submit a recovery plan to the Local Authority showing how they intend to bring the budget back into balance within a three year period or less. The Headteacher and Chair of Governors must sign the plan.

5 INCOME

5.1 Income from lettings

Schools are allowed to keep income from lettings of school premises and use it as they wish, subject to alternative provisions arising from any joint use or PFI/PPP agreements. For the joint use of Local Authority owned property, schools must consult with Assets & Property services on how to approach joint use to ensure suitable safeguards for the school and the Local Authority in the future. Schools are allowed to cross-subsidise lettings for community and voluntary use with income from other lettings provided the Governing Body is satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the Education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement. Schools whose premises belong to the Local Authority are required to comply with any directions issued by the Local Authority as to the use of the premises. All other schools should have regard for the Local Authority's limited powers to issue direction as to the use of premises. Income must be paid in against the budget share and not into voluntary or private funds held by the school. However, where land is held by a charitable trust, it will be for the school's trustees to determine the use of any income generated by the land.

5.2 Income from fees and charges

Schools are allowed to keep income from fees and charges unless the service has been provided from centrally held funds. Income from boarding charges is collected on behalf of the Local Authority and should not exceed that needed to provide board and lodging for the pupils concerned. Schools should take account of any policy statements issued by the Local Authority with regards to charging (see Annex D). Any income must be paid in against the budget share not into voluntary or private funds held by the school.

5.3 Income from fund raising activities

Schools are allowed to keep income from fund raising activities.

5.4 Income from the sale of assets

Schools are allowed to keep income from the sale of assets unless they were purchased from non-delegated funds (in which case the proceeds would default to the Local Authority). The school may not keep income from the sale of land and buildings forming part of the school premises that are owned by the Local Authority. Sale of assets acquired under Grant Aided projects may result in the repayment of grant.

5.5 Administrative procedures for the collection of income

The Headteacher is responsible to the Governing Body for the collection and accounting of all income due to the school, and should do so within the framework detailed in the School's Financial Regulations.

Schools are also required to comply with all relevant legislation relating to income, specifically VAT, again detailed guidance is provided in the School's Financial Regulations.

5.6 Purposes for which income may be used

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

6 THE CHARGING OF SCHOOL BUDGET SHARES

6.1 General provision

The Local Authority will only make a charge against a school's budget share, without the consent of the Governing Body, in accordance with the Scheme as detailed in 6.2 below. Schools will be consulted on the intention to charge and will be notified when it has taken place.

6.1.2 Local Authorities may de-delegate funding for permitted services without the express permission of the Governing Body, provided this has been approved by the appropriate phase representatives of the Schools Forum.

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

6.2 Circumstances in which charges may be made

6.2.1 Where premature retirement costs have been incurred without the prior written agreement of the Local Authority to bear such costs (the amount chargeable being only the excess over any amount agreed by the Local Authority).

6.2.2 Other expenditure incurred to secure resignations where there is good reason to charge this to the school (see 11.13).

6.2.3 Awards by courts and industrial tribunals against the Local Authority, or out of court settlements, arising from action or inaction by the Governing Body contrary to the Local Authority's advice.

6.2.4 Expenditure by the Local Authority in carrying out health and safety work or capital expenditure for which the Local Authority is liable where funds have been delegated to the Governing Body for such work, but the Governing Body has failed to carry out the required work.

6.2.5 Expenditure by the Local Authority incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the Local Authority or the school has voluntary controlled status.

6.2.6 Expenditure incurred by the Local Authority in insuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the Local Authority.

- 6.2.7 Recovery of monies due from a school for services provided to the school, where a dispute over the monies due has been referred to a disputes procedure set out in a service level agreement and the result is that monies are owed by the school to the Local Authority. Monies will also be recovered where a Local Authority debt has not been settled within a reasonable timeframe and there is clear evidence that the Local Authority has provided a service to the school.
- 6.2.8 Recovery of penalties imposed on the Local Authority by the Board of Inland Revenue, the Contributions Agency, HM Revenue and Customs,, Teachers Pensions, the Environment Agency or regulatory authorities as a result of school negligence.
- 6.2.9 Correction of Local Authority errors in calculating charges to a budget share (e.g. pension deductions).
- 6.2.10 Additional transport costs incurred by the Local Authority arising from decisions by 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.
- 6.2.11 Legal costs which are incurred by the Local Authority because the Governing Body did not accept the advice of the Local Authority (see also section 11).
- 6.2.12 Costs of necessary health and safety training for staff employed by the Local Authority, where funding for training had been delegated but the necessary training is not carried out.
- 6.2.13 Compensation paid to a lender where a school enters into a contract for borrowing beyond its legal powers, and the contract is of no effect.
- 6.2.14 Interest charged by small businesses for late payment of debts.
- 6.2.15 Contractual Liability included in School Financial Regulations. Any contractual liability as a result of schools failing to protect the Local Authority's interest as per Schools Financial Regulation (4.45).
- 6.2.16 Failure to comply with data protection legislation.
- 6.2.17 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 Local Authority's compliance with its statutory obligations.
- 6.2.18 Costs incurred by the Local Authority in securing provision specified in an Education, Health and Care Plan (EHCP) where the Governing Body of a school fails to secure such provision despite the delegation of funds in respect of low cost, high incidence SEN and/or specific funding for a pupil with High Needs.
- 6.2.19 Costs incurred by the Local Authority due to submission by the school of late or incorrect data.
- 6.2.20 Recovery of amounts spent from specific grants on ineligible purposes.

- 6.2.21 Costs incurred by the Local Authority as a result of the Governing Body being in breach of the terms of a contract.
- 6.2.22 Costs incurred by the Local Authority or another school as a result of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster.
- 6.2.23 Costs incurred by the Local Authority in administering admissions appeals (applies where the Local Authority is the admissions authority and the funding for admission appeals has been delegated to all schools via the funding formula).

7 TAXATION

7.1 Value Added Tax (VAT)

Bank account schools are required to submit such returns as are deemed necessary by the Chief Financial Officer in order to reclaim VAT on non-business activity expenditure. Income reclaimed is credited back to the school's bank account. This is subject to separate detailed guidance in the Schools Financial Regulations.

VAT can only be reclaimed from transactions against the budget share and not from voluntary/private school funds. Retention of invoices and other records relating to VAT claims must be held at each school as per School Financial Regulation (4.43).

For purchases by Governors of voluntary aided schools, the Local Authority is only able to claim refunds of VAT under section 33 of the VAT Act 1994 on purchases relating to the statutory responsibilities of the Local Authority. This excludes expenditure by the Governing Body on capital work and external repairs to school buildings, which are its own responsibility.

7.2 Construction Industry (Taxation) Scheme (CIS)

Schools are required to abide by procedures issued by the Local Authority in connection with the CIS.

Following negotiations between industry and H.M.R.C, a major change was agreed for Local Authority schools with delegated budgets, which came into effect from 6th April 2007. The exemption means that where a contract is between a school/Governing Body and a subcontractor (i.e. not with the Local Authority), CIS reporting is not required. Therefore, where the above applies, bank account schools will be able to pay the subcontractor direct and will no longer have to report these invoices, or send payments for labour tax, to the Chief Financial Officer, and all other schools will no longer have to complete the CIS field on creditor coding slips.

Where expenditure has been incurred from a Local Authority held budget that has not been devolved to schools, payment must be made by the Local Authority, and details will be included in the CIS return submitted to H.M.R.C.

7.3 General

Schools will be required to bear the cost of any penalties incurred by the Local Authority for their failure to comply with Inland Revenue and H.M.R.C requirements relating to employee taxation, National Insurance and VAT.

8 THE PROVISION OF SERVICES AND FACILITIES BY THE LOCAL AUTHORITY

8.1 Provision of services from centrally retained budgets

The Local Authority determines on what basis services from centrally retained funds are provided for schools, including existing Premature Retirement and Redundancy Payments.

The Local Authority does not discriminate in the provision of services on the basis of categories of schools except where funding has been delegated to some schools only or is permitted under the School and Early Years Finance Regulations or the dedicated schools grant conditions of grant.

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

The Local Authority will offer a range of services each year, which schools can purchase from their delegated budget. The full specification for these traded services, along with prices and package options can be found on the [Buy Doncaster](#) website. Packages are updated and online by mid January each year. Contracts for services will usually be for one year, though can be purchased for a longer period.

When a service is provided for which expenditure is not retainable centrally by the Local Authority under the Regulations made under section 45A of the Act, it must be offered at prices which are intended to generate income which is no less than the cost of providing those services. The total cost of the service must be met by the total income, even if schools are charged differentially.

Centrally arranged premises and liability insurance is excluded from this provision of the Scheme as the limitations may be impracticable for such arrangements.

8.2.1 Packaging

Any service, which the Local Authority offers on a buy back basis, is offered in such a way as does not unreasonably restrict schools' freedom of choice among the services available, and where practicable, this includes provision on a service-by-service basis as well as in packages of services.

8.3 Service level agreements

Service level agreements must be in place by 31st March to be effective for the following financial year. Schools have one month to consider the terms of the agreement.

8.3.1 Any service level agreement, which lasts more than 3 years, will be subject to review after 3 years. Services will be offered both on the extension of any existing agreement or on an ad hoc basis.

8.3.2 A service level agreement will detail the billing arrangements for the bought back service. Such arrangements will vary dependant on the service, but are commonly charged on a per quarter, per term or annual basis.

8.4 Teachers' Pensions

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

The conditions only apply to Governing Bodies of schools who have not entered into an arrangement with the Local Authority to provide payroll services.

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

9 Public Finance Initiative (PFI)/Private Public Partnerships (PPP)

The Local Authority may issue regulations from time to time relating to PFI/PPP projects. The regulations could deal with the reaching of agreements with the Governing Bodies of schools as to the basis of such charges; and the treatment of monies withheld from contractors due to poor performance.

The Local Authority has the power to charge to the school's (entering into the PFI/PPP contract) budget share amounts agreed under a PFI/PPP agreement entered into by the Governing Body of the school.

In the absence of an agreement on charging the school for PFI service provision, the Local Authority may charge the school's delegated budget to reflect the PFI arrangement.

10 INSURANCE

10.1 Insurance cover

Where funds for insurance are delegated to a school or where a school opts not to buy back insurance from the Local Authority, the Local Authority will require the school to demonstrate that the Local Authority's insurable interests have been covered, under a policy arranged by the Governing Body, at least to the minimum level which the Local Authority would arrange itself. The cost of any shortfall will be charged to schools in accordance with the provision in the Scheme.

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

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

Instead of taking out insurance, a school may join the Secretary of State's Risk Protection Arrangement (RPA) for risks that are covered by the RPA. Schools may do this individually when any insurance contract of which they are part expires. All primary maintained schools can join the RPA collectively by agreeing through the schools forum to de-delegate funding.

11 MISCELLANEOUS

11.1 Right of access to information

Governing Bodies are required to supply all financial and other information as is reasonably required to enable the Local Authority to satisfy itself as to the school's management of its delegated budget share, or the use made of any central expenditure of the Local Authority (i.e. earmarked funds) on the school.

The keeping of accounts, financial records and prime documents should be kept in a suitably secure place and condition for such periods of time as specified in the School Financial Regulations (4.43).

Schools must not mix official funds (budget share and all monies due to/from the Local Authority) with private/voluntary school funds. These should be kept and accounted for separately at all times.

11.2 Liability of Governors

Due to the Governing Body being a corporate body, and because of the terms of s.50(7) of the Act, Governors of schools will not incur personal liability in the exercise of their power to spend a school's delegated budget share provided they act in good faith.

An example of behaviour which is not in good faith is the carrying out of fraudulent acts. Breaches of the Scheme or rejection of Local Authority advice as to financial management are not in themselves failures to act in good faith.

11.3 Governors' expenses

Schools are expressly forbidden to pay expenses to Governors from the school's budget share other than those specified in Regulations under section 19 of the Education Act 2002. Schools are also barred from payment of expenses that duplicate those paid by the Secretary of State to additional Governors appointed by them to schools under special measures. The Local Authority has the power to delegate to the Governing Body of a school yet to receive a delegated budget, funds to meet Governors' expenses. Governing Bodies will not have discretion in the amounts of such allowances; the Local Authority will set these.

11.4 Responsibility for legal costs

The cost of legal actions incurred by the Governing Body are the responsibility of the Local Authority as part of the cost of maintaining the school, unless they relate to the statutory responsibility of voluntary aided school Governors for buildings. However, if the Governing Body does not act in accordance with the Local Authority's advice, any legal costs incurred in an action (including costs awarded against the Local Authority) may be charged to the school's budget share.

Schools are free to obtain independent legal advice, particularly where there is a conflict of interest with the Local Authority. The cost of such advice must be paid for from the school's budget share.

11.5 Health and Safety

Governing Bodies are required to have due regard to the duties placed on the Local Authority in relation to health and safety, in expending the school's budget share and to the Local Authority's policy on Health and Safety (Annex C) matters in the management of the budget share.

11.6 Right of attendance for Chief Financial Officer

The Chief Financial Officer, or any officer of the Local Authority nominated by the Chief Financial Officer, shall be permitted to attend meetings of Governing Bodies at which any agenda items relevant to his/her responsibilities on issues of probity and overall financial management are to be discussed. This is to enable the Chief Financial Officer to discharge his/her obligations. The Local Authority shall give prior notice of such attendance unless it is impractical to do so.

11.7 Delegation to new schools

The Local Authority may delegate selectively and optionally to the Governing Bodies of new schools prior to them receiving their full budget share when the school opens.

11.8 Special Educational Needs

Schools are required to use their best endeavours in spending the budget share to secure the Special Education Needs of their Pupils. If this does not occur, delegation could be suspended, though this would only happen where the severity was great enough to warrant it (wouldn't normally relate to an individual pupil).

11.9 Interest on late payments

Schools are reminded of the obligation under the Late Payment of Commercial Debts (Interest) Act 1998 to pay invoices within agreed credit periods, or 30 days where no specific period has been agreed, to avoid penal interest charges for late payment.

11.10 Whistleblowing

The procedure for a person working at a school or a Governor who wish to complain about financial management or financial propriety at the school without prejudice to their personal position, should raise their concerns with the Chief Financial Officer.

Further information may be obtained from the detailed policy that the Local Authority has produced.

11.11 Child Protection

There is a need to release staff to attend child protection case conferences and other related events, however the Local Authority does not make any payments to schools in these circumstances in order to meet costs.

11.12 Gifts and Hospitality

The Local Authority issues guidelines to members with regards to gifts and hospitality. An extract can be found in the School Financial Regulations, which all school staff and Governors should consider.

Use of school budget for provision of gifts/hospitality to staff should be limited to where the Head approves purchase of a gift for member of staff for work related activities and where refreshments are provided to staff incidental to a meeting, visit, conference or training etc. for school purposes. Each school's Governing Body should ideally set a limit for such individual transactions. Under no circumstances should alcohol be purchased using a school's budget share; neither is it permissible to purchase alcohol through a school's Voluntary/Private Fund unless explicitly allowed by the Fund's mission statement.

The following points should also be adhered to: -

- A member of school staff must not accept a monetary fee or reward for carrying out responsibilities under their terms of employment, other than his/her proper remuneration.
- A Governor or member of school staff must not give, offer or receive any gift or other personal inducement in order to influence the school's activities.
- A Governor or member of school staff must not subordinate his/her duty to the Local Authority and school to his/her private interests or put himself/herself in a position where his/her duty and private interest conflict.

11.13 Redundancy/Early Retirement costs

11.13.1 The 2002 Education Act sets out how premature retirement and redundancy costs should normally be funded. In Doncaster, any costs relating to either premature retirement or redundancy will be charged to the delegated budget of the relevant school.

11.13.2 An example of where this policy may not apply would be a school re-organisation. In this instance a charge to the Local Authority budget may be more appropriate. A re-organisation involving the closure of a number of schools would be likely to result in savings because there would be a reduced amount being allocated through the funding formula for factors such as basic lump sum amounts to all schools. If the ongoing costs of the VER/redundancy exceeded the savings in the formula, then this would qualify.

11.13.3 Costs of early retirements or redundancies may only be charged to the central part of the Schools Budget (DSG) where the expenditure is to be incurred as a result of decisions made before 1st April 2013. Costs may not exceed the amount budgeted in the previous financial year. A de-delegated contingency budget could be provided, if Schools Forum agreed, to support individual schools where "a Governing Body had incurred expenditure which it would be unreasonable to expect them to meet from the school's budget share".

11.13.4 For staff employed under the community facilities power, the default position is that any costs must be met by the Governing Body, and can be funded from the school's delegated budget if the Governing Body is satisfied that this will not interfere to a significant extent with the performance of any duties imposed on

them by the Education Acts, including the requirement to conduct the school with a view to prompting high standards of educational achievement. Section 37 now states: -

“(7) Where a Local Education Authority incurs costs –

- a) In respect of any premature retirement of any member of the staff of a school who is employed for community purposes, or
- b) In respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a school who is employed for those purposes, they shall recover those costs from the Governing Body except in so far as the Local Authority agree with the Governing Body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable.

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

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

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

12 RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

The Local Authority and school's responsibilities for repairs and maintenance are set out in Annex B. Governing Bodies are responsible for all those items in the column "revenue: repairs and maintenance". The split is based on the definition of capital used by the Local Authority for financial accounting purposes in line with the CIPFA Code of Practice on Local Authority accounting. For consistency the Local Authority responsibility has been categorised as 'major' works and the school's responsibility 'minor' works. However this does not limit the scale or value of work that can be carried out by an individual school through a combination of funding streams. Schools should use their allocation of Devolved Formula Capital (DFC) for projects in the Capital column.

The Local Authority will identify and prioritise capital projects, within the funding available, which will be included in the Asset Management Plan.

13 COMMUNITY FACILITIES POWER

13.1 Introduction

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

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

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

This amendment extended the coverage of schemes to include the exercise of the powers of Governing Bodies to provide community facilities.

Schools are therefore subject to any prohibitions, restrictions and limitations contained within this Scheme. This section of the Scheme does not extend to joint use agreements, transfer of control agreements, or agreements between the Local Authority and schools to secure the provision of adult and community learning.

Section 4 of the Children, Schools & Families Act 2010 enables schools to use their delegated budgets for community facilities. This Act took effect from 1st April 2011. Though the Act does allow for regulations to be produced, restricting the scope of spending, the DfE does not intend to introduce any at this stage, but could reconsider in future years. The current prohibition on using their community facilities power if this would interfere with their primary focus of raising standards still exists however. The Governing Body of a school will also be required to, at least once per school year, consider whether, and if so how, they should exercise the community facilities power.

13.2 Consultation with the Local Authority – Financial Aspects

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

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

13.3 Funding Agreements – Local Authority Powers

If the provision of community facilities is dependent upon the conclusion of a funding agreement with a third party, details of any such proposed agreement, including, the terms and conditions; match funding arrangements; and any audit requirements, should be submitted to the Chief Financial Officer for his/her comments as part of its proposal. The Local Authority may not impose a right of veto over a school entering into such agreements directly or by requiring any agreement to be countersigned.

Schools are advised to seek legal advice before entering into any such agreement.

If agreement has been or is to be concluded against the wishes of the Local Authority, or has been concluded without informing the Chief Financial Officer, which in the view of the Local Authority is seriously prejudicial to the interests of the school or the Local Authority, that may constitute grounds for suspension of the right to a delegated budget.

13.4 Other Prohibitions, Restrictions and Limitations

If the Local Authority has good reason to believe that a proposed project carries significant financial risks it may require that the Governing Body shall make arrangements to protect the financial interests of the Local Authority by either carrying out the activity concerned through the vehicle of a limited company formed for the purpose, or by obtaining indemnity insurance for risks associated with the project in question, as specified by the Local Authority.

The Local Authority does not intend to impose any further specific restrictions on schools with regard to this provision but would expect Governing Bodies to be aware of the need to safeguard the financial position of the Local Authority or school and to protect pupil welfare or education as well as the sensitivities and needs of the community in exercising this power.

13.5 Supply of Financial Information

Schools which exercise the community facilities power will be required to provide the Local 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.

The Chief Financial Officer, on giving notice to a school that it 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, reserves the right to require such financial statements to be supplied more regularly and, if the Local Authority sees fit, to require the submission of a recovery plan for the activity in question.

13.6 Audit

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

Any funding agreements with other persons pursuant to the exercise of the community facilities power, must contain adequate provision for access by the Local Authority or its representatives 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 Local Authority to satisfy itself as to the propriety of expenditure on the facilities in question.

13.7 Treatment of Income and Surpluses

All net income derived from community facilities except where otherwise agreed with a funding provider, whether that be the Local Authority or some other person, may be retained by the school. The school may carry such retained net income over from one financial year to the next as a separate community facilities surplus or, subject to the agreement of the Local Authority at the end of each financial year, transfer all or part of it to the budget share balance.

If the activity results in a deficit this must be charged against any accumulated community facilities surplus previously generated by the school. However, the school should ensure a charging policy is in place to ensure the cost of providing community facilities is covered by the income received.

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

If the Local Authority incurs any third party liabilities as a result of a Governing Body using its community facilities power it reserves the right to charge the cost against any accumulated community facilities surplus by the school.

13.8 Health and Safety Matters

The health and safety provisions as set out in paragraph 11.5 of the Scheme apply equally in regard to the community facilities power.

The Governing Body will be responsible for meeting the costs of securing Disclosure and Barring Service 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.

13.9 Insurance

It is the responsibility of the Governing Body to make adequate arrangements for insurance against risks arising from the exercise of the community facilities power.

Any school proposing to provide community facilities should, as an integral part of its plans, undertake an assessment of the insurance implications and costs, seeking professional advice if necessary. The school must seek the advice of the Local Authority's Insurance manager before finalising any insurance arrangement for community facilities.

The Local Authority reserves the right to 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.

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

13.10 Taxation

Schools should seek advice from the Local Authority on any issues relating to the possible imposition of Value Added Tax on income or expenditure in connection with community facilities, including the use of the Local Authority VAT reclaim facility.

If any member of staff employed by the school or Local Authority in connection with community facilities at the school is paid from funds held in a school's own bank account, the school is likely to be held liable for payment of income tax and National Insurance, in line with Inland Revenue rules.

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

13.11 Banking

Schools can maintain separate accounts from the School Budget Share for income and expenditure in connection with the community facilities power.

If a school wishes to maintain a separate bank account for these funds then the requirements set out in section 3 of the Scheme will apply, save that, where a bank account is set up specifically for community facilities, the account mandate should not imply that the Local Authority is the owner of the funds in the account except insofar as those funds have been provided by the Local Authority itself.

It is recommended by the Local Authority that only one account is held, and that there must be sufficient internal accounting controls to maintain separation of funds.

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

ANNEX A

PRIMARY SCHOOLS

Arksey Primary School
Bawtry Mayflower Primary School
Bentley New Village Primary School
Hayfield Lane Primary School
Kirkby Avenue Primary School
Long Toft Primary School
Mallard Primary School
Mexborough Windhill Primary School
Park Primary School
Scawsby Saltersgate Infant School

PRIMARY SCHOOLS

Scawthorpe Sunnyfields Primary School
Sprotbrough Copley Junior School
Sprotbrough Orchard Infant School
Stainforth Kirton Lane Primary School
Thorne King Edward Primary School
Tickhill Estfeld Primary School
Toll Bar Primary School
Wadworth Primary School
Warmsworth Primary School

VOLUNTARY AIDED PRIMARY SCHOOLS

Branton St Wilfrid's C of E Primary School
Our Lady of Perpetual Help Catholic Primary School
St Francis Xavier Catholic Primary School

VOLUNTARY AIDED PRIMARY SCHOOLS

St Joseph & St Teresa's Catholic Primary School
St Mary's Catholic Primary School
Tickhill St Mary's C of E Primary School

SPECIAL SCHOOLS

Stone Hill School

PUPIL REFERRAL UNITS

The Levett School
Maple Medical

Please note that any school converting to an academy will be bound by the terms of this Scheme until the actual date of academy conversion.

ANNEX B

ELEMENT	CAPITAL: AS CIPFA CODE OF PRACTICE	REVENUE: REPAIRS & MAINTENANCE
ROOFS		
Flat	Structure. New (not replacement) structure Structure. Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure Screed / insulation in a new building/extension Screed / insulation. Replacement/repair of substantially all. Improve effectiveness of insulation Finish on new build. Replacement of all/substantially all on existing roof Edge Trim/ Fascia on new build Edge Trim/ Fascia, Replacement of all/substantially all on existing roof Drainage (rainwater system) on new build Other e.g. Flashings, Roof lights on new build. Replacement of all/substantially all on existing roof	Repair/replacement of minor parts of an existing structure Replace minor areas of rotten or defective timber, make good minor areas of spalling concrete where reinforcing bars exposed Minor repair/replacement of screed/ insulation where defective. Work to improve insulation standards & effectiveness, during work to repair/ replace small areas of roof. Repair of roof finish on existing building. Re-coating chippings to improve life expectancy Repairs & repainting OR replacement with (uPVC). Repairs & repainting OR replacement with (uPVC). Clearing out gutters and down pipes. Replacement/repair/ repainting of/ individual gutters/pipes Repair or Replacement/ cleaning of individual items
Pitched	Structure. New (not replacement) structure Insulation in a new building/extension Insulation. Replacement /repair of substantially all. Improve insulation to current standards	Repair/replacement of minor parts of an existing structure Repair/replacement/ increasing thickness of insulation in an existing roof Improve insulation to current standards

	Roof finish in a new building/extension, replacement of all/substantially all on existing roof	Replace missing/ damaged minor parts
	Bargeboards/ Fascias in a new building/extension, replacement of all/substantially all on existing roof	Minor repairs/ replacement/ Repainting
	Drainage (Rainwater system) in a new building/extension	Clearing out gutters and down pipes. Replacement/repairs of individual pipes/gutters
	Drainage (Rainwater system) Replacement of all/substantially all on existing roof	Clearing out gutters and down pipes. Replacement/repairs of individual pipes/gutters
	Other e.g. Flashings, Roof windows in a new building/extension, replacement of all/substantially all on existing roof	Repair or Replacement/ cleaning of individual items
Other	Provide new covered link etc. between existing buildings	Minor repairs, maintenance to existing covered link
	Rebuild or substantially repair structure of existing covered link Add porch extension to existing building	Minor repairs, maintenance to existing covered link Minor repairs, maintenance to existing structure
FLOORS	Rebuild or substantially repair structure of existing porch	Minor repairs, maintenance to existing structure
<u>Ground Floor</u>	Structure and dpc in new building	Repair/replacement of minor 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	Repair/replacement of minor parts of an existing structure
	Screed and finish in new build. Replacement of all/substantially all (screed) on existing floor, include replacement of most carpets/ tiles in the room where necessary	Minor replacement and repair of screed and finishes. Replacement of Mats / matwells. Sand & seal wooden floors or renewal / installation of new floor finishes.
<u>Upper Floor</u>	Structure - as ground floor	As ground floor
	Screed and Finish - as ground floor	As ground floor
CEILINGS		
<u>Top / only storey</u>	New Build Ceiling finish & access panels	Minor repair/ replacement incl. From water damage & necessary decoration
<u>Lower storeys</u>	New Build Ceiling finish & access panels	Minor repair/ replacement incl. From water damage & necessary decoration
EXTERNAL WALLS		
<u>Masonry/ cladding</u>	Structure Underpinning/ propping for new build External Finish on new build	Minor repairs Preventive measures e.g. tree removal Repair/replacement of minor 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	Repair/replacement of minor parts of an existing structure. e.g. repointing / recladding a proportion of a wall where failure has occurred.
<u>Windows and Doors</u>	Framing - new build	Minor repair/ replacement of individual frames. Repainting frames

	Structure. Major replacement of all or substantial part of existing framing (include panel / glazing / ironmongery) to prevent imminent or correct actual major.	Minor repair/ replacement of panel / glazing / ironmongery individual windows. Repainting frames Improved security e.g upgrading locks
	Glazing - new build	Replacing broken glass
	Internal and external decorations to new build	Internal and external decoration to include cleaning down and preparation.
<u>Masonry Chimneys</u>	Major repair or rebuilding of chimneys including expansion joints & pointing	Minor repair/ re-pointing
INTERNAL WALLS		
Solid	Major repair or rebuilding of complete areas including various internal finishes, linings and decorations. To prevent imminent or correct actual major failure of the structure	Minor repairs including various internal finishes, linings and decorations. Refurbishment / change of use alterations.
Partitions	Major repair or rebuilding of complete areas including various internal finishes, linings and decorations. To prevent imminent or correct actual major failure of the structure	Minor repairs including various internal finishes, linings and decorations. Refurbishment / change of use alterations.
<u>Doors & Screens</u>	Major repair / replacement of Framing/ Screens/ Doors to including glazing, ironmongery, jointing and internal decorations	Minor repair/ replacement of individual defective doors and screens including glazing, ironmongery, jointing and decorations. Improved security e.g replace / upgrading locks

SANITARY SERVICES

Lavatories

In new buildings provision of all toilet fittings, waste plumbing and internal drainage.

Minor repair/ refurbishment / replacement of damaged sanitary ware, fittings, waste plumbing etc.

In new buildings
Provision of disabled facilities, and specialist facilities related to pupils with statements

Existing buildings
Provision of disabled facilities, and specialist facilities related to pupils with statements where allocated to school
Minor repair/ replacement of damaged fittings, waste plumbing etc.

Kitchens

Kitchens in new buildings complete with fittings, equipment, waste plumbing and internal drainage. Internal finishes and decorations.

Minor repairs / replacement work.

Statutory maintenance

Cleaning out drainage systems to point of exit / discharge to underground sewer

Major refurbishment

Minor refurbishment and redecoration

MECHANICAL SERVICES

Heating / hot water

Complete heating and hot water systems to new projects, including fuel, storage, controls, distribution, flues and chimneys.

General maintenance of all boiler house plant including replacement of defective parts and chimneys.
Regular cleaning.
Energy saving projects.
Statutory Maintenance & Inspection.

Replacement of old boiler/ controls systems past the end of their useful life and / or
Emergency replacement of failed boiler plant

General maintenance of all boiler house plant including replacement of defective parts.
Regular cleaning.
Energy saving projects.
Statutory Maintenance

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Cold water	Provision of cold water services, storage tanks, distribution, boosters in new projects	Maintenance and repair/ replacement of defective parts such as service pipes etc. Annual inspection of cold water tanks for statutory compliance.
Gas	Provision of gas services, & distribution, in new projects	Maintenance and repair/ replacement of defective parts meeting statutory requirements.
Ventilation	Mechanical ventilation/ air conditioning to new & major projects	Statutory inspection & maintenance. Provision of local ventilation. Repair/ replacement of defective systems and units. Statutory maintenance.
Other	New swimming pool plant and its complete installation, including heat recovery systems or major refurbishment project	Minor repair/ replacement of parts to plant, pumps and controls etc. Water treatment equipment and all distribution pipe work. Heat recovery systems. Solar heating plant and equipment. Statutory Maintenance
ELECTRICAL SERVICES		
General (Lighting & Power)	Main switchgear and distribution in major projects. Provision of luminaries and emergency lighting.	Testing / replacement of individual distribution boards. The repair and maintenance of all switchgear and interconnecting cables including temporary buildings. Replacement of luminaries & emergency lighting
Other	Major replacement of obsolete and dangerous wiring systems, including distribution boards. Statutory fixed wire testing.	Minor repairs / replacement & testing, earthing and bonding to meet Electricity at Work Regulations. All servicing. Replacement of luminaires
	Lightning protection in new build and / or major installation	Minor repair/ replacement of individual parts. Statutory inspections
	Alarm systems, CCTV, lifts / hoists etc on new buildings	Minor repair / replacement and maintenance of alarm systems, CCTV. lifts / hoists include statutory inspection
	New installation of communication systems, radio/ TV, call, telephone, data transmission, IT etc. in new build.	Minor repair/ replacement/ maintenance of communication systems, radio/ TV, call, telephone, data transmission, IT including all door access systems

EXTERNAL WORKS

Pavings	Provision of new roads, car parks, paths, court, terraces, play pitches, steps and handrails, as part of major new project, including disabled access	Maintenance and repair of car parks, paths, court, terraces, play pitches, steps and handrails. Car park and playground markings.
Miscellaneous	Provision of walls, fencing, gates and ancillary buildings as part of major new project	Maintenance and repair of all perimeter/ boundary / retaining walls, fencing and gates.
Drainage	Drains, soakaways, inspection chambers and sewage plant as part of new projects	Maintenance and repair of drains, gullies, grease traps and manholes between buildings and main sewers. Cleaning of the above and unblocking as necessary.
Open air pools	Structure, Hygiene/ safety in new build	Hygiene, cleaning, maintenance and repairs, including replacement parts. Simple energy saving systems. Statutory maintenance
<u>Services distribution</u>	Provision of: Heating mains gas mains water mains electricity mains, on new projects	Minor repair / replacement of heating mains, gas mains water mains, electricity mains meeting statutory requirements
Asbestos	Initial inspection survey of property to identify asbestos containing materials. Provision of site manual in accordance with The Control of Asbestos at Work Regulations 2006. Designated re-inspection. Removal required as part of major new build project.	Minor repair / replacement of damaged asbestos containing materials e.g. panels, insulation, pipe work, roofing etc In accordance with the 'The Control of Asbestos at Work Regulations 2006'

ANNEX C

HEALTH & SAFETY

The Local Authority (or the Governors of Foundation, Trust, Aided and Special Agreement Schools) retains the primary responsibility as employer, under sections 2 and 3 of the Health and Safety at Work Act 1974. Section 2 requires employers to ensure the health, safety and welfare of their employees. Section 3 places a similar duty with respect to pupils and members of the public.

The Local Authority has defined its Health and Safety Policy in a document, the Corporate Health & Safety Management System, which was sent to all establishments and this has been further defined by the Local Authority's Safety Policy Statement. The basic duties of the staff as outlined in the document remain unchanged by the new circumstances involving delegation to Governing Bodies in that they have a duty to take reasonable care for the health and safety of themselves and other persons who may be affected by their actions or omissions. Delegation of budgets, however, brings Governing Bodies more clearly into the health and safety structure. The 1974 Health and Safety at Work Act places duties on persons who have control of the premises or exercise any of the functions of an employer and clearly Governors of schools having delegated budgets fall into this category. Such Governing Bodies, along with the Local Authority and its employees, may be potentially liable under the Act. Appropriate modifications to the Local Authority's insurance policies have been made to recognise their changes. Under the system involving delegation of budgets it must be recognised that responsibility for health and safety matters will be shared between the Local Authority, its employees and school Governors. The specific responsibilities of Governors are outlined below.

RESPONSIBILITIES OF GOVERNING BODIES

Formerly Governing Bodies have had the responsibility to inspect the school premises and draw to the attention of the Local Authority any defects. This duty continues but for schools with delegated budgets, Governors will incur further responsibilities for the health and safety of staff, pupils and visitors for the specific areas for which they have budget responsibility. Governors should produce their own safety policy to supplement those of the Local Authority.

Governors, so far as is reasonably practicable, will be responsible for:-

- a. monitoring the need for non-structural maintenance in the school and authorising maintenance for which it has budget responsibility;
- b. advising the appropriate Local Authority departments of the structural defects that could adversely affect the health and safety of staff, pupils and the public;
- c. the safe condition, installation, storage and maintenance of all equipment at the school, and ensuring that such equipment can be used safely in the normal running of the school;
- d. ensuring that the premises, the means of access and exit, and any plant or substance on the premises, are safe and without risks to health;
- e. ensuring that safety rules concerning the use of premises and equipment, are displayed in appropriate locations within the school and are enforced;
- f. the adoption of safe working practices by staff and pupils, and by contractors when on site;
- g. acting to deal with potential hazards to health and safety, liaising where appropriate with representatives of the Local Authority and contracting organisation;

- h. Governing Bodies and staff should note that an Inspector from the Health and Safety Executive, Fire Service or the Health and Safety Officer from the Corporate Safety section can at any reasonable time, or immediately if there is a dangerous situation, enter premises, to carry out any relevant statutory requirement;
- i. ensuring that action is taken regarding defects in fire-fighting equipment reports by staff, Safety Officer or the Inspector from the Fire Service;
- j. allowing trade union safety representatives time off to undertake inspections and training in accordance with the Local Authority's local agreement, staff cover for which will be funded from central funds.

ANNEX D

CHARGING FOR SCHOOL ACTIVITIES

The following guidelines are issued in order to further assist heads and Governing Bodies in dealing with issues arising from both the new regulations and the Local Authority's policy.

1 CHARGING FOR SCHOOL ACTIVITIES

The Local Authority's policy with regard to charging is as follows but it should be noted that Boards of Governors for schools with delegated budgets may exercise their discretion with regard to charging for such activities as may be the subject of a charge and which are funded from the delegated budget:-

- a) Costs incurred for the board and lodging element of residential trips during school time are to be passed on to parents, subject to the remissions policy contained in Section 3 of these guidelines.
- b) Costs incurred for residential, or other visits held out of school time, which are regarded as "optional extras" are to be passed on to parents in full. When such visits are provided as a required part of the syllabus for a prescribed public examination, or required in relation to the National Curriculum or religious education, then only the board and lodging element may be passed on to parents subject to the remissions policy in Section 3.
- c) The cost of examination fees, where the examination preparation has not been carried out at school is to be charged to parents.
- d) Where, in the opinion of the Head and Governing Body, there are educational reasons for not entering a pupil for a particular examination, should the parent still wish to enter the pupil, then the fees are to be recovered.
- e) Examination fees may be recovered where the pupil fails to take the final examination, without good reason.
- f) Charges may be made for teaching either an individual pupil, or pupils in a group of up to four, to play a musical instrument, if the teaching is not an essential part of either the National Curriculum or a public examination syllabus being followed by the pupil.
- g) Parents may only be charged for, or asked to supply ingredients or materials for craft or home economics lessons when they have indicated, in advance, that they wish to own the finished product.

2 VOLUNTARY CONTRIBUTIONS

The cost of activities taking place in school time, where charges may not be made, may be provided through voluntary contributions from parents. Where a Governing Body is considering adopting a policy of seeking voluntary contributions from parents it is recommended that the following points be taken into account:

- a) Contributions from parents should only be considered where the schools own resources are known to be inadequate to meet the desired range and level of service to be offered to pupils. If the activity cannot be funded without voluntary contributions, the governing body or head teacher should make this clear to parents at the outset.
- b) Voluntary contributions for school visits can be sought from parents in receipt of benefits however the school should inform parents of the support available to them.

- c) No child should be excluded from an activity simply because his or her parents are unwilling or unable to pay. If insufficient voluntary contributions are raised to fund a visit, or the school cannot fund it from some other source, then it must be cancelled. Schools must ensure that they make this clear to parents.
- d) If a parent is unwilling or unable to pay, their child must still be given an equal chance to go on the visit. Schools should make it clear to parents at the outset what their policy for allocating places on school visits will be.
- e) Parents must not be made to feel pressurised into paying as it is voluntary and not compulsory. Schools should avoid sending colour coded letters to parents as a reminder to make payments and direct debit or standing order mandates should not be sent to parents when requesting contributions.
- f) Voluntary contributions should not be sought from parents in receipt of benefits for board and lodgings for residential trips in line with the remission policy in Section 3.

3 REMISSION OF CHARGES

The Local Authority's policy on the remission of charges is in accordance with the minimum required by the Act, as follows: -

Costs payable by parents for the board and lodging element of residential trips held during school time, or outside school hours in accordance with paragraph 1 b) of these guidelines, to be remitted where pupils are in receipt of benefits aligned with free school meals eligibility criteria.

Any Board of Governors for a school with a delegated budget may exercise its discretion in determining remissions, above the statutory minimum, for all activities funded from the delegated budget. The Local Authority, however, recommends that no remission above the statutory minimum should be given.

NOTES

Charges are, by definition, only those costs, which the Act allows to be charged to parents, and which the Local Authority, within the regulations, has decided should be passed on to parents. The Local Authority has decided to charge parents for certain activities, as indicated in Section 1, but the remission policy applies only to the board and lodging element of residential trips which qualify. No other charges are subject to the remissions policy.

4 ACTIVITIES ARRANGED BY A THIRD PARTY

The Department for Education and Employment Circular includes a reference, in paragraph 17, to the possibility of some outside organisation, a travel company, for example, arranging an activity and being responsible for the collection of costs directly from the parents. Such an arrangement would mean that neither the Local Authority's policies on charging or remission, nor the Act's requirements, would need to be met. The Local Authority would reserve the right to consider any proposals for visits to be arranged by a third party, which would entail approval for leave of absence for pupils and teaching/non-teaching staff involved. Should any Head wish to propose such an arrangement, full details would have to be submitted, through the Governing Body, to the Local Authority, for Committee approval or otherwise.