

# The Leeds Scheme for Financing Schools

Made under Section 48 of the  
School Standards and Framework  
Act 1998



Excellence in Learning

**Education Leeds** 

**School Funding & Initiatives Team**  
Prepared by Education Leeds on behalf of Leeds City Council

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## **SECTION 1: INTRODUCTION**

### **1.1 The Funding Framework**

This scheme “Leeds Scheme for Financing Schools” is the scheme made by Leeds City Council in accordance with Section 48 of the Schools Standards and Framework Act 1998. Throughout the scheme, the words ‘authority’ and ‘local authority’, and abbreviation ‘LA’ mean Leeds City Council. Any duties, responsibilities or powers of the City Council contained within this scheme may be transferred to and exercised by its appointed agent, Education Leeds Ltd.

### **THE FUNDING FRAMEWORK: MAIN FEATURES**

The funding framework which replaces Local Management of Schools is based on the legislative provisions in sections 45-53 of the School Standards and Framework Act 1998. Any further references to ‘the Act’ are to the School Standards and Framework Act 1998.

Under this legislation, local authorities determine for themselves the size of their Schools Budget and LEA 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 an authority's maintained schools except for capital and certain miscellaneous items. Local authorities may centrally retain funding in the Schools Budget for purposes defined in regulations made by the Secretary of State under s.45A of the Act. The amounts to be retained centrally are decided by the authority concerned, subject to any limits or conditions (including gaining the approval of their School Forum or the Secretary of State in certain instances) as prescribed by the Secretary of State. The balance of the Schools Budget left after deduction of centrally retained funds is termed the Individual Schools Budget (ISB). Expenditure items in the LEA budget must be retained centrally (although earmarked allocations may be made to schools).

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

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

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

Each authority is obliged to publish each year a statement setting out details of its planned Schools Budget and LEA Budget, showing the amounts to be centrally retained, the budget share for each school, the formula used to calculate those budget shares, and the detailed calculation for each school. After each financial year the authority must publish a statement

showing out-turn expenditure at both central level and for each school, and the balances held in respect of each school. A detailed description of the funding formula will also be published within the Schools Finance Manual available on Infobase, the Leeds schools intranet.

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

Regulations also require a local authority to publish their scheme and any amendments to it in a manner they determine.

## **1.2 The role of the scheme**

The scheme sets out the financial relationship between the City Council and the maintained schools which it funds. Contained within the scheme are requirements relating to financial management and associated issues, binding on both the City Council and on schools.

### **1.2.1 Application of the scheme to the City Council and maintained schools**

The scheme applies in respect of all community, special, voluntary, foundation and foundation special schools maintained by the City Council. Unless specifically stated otherwise, the provisions of this scheme apply to any nursery school maintained by the City Council. The schools covered are listed for information at Annex A.

The scheme will apply to any new maintained school opened by virtue of s.48 of the School Standards and Framework Act.

## **1.3 Publication of the scheme**

The manner of publication is a matter for local decision. A copy of the scheme will be supplied to the head teacher and governing body of each school covered by the scheme, and any approved revisions will be notified to each school. The latest scheme will be available on the Education Leeds website and Infobase, the Leeds schools intranet.

## **1.4 Revision of the scheme**

Any proposed revisions to the scheme will be the subject of consultation with schools and will require approval by the Secretary of State, apart from any revisions that are the result of a direction by the Secretary of State.

## **1.5 Delegation of powers to the head teacher**

Each governing body is required to consider the extent to which it wishes to delegate its financial powers to the head teacher, and to record its decision (and any revisions) in the minutes of the governing body.

Guidance is set out in the Annual Budget Pack.

The first formal budget plan of each financial year must be approved by the governing body, or a committee of the governing body.

## **1.6 Maintenance of schools**

The City Council 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 in which the City Council maintains schools is through the funding system put into place under sections 45 to 53 of the School Standards and Framework Act 1998.

## **SECTION 2: FINANCIAL REQUIREMENTS; AUDIT**

### **2.1.1 Application of financial controls to schools**

Schools are required to abide in the management of their delegated budgets by the City Council's requirements on financial controls and monitoring, not only those in the scheme but also those requirements contained in more detailed publications referred to in the scheme but outside and compatible with it. The terms of the scheme will prevail in an any instance where there is an inconsistency.

### **2.1.2 Provision of financial information and reports**

Schools are required to provide the City Council with details of anticipated and actual expenditure and income, in a form and at times determined by the City Council. However, schools are not required to submit such details more often than once every three months except for those connected with tax or banking reconciliation - unless the City Council has notified the school in writing that in its view the school's financial position requires more frequent submission or the school is in its first year of operation. This restriction to a minimum 3 month interval does not apply to schools which are part of an on-line financial accounting system operated by the LA.

### **2.1.3 Payment of salaries; payment of bills**

Payment of salaries and payment of bills shall be in accordance with procedures detailed in the School Finance Manual, and School Personnel Manual.

### **2.1.4 Control of assets**

Each school must maintain an inventory of its moveable non-capital assets, in a form to be determined by the Chief Financial Officer, and follow the basic authorisation procedures for disposal of assets laid down by him/her. Detailed procedures are contained in the School Finance Manual.

Schools are allowed to determine the form of register maintained for assets worth less than £1,000, but must keep a register in some form.

### **2.1.5 Accounting Policies (including year-end procedures)**

Schools are required to abide by procedures specified by the Chief Financial Officer .

### **2.1.6 Writing off of debts**

Procedures to be followed for the write-off of debts are contained in the Financial Regulations for Schools, within the School Finance Manual.

## **2.2 Basis of accounting**

Reports and accounts furnished to the LA by a school will be on an accruals basis.

## **2.3 Submission of budget plans**

Once a school has been notified of its school budget share, it is the responsibility of the Governing Body to set and approve the school's budget for the coming financial year.

The Director of Children's Services will, through a service level agreement, provide advice and support to schools for this process including budget preparation guidance notes and a proforma set of budget preparation papers.

A copy of the approved budget, certified by the Chair of the Governing Body, is to be returned to the Director of Children's Services by the required date, which will be notified each year. The formal budget plan will not be required to be submitted before 1 May.

Details of the approved budget should be entered into the school's management information system so financial control can begin immediately. Any adjustments to the approved budget during the financial year must be notified to the Director of Children's Services.

The Director of Children's Services will ensure that the approved budget of each school is entered into the City Council's Financial System.

The City Council will supply schools with all school income and expenditure data which it holds which is necessary to efficient planning by schools, and supply schools with an annual statement showing when this information will be available. Schools will be allowed to take account of estimated deficits/surpluses at the previous 31<sup>st</sup> March in their budget plan.

The school's formal annual budget plan must be approved by the governing body or a committee of the governing body. Any revisions to the annual budget must be submitted to the City Council no later than every three months.

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

The City Council may require schools to submit a financial forecast covering each year of a multi-year period for which schools have been notified of budget shares beyond the current year. Such a forecast may be used as evidence to support the LA's responsibility for declaring schools' adherence to the Financial Management Standard in Schools and/or used in support of the LA's balance control mechanism.

### **2.4 Best value**

When submitting the annual budget plan, the governing body of each school should submit a statement setting out what steps they will be taking in the course of the year to ensure that expenditure, particularly in respect of large service contracts, will reflect the principles of the best value regime. To assist schools in doing this the principles are listed at Annex B. Schools may find it useful to refer to the DfES publication Best Value in School, obtainable at <http://www.dfes.gov.uk/valueformoney>

### **2.5 Virement**

Virement is the transferring of budgetary provision between one budget head and another after the budget has been approved.

Governing Bodies are free to do this at any time but must ensure that there is sufficient left in the original budget head to meet known commitments or statutory provision.

In order to ensure the efficient running of the school, Governing Bodies are encouraged to delegate some of this responsibility to the Head teacher and/or others, so that virement up to a predetermined amount may take place without prior consultation with the Governing Body.

Governing Bodies should set this virement level annually at the time of budget approval. Guidelines for this will be issued annually, within the budget preparation papers.

### **2.6 Audit: General**

The accounts of a school, being part of the overall accounts of the City Council, will be subject to Internal and External Audit.



Under Section 151 of the Local Government Act 1972 and the Accounts and Audit Regulations, the Chief Financial Officer (CFO) shall maintain an effective internal audit of the accounts of the council. In so doing the CFO shall review, appraise and report on:

- the economy, efficiency and effectiveness of financial and other management controls
- the extent of compliance with, relevance and financial effect of, established policies, plans and procedures
- the extent to which an organisation's assets and interests are accounted for and safeguarded from losses of all kinds arising from
  1. fraud and other offences
  2. waste, extravagance, inefficient administration, poor value for money or any other cause.
- the suitability and reliability of financial and other data produced within the organisation.

In order to fulfil this responsibility the CFO or his/her representative, and External Auditor shall have authority to:

- enter at all reasonable times on any council premises or land, and any part of any school maintained by the City Council under this scheme;
- have access to all records, documents, data held on computer media and correspondence, or unofficial funds operated by an employee as part of their duties;
- require and receive such explanations as are necessary concerning any matter under examination;
- require any employee of the council or of the governing body to produce cash, stores or any other Council property under his/her control, belonging to the council or held as part of the employee's duties;

Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores or any other property of the council (including unofficial funds), the Directors of Children's Services and Finance **must** be notified immediately.

## **2.7 Separate external audits**

A governing body may spend funds from its budget share to obtain external audit certification of its accounts, separate from any City Council internal or external audit process.

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

Schools are required to provide annual independent inspection statements in respect of voluntary and private funds held by them and audit certificates in respect of the accounts of any trading organisations administered by school staff as part of their normal duties. Further guidance on school fund accounting can be found in the School Finance Manual.

## **2.9 Register of business interests**

The governing body of each school is maintain a register which lists for each member of the governing body and the headteacher, any business interests they or any member of their immediate family have; to keep the register up to date with notification of changes and through annual review of entries, and to make the register available for inspection by

governors, staff, parents and the Directors of Education and Finance or their representative. A pro-forma and definition of interests can be found in the School Finance Manual.

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

Schools are required to abide by the City Council's financial regulations and standing orders for schools in purchasing, tendering and contracting matters. The full documents are contained in the School Finance Manual.

### **Purchasing:**

Governing Bodies are free to purchase goods and services from any source, unless they are bound by a contractual obligation in section 2.11 below. However, Governing Bodies will be expected to obtain value for money by way of price, quality and convenience for the school at all times. Furthermore, they must always have due regard for the proper accountability and control over the expenditure of public funds. There is also a requirement to assess in advance, where relevant, the health and safety competence of contractors, taking account of the City Council's policies and procedures.

The specific requirements regarding contracts for goods and services, including the necessary arrangements relating to obtaining quotations or tenders, are contained in the Leeds City Council Procurement Handbook for Schools.

### **Ordering and Commitments:**

The school will be the source of orders, but their format and preparation shall be as approved by the Chief Financial Officer.

As the signing of an order commits a school to that expenditure, it is necessary that the Governing Body officially authorise those members of staff who may do this. They should be senior staff and wherever possible they should be different from those authorised to certify invoices for payment. The same person must not sign the order and the corresponding invoice.

The signing of an order is deemed to cover the following:

- that the goods or services are necessary for the discharge of the responsibilities and functions of the school
- that there is provision in the school's budget for the item being ordered
- that financial regulations and standing orders with respect to contracts have been followed.

Upon the placing of an order it is essential that the value of the order is committed against the appropriate heading in the school budget. Under normal circumstances the school's computerised management system will do that automatically, but where that is not in use manual records should be updated at the time of ordering.

Schools will not be required:

- a. to do anything incompatible with any of the provisions of the scheme, or any statutory provision, or any EU Procurement Directive;
- b. to seek LA officer countersignature for any contracts for good or services for a value below £60,000 in any one year;
- c. to select suppliers only from an approved list;

Schools will be required:

d. to seek at least three tenders in respect of any contract with a value exceeding £35,000 in any one year. (Whilst not seeking formal tenders, schools should be obtaining Value for Money in all purchases through the use of written quotations and/or the use of approved suppliers, following requirements held in the Procurement Handbook for Schools).

The City Council will inform schools of approved suppliers.

### **2.11 Application of contracts to schools**

Schools have a right to opt out of LA-arranged contracts except in the following instances:

1. all contracts where schools have agreed to be covered in respect of services for which funding was delegated prior to 1 April 1999;
2. contracts which schools agree to be covered by in respect of services for which funding is or was delegated after 1 April 1999.

Although governing bodies are empowered under paragraph 3 of schedule 10 to the School Standards and Framework Act 1998 to enter into contracts, in most cases they do so on behalf of the LA as maintainer of the school and the 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 or foundation schools for the employment of staff.

### **2.12 Central funds and earmarking**

The LA may make sums available to schools from central funds, in the form of allocations which are additional to and separate from the schools' budget shares (the Standards Fund regulations require LAs to do this with many grants). Such allocations will be subject to conditions setting out the purpose or purposes for which the funds may be used: and while these conditions need not preclude virement (except, of course, where the funding is supported by a specific grant which the LA itself is not permitted to vire), this should not be carried to the point of assimilating the allocations into the school's budget share. Earmarked funds must be returned to the LA if not spent in-year, or within the period over which schools are allowed to use the funding if different.

It is a requirement that any such earmarked funding from centrally retained funds is spent only on the purposes for which it is given, or on other budget heads for which earmarked funding is given, and is not vired into the budget share. Governing bodies will maintain an accounting system to be able to demonstrate that this requirement has been complied with. The LA will not make any deduction, in respect of interest costs to the LA, from payments to schools of devolved specific or special grant.

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

Under s.50(3) of the SSFA Act 1998 governing bodies are allowed to spend budget shares for the purposes of the school, subject to any provisions of the scheme. The Secretary of State may prescribe additional purposes for which expenditure of the budget share may occur, but has not yet done so.

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

Governing bodies are allowed to use their budget shares to meet the cost of capital expenditure on the school premises. This includes expenditure by the governing body of a voluntary aided school on work which is their responsibility under paragraph 3 of Schedule 3

of the SSAF Act 1998. However, the governing body must notify the LA of any capital spending from budget shares, and, if the expected capital expenditure from the budget share in any one year will exceed £15,000, take into account any advice from the Director of Children's Services as to the merits of the proposed expenditure. If the premises and/or land are owned by the LA then the governing body must seek the consent of the LA to the proposed works, but such consent can be withheld only on health and safety grounds.

In seeking the consent of the LA the school should provide the following, in writing, to the Director of Children's Services:

1. details of the proposal;
2. details of how the proposal will be financed (including any continuing revenue costs);
3. evidence of agreement to the above by a resolution of the full Governing Body.

A pro-forma for this purpose will be contained in the School Finance Manual. Should the Director of Children's Services agree to such a request, he/she will have responsibility for making all contractual arrangements relating to the building works or alterations.

For all schools covered by the scheme, any additional floor area created by work proposed by a school will be included in the overall area funded, but only if the Director of Children's Services confirm that the construction is necessary to improve the efficient provision of education.

## **2.15 Financial Management Standard**

All maintained schools must demonstrate compliance with the DfES' Financial Management Standard in Schools in line with the timetable determined by the City Council, and at any time thereafter.

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

The costs of such external assessment must be met from school budget shares. The Financial Management Standard & Toolkit (FMS&T) was developed and released to schools as a self-management package in June 2004. The standard and toolkit is available at:

[http://www.ipfbenchmarking.net/consultancy\\_dfes\\_update/](http://www.ipfbenchmarking.net/consultancy_dfes_update/)

It is for the City Council to decide how compliance is delivered. The evidence to support the declaration is a matter for the Chief Financial Officer's judgement - it need not rely on formal FMSIS assessment of every individual school.

If schools do not have an external assessment, a review of their self-assessment may provide the LA with the appropriate information to make a judgement. CFOs will of course also take account of relevant comments in the reports of auditors, advisers and inspectors, of budgetary and accounting performance, and of any other relevant information available. Where schools are subject to a City Council-led assessment of the standard the City Council will set out clearly what such an assessment will entail.

## **2.16 Notice of concern**

The City Council may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Chief Finance Officer and the Chief Education Officer/Director of Children's Services, the school has failed to comply with any provisions of

the scheme, or where actions need to be taken to safeguard the financial position of the City Council 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 City Council;
- insisting on regular financial monitoring meetings at the school attended by City Council officers;
- requiring a governing body to buy into a City Council'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 City Council may take where the governing body does not comply with the notice.

### **SECTION 3: INSTALMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS**

All schools have four options for their banking arrangements

- 1) To maintain a bank account with the LA, with a petty cash imprest account for small urgent items of expenditure;
- 2) To maintain a bank account with the LA, and a local cheque book facility operated through an imprest account;
- 3) To maintain an external bank account through which all expenditure is charged, excluding payroll and rates;
- 4) To maintain an external bank account through which all expenditure is charged.

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

Schools opting for an external bank account will have their budget share made available on a monthly basis. Schools not opting for an external bank account will be able to draw on their entire budget share from the start of the year.

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

The proportion of the budget share payable at each instalment will be based on a profile reflecting the average spending patterns of the relevant school sector. Where a school is operating an account for expenditure excluding payroll and rates, the initial estimate of pay

costs will be based on the staffing complement of the school as at January prior to the start of the year.

### **3.3 Interest clawback**

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

the amount of the advance x prevailing interest rate x No of days interest lost/365 days

Where a school has determined to have its whole budget share paid into an account on a monthly basis, advances will be made at a date close to that on which salaries are due.

Amounts included in school budget shares pursuant to regulation 28(1) of the Financing of Maintained Schools (England) Regulations 2001, as substituted by the Financing of Maintained Schools (England) (Amendment) Regulations 2001, shall be placed at the disposal of the governing body of each school by 15 May 2001, irrespective of any instalment arrangement applicable to the remaining amount of the budget share. The making available of this sum shall also be irrespective of the existence of any deficit relating to expenditure of the school's budget share, and no interest clawback will be applied to the amount before it is made available.

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

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

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

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

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

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

New bank account arrangements may only be made with effect from the beginning of each financial year. Any school requesting a bank account shall not be able to have one until any deficit is cleared.

Schools will be responsible for all charges arising from the operation of external bank accounts.

If a school opens an external bank account the LA will, if the school desires, transfer immediately to the account an amount agreed by both school and LA as the estimated surplus balance held by the LA 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.

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

Bank accounts may only be established with a bank or financial institution chosen from a list of organisations approved for the purpose by the Chief Financial Officer (unless a facility already exists at the commencement of the scheme with a bank or financial institution not on

the list). A list of banks currently approved can be found below. Accounts should be opened in the name of Leeds City Council with reference to the individual school or alternatively in the name of the school if the school wishes it. If a school has such an account the scheme requires that the account mandate should provide that the LA is the owner of the funds in the account; that it is entitled to receive statements; and that it can take control of the account if the school's right to a delegated budget is suspended by the LA.

Only LA employees and school employees are to be signatories for bank accounts operated under this scheme.

Any school closing an account used to receive its budget share and opening another must select the new bank or financial institution from the approved list, even if the closed account was not with an institution on that list.

#### **3.5.1.1 Banks approved by the Chief financial Officer**

Abbey National  
Alliance & Leicester  
Bank of Scotland  
Barclays  
HSBC (Midland)  
Halifax  
LloydsTSB  
National Australia (Yorkshire Bank)  
National Westminster  
Royal Bank of Scotland

### **3.6 Borrowing by schools**

Governing bodies may borrow money only with the written permission of the Secretary of State. Schools may not use credit cards, which are regarded as borrowing.

Any Investment or borrowing must be in accordance with the code of practice on treasury management

### **3.7 Other provisions**

Detailed guidance notes will be contained in the School Finance Manual which will cover requirements relating to the administration of external bank accounts including;

**Payroll administration** - including National Insurance, Superannuation, Aggregation of Earnings and other payroll related items

**Accounting returns** - to enable details of budget plans and transactions to be entered into the City Council's accounts

**VAT** – the completion of required returns and compliance with Customs and Excise Regulations

**Late Payment of Commercial Debts (Interest) Act 1998** - compliance with these regulations

**Construction Industry Tax Deduction Scheme** – compliance with these regulations

**Bank reconciliations** - completion as required in a format as determined by the Chief Financial Officer

Detailed guidance notes will also be issued covering requirements relating to the administration of a local cheque book facility through an imprest account and also relating to petty cash imprests.

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

### **4.1 The right to carry forward surplus balances**

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

The amount of any balance to be transferred to a school's bank account will be estimated based on the balance as per the City Council's Financial Accounting and Budgeting (FAB) system as at 1<sup>st</sup> April, adjusted for any known transactions relating to the previous year's accounts. The transfer would take place by 16<sup>th</sup> April, pending a later reconciliation.

### **4.2 Reporting on and control of the use of surplus balances**

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

- a. the City Council shall calculate by 31 May each year the surplus balance, if any, held by each school as at the preceding 31 March. For this purpose the balance will be the recurrent balance as defined in the Consistent Financial Reporting Framework;
- b. the City Council shall deduct from the calculated balance any amounts for which the school has a prior year commitment to pay from the surplus balance and any unspent Standards Fund grant for the previous financial year;
- c. the City Council shall then deduct from the resulting sum any amounts which the governing body of the school has declared to be assigned for specific purposes permitted by the City Council, and which the City Council is satisfied are properly assigned. To count as properly assigned, amounts must not be retained beyond the period stipulated for the purpose in question, without the consent of the City Council. In considering whether any sums are properly assigned the City Council may also take into account any previously declared assignment of such sums but may not take any change in planned assignments to be the sole reason for considering that a sum is not properly assigned.
- d. if the result of steps a-c is a sum greater than 5% of the current year's budget share for secondary schools, 8% for primary and special schools, or £10,000 (where that is greater than either percentage threshold), then the City Council shall deduct from the current year's budget share an amount equal to the excess.

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

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



budget share surplus by the school as permitted by the City Council.

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

#### **4.2.1 Specific Exclusions from School Balances**

Under section 4.2 c. the LA determines that the following items shall be deducted from a surplus balance in the calculation of the limit on school balances:

- a) any amount relating to the payment for goods or services received in the previous financial year where a school has not paid for the goods or services nor raised an accrual in the accounts;
- b) any amount related to a revenue contribution to a specific capital project costed and programmed to be undertaken, where a pro-forma for use of devolved capital has been received by the LA; or where the capital scheme is detailed in the LA Capital Programme.

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

Balances held by the City Council on behalf of schools will not attract interest.

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

Any deficit will be carried forward and be deducted from the following year's budget share (see also 4.9).

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

Schools may plan for deficits only in certain approved circumstances (see 4.9)

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

Interest will not be charged on deficit balances.

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

The City Council cannot write off the deficit balance of any school.

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

When a school closes any balance (whether surplus or deficit) reverts to the LA; it cannot be transferred as a balance to any other school, even where the school is a successor to the closing school.

#### **4.9 Licensed deficits**

In certain circumstances schools will be allowed to plan for a deficit budget. Detailed guidance on the procedure to be undertaken is held within the 'School Finance Manual', however, the following principles will hold:

- a. a school must reach at least a zero balance within a three year period, and progress towards this position will be open to termly review to ensure that the deficits are not simply extended indefinitely;

- b. deficits will only be agreed where the Director of Children's Services agrees it would be impractical to balance the budget in year;
- c. the maximum size of the deficit which may be agreed for any school will be 12½% of the school budget share, and the minimum size for a licensed deficit will be the minimum of £10,000 or 3% of a schools budget share;
- d. a maximum of 40% of the collective balances held by the LA will be used to back the arrangement
- e. all arrangements will require the approval of the Directors of Education and Finance of the City Council.

If a school has a licensed deficit, and the school proposes to spend amounts received by it in respect of School Standards Grant on purposes other than reducing the licensed deficit, the LA must agree to such a proposal unless in its view the proposed expenditure is unreasonable in the school's financial circumstances.

## **SECTION 5: INCOME**

The basic principle will be that schools should be able to retain income except in certain specified circumstances.

Where income is derived as a direct result of letting school premises or facilities, from the sale of assets or from fees and charges, the income shall always be credited to the school budget share and not to any other school fund. However, school fund income may at any time be credited to the school's budget share through the procedure set out in guidelines issued by the Director of Children's Services.

### **5.1 Income from lettings**

Schools will be allowed to retain income from lettings of the school premises which would otherwise accrue to the LA, subject to alternative provisions arising from any joint use or PFI agreements. Schools are allowed to cross-subsidise lettings for community and voluntary use with income from other lettings, provided there is no net cost to the budget share. However, schools are required to have regard to directions issued by the LA as to the use of school premises, as permitted under the School Standards and Framework Act 1998 for various categories of schools.

### **5.2 Income from fees and charges**

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

The LA will provide, and keep under review, a statement of its charging and remission policies. Governing Bodies are required to do likewise with their own charging policies. The LA charging policy is contained within the School Finance Manual.

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

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

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

Schools are allowed to retain the proceeds of sale of assets except in cases where the asset was purchased with non-delegated funds (in which case it will be for the LA to decide

whether the school should retain the proceeds), or the asset concerned is land or buildings forming part of the school premises and is owned by the LA.

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

The detailed requirements referring to the receipt, safeguarding and banking of income are stated in Financial Regulations for schools with delegated budgets. The main issues are:

- all income to be receipted on approved receipts
- money, whilst on school premises, or in transit, must be safeguarded in accordance with the City Council's money insurance policy
- banking must be regular
- cash income must never be used to make refunds or to pay invoices or staff
- personal cheques must not be cashed out of income.
- VAT must be accounted for where there is a VAT liability.

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

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

## **SECTION 6: THE CHARGING OF SCHOOL BUDGET SHARES**

### **6.1 General provision**

The LA has a right to protect its financial position from liabilities caused by the action or inaction of governing bodies by making a charge on the budget share of a school. The budget share of a school will be charged by the LA without the consent of the governing body only in circumstances expressly permitted by the scheme, after consultation with schools as to the intention to so charge, and schools will be notified when it has been done.

6.1.2 For a school that has determined to operate a separate bank account, charges will be actioned by a reduction in the next available monthly advance.

6.1.3 The City Council is required to charge 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 Director of Children's Services to bear such costs (the amount chargeable being only the excess over any amount agreed by the Director of Children's Services);

6.2.2 Other expenditure incurred to secure resignations where the school had not followed LA advice;

6.2.3 Awards by courts and industrial tribunals against the City Council, or out of court settlements, arising from action or inaction by the governing body contrary to the LA's advice

6.2.4 expenditure by the LA in carrying out health and safety work or capital expenditure for which the LA is liable where funds have been delegated to the governing body for such work, but the governing body has failed to carry out the required work;

6.2.5 expenditure by the LA incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the LA or the school has voluntary controlled status;

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

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 LA;

6.2.8 Recovery of penalties imposed on the LA by the Board of Inland Revenue, the Contributions Agency, HM Customs and Excise, West Yorkshire Pensions Fund, Teachers Pensions or regulatory authorities as a result of school negligence.

6.2.9 Correction of LA errors in calculating charges or credits to a budget share (e.g. pension deductions)

6.2.10 additional transport costs incurred by the City Council arising from decisions by the governing body on the length of the school day, and failure to notify the LA of non-pupil days resulting in unnecessary transport costs.

6.2.11 Legal costs which are incurred by the City Council because the governing body did not accept the advice of the Director of Children's Services (see also section 11).

6.2.12 Costs of necessary health and safety training for staff employed by the LA, where funding for training had been delegated but the necessary training not carried out.

6.2.13 Compensation paid to a lender where a school enters into a contract for borrowing beyond its legal powers, and the contract is of no effect.

6.2.14 Interest payable for late payment of a commercial debt under the Late payment of Commercial Debts (Interest) Act 1998, where the school is responsible for the delay.

6.2.15 Cost of work done in respect of teacher pension remittance and records for schools using non-LA payroll contractors, the charge to be the minimum needed to meet the cost of the City Council's compliance with its statutory obligations;

6.2.16 Costs incurred by the LA in securing provision specified in a statement of SEN where the governing body of a school fails to secure such provision despite the delegation of funds in respect of that statement;

6.2.17 Costs incurred by the LA due to submission by the school of incorrect data;

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

6.2.19 Costs incurred by the LA as a result of the Governing Body being in breach of the terms of a contract;

6.2.20 Costs incurred by the LA due to the inability of a school to provide data in the format required and/or by the deadline required for inclusion on a statutory return.

### **6.3 General Teaching Council**

#### **Fees to be deducted from teachers' salaries and remitted to the General Teaching Council for England**

The General Teaching Council for England (Deduction of Fees) Regulations 2001 ("the Regulations", S.I. 2001 No. 3993) came into force on 10 January 2002. The Regulations apply to teachers at maintained schools registered with the General Teaching Council for

England (“the GTC”) or required to be so registered by the Teachers (Compulsory Registration) (England) Regulations 2001 (S.I. 2001 No.1266). The Regulations place a duty on the employer of such teachers to deduct and remit the GTC fee in respect of a teacher who has not already paid the fee to the GTC where the GTC has notified the employer to deduct and remit the fee of that teacher. This includes teachers who have indicated to the GTC that they wish to pay the fee by a salary deduction as well as teachers who have not indicated how they wish to pay the fee.

In order to ensure the performance of the duties to deduct and remit the fee imposed on employers by the Regulations the following conditions are imposed on the City Council and governing bodies of all maintained schools covered by this Scheme in relation to their budget shares.

(1) By virtue of section 46 of the School Standards and Framework Act 1998 and the regulations made under that section (at present the Financing of Maintained Schools (England) Regulations 2001 (S.I. 2001 No.475, Part II and Schedule 1) the costs of payroll administration for teachers in the City Council’s maintained schools fall to be met from the budget shares which are allocated to governing bodies pursuant to section 47 of the Act, and which are delegated to them pursuant to sections 49-50. Accordingly, by virtue of Chapter IV of Part II of that Act and this Scheme, governing bodies of maintained schools are responsible for making suitable arrangements (or ensuring that such arrangements are made) for the administration of payroll services in respect of their teachers.

(2) A governing body of a community school, community special school or a voluntary controlled school, though not the employer of the teachers at such a school, shall:-

- (a) where the governing body has entered into any arrangement or agreement with the City Council to provide payroll services, ensure that any such arrangement or agreement is amended to allow for the deduction and remittance of fees by the City Council to the GTC. The governing body shall meet any consequential costs from the school’s budget share;
- (b) where the governing body has entered into any arrangement or agreement with a person other than the City Council to provide payroll services, ensure that any such arrangement or agreement is amended to allow for the deduction and remittance of fees by that person to the City Council or directly to the GTC where this has been agreed between the GTC and the City Council. The governing body shall meet any consequential costs from the school’s budget share; and
- (c) where the governing body directly administers the payroll, deduct and remit the fees to the City Council or directly to the GTC where this has been agreed between the GTC and the City Council. The governing body shall meet any consequential costs from the school’s budget share.

**(3) A governing body of a foundation school, a foundation special school or a voluntary aided school, as the employer of its teachers, is by virtue of the Regulations under a duty to deduct (or arrange for the deduction of) the fee and to remit the fee to the GTC. Accordingly, a governing body shall:-**

- (a) where the governing body has entered into any arrangement or agreement with the City Council to provide payroll services, ensure that any such arrangement or agreement is amended to allow for the deduction and remittance of the fees by the City Council to the GTC on the governing body’s behalf. The City Council shall agree to any such amendment. The governing body shall meet any consequential costs from the school’s budget share;

- (b) where the governing body has entered into any arrangement or agreement with a person other than the City Council to provide payroll services, ensure that any such arrangement or agreement is amended to allow for the deduction and remittance of the fees by that person to the GTC or to the governing body for onward transmission to GTC. The governing body shall meet any consequential costs from the school's budget share; and
- (c) where the governing body directly administers the payroll, deduct and remit the fees to the GTC. The governing body shall meet any consequential costs from the school's budget share.

(4) All this shall be done whether the funding for the salary payments is paid to the City Council by the school from budget share instalments which have been held by the school in an independent bank account, or the salary costs are directly charged by the City Council to the school's budget share account.

## **SECTION 7: TAXATION**

### **7.1 Value Added Tax**

When a Governing Body enters into a contract to spend part of its delegated budget it does so on behalf of the City Council. The City Council retains the ownership of any items purchased in this way.

Under Section 33 of the VAT Act 1994, the City Council is able to claim refunds of VAT on purchases in respect of its non business activities, of which purchases by Governing Bodies are one. Therefore, there is no need for any school to register for VAT in connection with its activities involving the use of its delegated budget.

As regards **Voluntary Aided Schools**, the City Council cannot claim refunds of VAT on items of expenditure which are the responsibility of the Governors (e.g. external repairs to buildings).

In order to reclaim VAT on purchases schools will have to follow procedures detailed in the school Finance Manual. Any amounts of VAT reclaimed will be passed back to the school.

### **7.2 CIS (Construction Industry Taxation Scheme)**

Schools are required to abide by procedures issued by the City Council in connection with CITS.

Procedures can be found in the Schools Finance Manual.

## **SECTION 8: THE PROVISION OF SERVICES AND FACILITIES BY THE CITY COUNCIL**

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

It is for the City Council to determine on what basis services from centrally retained funds will be provided to schools. This includes all expenditure included within the Section 52 Statement outside of the Individual Schools Budget. However, there will be no discrimination in the provision of services on the basis of categories of schools except where (a) funding has been delegated to some schools only or (b) such discrimination is justified by differences in statutory duties.

This includes access to any funding to cover Premature retirement Costs and redundancy.

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

The term of any arrangement with a school starting on or after 1 April 1999 to buy services or facilities from the LA is limited to a maximum of three years from the inception of the scheme

or the date of the agreement, whichever is the later, and periods not exceeding five years for any subsequent agreement relating to the same services.

When a service is provided for which expenditure is not retainable centrally by the LA under the Regulations made under section 46 of the Act, it will 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 will be met by the total income, even if schools are charged differentially.

### **8.2.1 Packaging**

Any service that is being provided on a buy-back basis will be offered in a way that does not unreasonably restrict schools' freedom of choice among the services available, and where practicable, will include provision on a service by service basis as well as in packages of services.

### **8.3 Service level agreements**

Service level agreements will operate on an academic year basis where practical for them to do so, although some may have to operate on financial years. However, Service level agreements will be issued at least one month prior to the date from which they will be effective, and schools will have at least a month to consider the terms of agreements.

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

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

Where services are provided on an ad hoc basis they may be charged for at a different rate than if provided on the basis of an extended agreement.

Centrally arranged premises and liability insurance are exempt from the requirements of sections 8.2 and 8.3 as to service supply, as the limitations envisaged may be impracticable for insurance purposes.

### **8.4 Teachers' Pensions**

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

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

A governing body of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or agreement with a person other than the City Council 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 City Council which the City Council requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The City Council 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 City Council within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

A governing body of any maintained school which directly administers its payroll shall supply salary, service and pensions data to the City Council which the City Council requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The City Council 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 City Council within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

## **SECTION 9: Private Finance Initiative / Public Private Partnerships (PFI/PPP)**

The LA has the power to charge to a school's budget share any amounts incorporated within a PFI/PPP agreement entered into by the governing body of a school with the LA, in relation to a PFI/PPP scheme involving the school.

## **SECTION 10: INSURANCE**

### **10.1 Insurance cover**

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

The following are pre-requisites for any school wishing to arrange its own insurance:

- 1) A valuation of the buildings on a reinstatement basis in accordance with the specification determined by Design Services Agency. Valuation at school expense.
- 2) A complete inventory of school contents with replacement values as referred to in the section on control of assets.
- 3) Agreement that all policies will be in the joint names of the governing body and Leeds City Council.
- 4) Agreement that the indemnity limits currently insured by Leeds City Council will be matched for Employers' and Public Liability insurances.

A detailed guidance note on the subject of insurance is available to all schools as part of the School Finance Manual.  
(see also 6.2.6)

## **SECTION 11: MISCELLANEOUS**

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

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



## 11.2 Liability of governors

Because the governing body is a corporate body, and because of the terms of s.50(7) of the SSAF Act, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share provided they act in good faith.

### Insurance for Governors

The City Council will indemnify, and will not seek a financial contribution from, Governors in relation to claims arising out of any neglect, error or omission by the governors in the course of their duties and within the scope of their authority, subject to the following **exceptions**:

- a) loss or damage directly or indirectly caused by or arising from:
  - (i) fraud, dishonesty or criminal offence on the part of a governor
  - (ii) the use of a motor vehicle belonging to, hired, leased or loaned to a governor.
- b) liability in respect of surcharges made by the District Auditor
- c) Ten per cent (10%) of the total cost of a libel or slander claim (subject to a maximum contribution by a governor of £500)
- d) liability which is insured under a policy of insurance.
- e) liability falling on the governor but not the City Council (i.e. there is no vicarious liability)

THE INDEMNITY WILL NOT APPLY IF A GOVERNOR ADMITS LIABILITY OR NEGOTIATES OR ATTEMPTS TO NEGOTIATE SETTLEMENT OF A CLAIM WITHOUT THE WRITTEN AUTHORITY OF THE COUNCIL.

This indemnity will also extend to:

- representation at any Coroner's Inquest or Fatal Inquiry in respect of any death
- defending any proceedings in respect of any act or omission or alleged breach of statutory regulations (which includes the Health and Safety at Work Act) relating to any event which may result in a claim for compensation.

Where there is the need for legal advice and representation to a Governing Body, ordinarily this would be met by the Council's Legal Services Agency. Where a conflict of interest arises between the Council and the Governing Body/named members of staff, then the Agency will only be able to act for the Council, in accordance with the rules and guidelines issued by the Law Society in respect of the professional conduct of solicitors, as laid down from time to time by the Law Society.

## 11.3 Governors' expenses

The LA may delegate to the governing body of a school yet to receive a delegated budget, funds to meet governors' expenses

Under schedule 11 of the School Standards and Framework Act 1998, only allowances in respect of purposes specified in regulations may be paid to governors from a school's delegated budget share. The payment of any other allowances is forbidden. Schools are also barred from payment of expenses duplicating those paid by the Secretary of State to additional governors appointed by him to schools under special measures.

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

Legal costs incurred by the governing body, although the responsibility of the LA as part of the cost of maintaining the school unless they relate to the statutory responsibility of aided school governors for buildings, will be charged to the school's budget share unless the governing body acts in accordance with the advice of the City Council.

#### **11.5 Health and Safety**

The primary responsibility for Health and Safety rests with the LA, as employer (for **Voluntary Aided Schools** the Governing Body replaces the LA as the employer).

A secondary responsibility does rest with the occupier and under section 4 and 36 of the 1974 Health and Safety Act is also placed on individual staff to ensure they work in ways which are without risk to themselves, other staff, pupils and visitors to premises.

The LA has provided a written statement of health and safety policy, but it requires each Governing Body to have considered the issues as they affect their schools and either to have accepted the LA's policy as sufficient or to have prepared and approved a written health and safety policy for the school.

The LA's Statement of Safety Policy and all ensuing guidance has been sent to schools in the manual 'Health & Safety in Education Premises, and is not contained in this scheme.

Under s.39(3) of the School Standards and Framework Act the LA may issue directions to the governing body and headteacher of a community, community special or voluntary controlled school on health and safety matters; these directions are enforceable, so far as governing bodies are concerned, via s.497 of the Education Act 1996 if not complied with.

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

Governing bodies are required to permit the Chief Financial Officer of the City Council (or his/her representative) to attend meetings of the governing body at which any agenda items are relevant to the exercise of her or his responsibilities.

#### **11.7 Delegation to new Schools**

The City Council is empowered to delegate selectively and optionally to the governing bodies of schools which have yet to receive delegated budgets.

#### **11.8 Optional Delegated Funding**

Where a school exercises an option to receive delegated or devolved funding for an item, that option may only be exercised once a year, to be notified to the LA by 31 December prior to the financial year in question.

#### **11.9 Special Educational Needs**

Schools are required to use their best endeavours in spending the budget share, to secure the special educational needs of their pupils.

#### **11.11 'Whistleblowing'**

The City Council has a 'Whistleblowing Policy' that details the procedure to be followed by persons working at a school or school governors who wish to complain about financial management or financial propriety at the school, and how such complaints will be dealt with. The policy is contained within the School Finance Manual, issued to all schools.

## **11.12 Child Protection**

Schools are required to release staff to attend child protection case conferences and other related events, and the funding is delegated to schools within the Individual Schools Budget.

## **11.13 School Meals**

Governing bodies must have regard to any school meals policy document produced by the City Council in discharging their duties in relation to school meals where those have been delegated along with funding. However, governing bodies are not required to adhere to any City Council policy document and can develop their own policy.

## **SECTION 12: GM AND GM SPECIAL SCHOOLS**

### **12.1 GM and GM special schools' balances**

GM schools continue to have the right to spend any surplus balances which they bring with them from the period during which they were funded by the Funding Agency for Schools (FAS).

### **12.2 s.255 loans**

Amounts due for repayment of loans made to GM Schools under s.255 of the Education Act 1996 may be charged against a school's budget share where payments are not made to the Secretary of State.

## **SECTION 13: RESPONSIBILITY FOR REPAIRS AND MAINTENANCE**

### **13.1 Categories of work**

Annex C shows the categories of work which governing bodies must expect to finance from their budget.

### **13.2 Delegation**

The City Council will delegate all revenue funding for repairs and maintenance to schools. Only capital expenditure is to be retained, under the definition of capital used by the City Council for financial accounting purposes in line with the CIPFA Code of Practice on Local Authority accounting.

For voluntary aided schools, the liability of the City Council for repairs and maintenance is the same as for other maintained schools, and no separate list of responsibilities is necessary for such schools. However, eligibility for capital grant from the Secretary of state for capital works at voluntary aided schools depends on the de minimis limit applied by DfES to categorise such work, not the de minimis used by the City Council.

## **APPLICATION OF SCHEMES FOR FINANCING SCHOOLS TO THE COMMUNITY FACILITIES POWER**

### **14.1 Introduction**

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

governing bodies about a range of issues connected with exercise of the power, and a school must have regard to that.

However, under s.28(1), the main limitations and restrictions on the power will be those contained in the maintaining authority's scheme for financing schools made under section 48 of the School Standards and Framework Act 1998. Paragraph 2 of Schedule 3 to the Education Act 2002 extends the coverage of schemes to the powers of governing bodies to provide community facilities.

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

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

A school may not use its budget share to fund community facilities – either start-up costs or ongoing expenditure – or to meet deficits arising from such activities.

The City Council has the right to require a school to make a charge against its School Standards Grant, or other funding that may be applied to support Community Facilities, to meet an accumulated deficit. This right will not be applied automatically where an activity shows an accumulated deficit but would be applied following consideration of individual circumstances.

This right will not be exercised where the school can provide a working business plan showing that the deficit will be cleared within a two year period.

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

## **14.2 Consultation with the LA – financial aspects**

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

Before any decision is taken by a governing body to exercise its power to provide community facilities the governing body must notify the Chief Executive of Education Leeds, in writing, of its intention to do so and seeking his/her advice.

The notification should include such details as :-

- proposed activities to take place
- planned income and expenditure
- use of school buildings (within and outside the normal school day)
- insurance arrangements
- health and safety
- assessment of any risk (financial or otherwise) associated with the proposal
- involvement of third parties
- proposed banking arrangements

as well as specific information as to how the school will ensure compliance with the requirements of this section. In particular the governing body should indicate the benefits for the school and community of exercising this power. Education Leeds will provide guidance in the form of a toolkit to assist schools in providing the requisite information.

Education Leeds will respond within six weeks of receiving formal notification so this time should be built into the plan for implementing the proposal.

Schools are required to notify the Chief Executive of Education Leeds of their decision following his/her advice before formally committing itself to exercising its power.

If a governing body fails to inform the Chief Executive of Education Leeds of its intention to use its community facilities power, or chooses not to comply with his/her advice to the extent that, in the view of the City Council, is seriously prejudicial to the interests of the school or Council, that may constitute grounds for suspension of the right to a delegated budget.

### **14.3 Funding agreements – City Council powers**

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

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 should be submitted to the Chief Executive of Education Leeds for his/her comments as part of its proposal. The LA 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 City Council, or has been concluded without informing the Chief Executive of Education Leeds, which in the view of the City Council is seriously prejudicial to the interests of the school or the Council, that may constitute grounds for suspension of the right to a delegated budget.

### **14.4 Other prohibitions, restrictions and limitations**

If the City Council 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 City Council 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 LA.

The City Council 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 City Council or school and to protect pupil welfare or education as well as the sensitivities and needs of the community in exercising this power.

### **14.5 Supply of financial information**

Schools which exercise the community facilities power will be required to provide Education Leeds 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. Guidance on the provision of this information will be provided by Education Leeds.

The Chief Executive of Education Leeds, 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 City Council sees fit, to require the submission of a recovery plan for the activity in question.

#### **14.6 Audit**

Schools are required to grant access by the City Council's internal and external auditors to the school's 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 City Council 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 Council to satisfy itself as to the propriety of expenditure on the facilities in question.

#### **14.7 Treatment of income and surpluses**

All net income derived from community facilities except where otherwise agreed with a funding provider, whether that be the City Council 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 City Council at the end of each financial year, transfer all or part of it to the budget share balance.

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

#### **14.8 Treatment of deficits**

If the activity results in a deficit this must be charged against any accumulated community facilities surplus previously generated by the school.

Where a deficit cannot be charged against any accumulated surplus the City Council has the right to require a school to make a charge against its School Standards Grant, or other funding that may be applied to support Community Facilities, to meet the accumulated deficit. This right will not be applied automatically where an activity shows an accumulated deficit but would be applied following consideration of individual circumstances.

This right will not be exercised where the school can provide a working business plan showing that the deficit will be cleared within a two year period

If the City Council 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 maintained by the school.

#### **14.9 Health and safety matters**

The health and safety provisions as set out in para 11.5 of the Leeds Scheme for Financing Schools apply equally in regard to the community facilities power.

The governing body will be responsible for meeting the costs of securing Criminal Records Bureau clearance for all adults involved in community activities.

## **14.10 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. Such insurance may not be funded from the school budget share.

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 City Council's Insurance Officer before finalising any insurance arrangement for community facilities.

The City Council 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.

## **14.11 Taxation**

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

If any member of staff employed by the school or City Council 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 LA advice in relation to the Construction Industry Scheme where this is relevant to the exercise of the community facilities power.

## **14.12 Banking**

Schools must 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 para 3.5 of the Leeds Scheme for Financing Schools will apply, save that, where a bank account is set up specifically for community facilities, the account mandate should not imply that the LA is the owner of the funds in the account except insofar as those funds have been provided by the LA itself.

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

<b>SCHOOL NAME</b>	<b>LA</b>	<b>DfES</b>
	Account N°	N°
<b>COMMUNITY SCHOOLS</b>		
<b>Infant Schools</b>		
Farsley Westroyd Infant School	529	2302
Guiseley Infant School	212	2270
Horsforth Featherbank Infant School	211	2283
Rothwell Haigh Road Infant School	418	2313
Yeadon Westfield Infant School	235	2358
<b>Junior Schools</b>		
Farsley Springbank Junior School	521	2338
Horsforth Newlaithes Junior School	221	2363
Rothwell Victoria Junior School	434	2342
Yeadon Westfield Junior School	236	2324
<b>Primary Schools</b>		
Adel Primary School	200	2416
Allerton Bywater Primary School	340	2507
Alwoodley Primary School	100	2436
Armley Primary School	501	2484
Ashfield Primary School	201	2401
Asquith Primary School	444	2512
Austhorpe Primary School	303	2463
Bankside Primary School	101	2425
Bardsey Primary School	102	2385
Beechwood Primary School	304	2444
Beecroft Primary School	203	2407
Beeston Primary School	400	2470
Birchfield Primary School	401	2369
Blackgates Primary School	451	3918
Blenheim Primary School	205	2408
Bracken Edge Primary School	104	2433
Bramham Primary School	105	2329
Bramhope Primary School	206	2406
Bramley Primary School	503	2485
Broadgate Primary School	207	2398
Brownhill Primary School	305	2445
Brudenell Primary School	208	2409
Calverley Parkside Primary School	514	2301
Carlton Primary School	404	2308
Carr Manor Primary School	106	2437
Castleton Primary School	504	2486
Chapel Allerton Primary School	107	2427
Churwell Primary School	405	2286
Clapgate Primary School	406	2482
Cobden Primary School	505	2487
Colton Primary School	306	2453
Cookridge Primary School	210	2418



SCHOOL NAME	LA	DfES
	Account N°	N°
Cottingley Primary School	407	2472
Cross Flatts Park Primary School	408	2479
Cross Gates Primary School	307	2458
Crossley Street Primary School	123	2347
Deighton Gates Primary School	109	2400
Drighlington Primary School	452	3921
East Ardsley Primary School	413	2504
East Garforth Primary School	308	2395
Ebor Gardens Primary School	309	2446
Farsley Farfield Primary School	533	2505
Fieldhead Carr Primary School	310	2469
Fir Tree Primary School	110	2442
Five Lanes Primary School	526	2492
Fountain Primary School	455	3000
Garforth Green Lane Primary School	316	2396
Gildersome Primary School	415	2336
Gledhow Primary School	111	2428
Grange Farm Primary School	314	2447
Greenhill Primary School	508	2499
Greenmount Primary School	416	2473
Greenside Primary School	509	2303
Grimes Dyke Primary School	318	2448
Harehills Primary School	112	2449
Hawksworth Wood Primary School	213	2417
Highfield Primary School	113	2438
Hillcrest Primary School	114	2435
Hill Top Primary & Nursery School	419	2292
Hollybush Primary School	535	3922
Hovingham Primary School	320	2450
Hugh Gaitskell Primary School	420	2483
Hunslet Carr Primary School	421	2474
Hunslet Moor Primary School	422	2475
Ingram Road Primary School	423	2476
Ireland Wood Primary School	215	2420
Iveson Primary School	216	2410
Kerr Mackie Primary School	115	2434
Kippax Ash Tree Primary School	341	2801
Kippax Greenfield Primary School	317	2384
Kippax North Primary School	322	2399
Kirkstall Valley Primary School	217	2411
Lawns Park Primary School	512	2497
Little London Community Primary School and Nursery	218	2412
Low Road Primary School	425	2481
Lower Wortley Primary School	510	2496
Manston Primary School	323	2464
Meadowfield Primary School	342	3923

SCHOOL NAME	LA	DfES
	Account N°	N°
Methley Primary & Nursery School	453	3916
Middleton Primary School	428	2477
Miles Hill Primary School	117	2430
Moor Allerton Hall Primary School	118	2439
Moortown Primary School	119	2440
Morley Newlands Primary School	430	2321
Morley Victoria Primary School	429	2382
New Bewerley Community Primary School	454	3002
Ninelands Primary School	324	2397
Oakwood Primary School	325	2459
Otley The Whartons Primary School	229	2405
Oulton Primary School	431	2327
Park Spring Primary School	513	2488
Parklands Primary School	327	2467
Potternewton Primary School	120	2431
Primrose Hill Primary School	515	2339
Primrose Lane Primary School	103	2389
Pudsey Bolton Royd Primary School	502	2331
Pudsey Lowtown Primary School	511	2365
Pudsey Tyersal Primary School	525	2326
Pudsey Waterloo Primary School	534	3920
Quarry Mount Primary School	222	2413
Queensway Primary School	223	2356
Rawdon Littlemoor Primary School	219	2271
Raynville Primary School	516	2489
Richmond Hill Primary School	328	2451
Robin Hood Primary School	432	2309
Rosebank Primary School	224	2415
Rothwell Primary School	433	2506
Rufford Park Primary School	239	2002
Ryecroft Primary School	518	2501
Scholes (Elmet) Primary School	329	2275
Seacroft Grange Primary School	330	2452
Seven Hills Primary School	436	2293
Shadwell Primary School	121	2441
Shakespeare Primary School	331	2462
Sharp Lane Primary School	442	2510
Southroyd Primary School and Nursery	520	2335
Spring Bank Primary School	228	2414
Stanningley Primary School	522	2490
Strawberry Fields Primary School	343	3917
Summerfield Primary School	523	2491
Swarcliffe Primary School	332	2468
Swillington Primary School	333	2328
Swinnow Primary School	524	2503
Talbot Primary School	122	2432

SCHOOL NAME	LA	DfES
	Account N°	N°
Templenewsam Halton Primary School	319	2465
Thorpe Primary School	437	2312
Tranmere Park Primary School	231	2348
Valley View Community Primary School	540	3928
Victoria Primary School	334	2454
Weetwood Primary School	232	2421
West End Primary School	233	2334
Westbrook Lane Primary School	234	2364
Westerton Primary School	438	2297
Westgate Primary School	237	2403
Westwood Primary School	439	2478
Whingate Primary School	530	2493
White Laith Primary School	336	2456
Whitecote Primary School	531	2494
Whitkirk Primary School	338	2466
Wigton Moor Primary School	124	2390
Windmill Primary School	440	2471
Woodlands Primary School	313	2461
Woodlesford Primary School	441	2314
Wykebeck Primary School	339	2457
<b>VOLUNTARY CONTROLLED SCHOOLS</b>		
<b>C of E Primary Schools</b>		
Aberford Church of England Voluntary Controlled Primary School	346	3030
Barwick-In-Elmet Church of England Voluntary Controlled Primary School	348	3033
Bramley St Peter's Church of England Voluntary Controlled Primary School	549	3054
Burley St Matthias' Church of England Voluntary Controlled Primary School	256	3052
Calverley Church of England Voluntary Controlled Primary School	546	3046
Christ Church Upper Armley Church of England Voluntary Controlled Primary School	547	3055
Great Preston Church of England Voluntary Controlled Primary School	344	3001
Harewood Church of England Voluntary Controlled Primary School	148	3037
Micklefield Church of England Voluntary Controlled Primary School	351	3040
Middleton St Mary's Church of England Voluntary Controlled Primary School	449	3053
Otley All Saints' Church of England Voluntary Controlled Primary School	262	2513
Pool-In-Wharfedale Church of England Voluntary Controlled Primary School	251	3051
Rawdon St Peter's Church of England Voluntary Controlled Primary School	252	3031
Rothwell Church of England Voluntary Controlled Primary School	446	3043

SCHOOL NAME	LA	DfES
	Account N°	N°
Shire Oak Church of England Voluntary Controlled Primary School	240	3929
St Bartholomew's Church of England Voluntary Controlled Primary School	548	3056
St James' Church of England Voluntary Controlled Primary School	151	3045
St Margaret's Church of England Voluntary Controlled Primary School	261	3038
St. Mary's Church of England Voluntary Controlled Primary School Boston Spa	147	3047
Thorner Church of England Voluntary Controlled Primary School	154	3044
<b>VOLUNTARY AIDED SCHOOLS</b>		
<b>C of E Junior Schools</b>		
Guiseley St Oswald's Church of England Junior School	258	3350
<b>C of E Primary Schools</b>		
Adel St John The Baptist Church of England Primary School	254	3902
All Saint's Richmond Hill Church of England Primary School	347	3909
Archbishop Cranmer Church of England Primary School	146	3906
Beeston Hill St Luke's Church of England Primary School	447	3913
Collingham Lady Elizabeth Hastings' Church of England Primary School	149	3357
Cookridge Holy Trinity Church of England Primary School	249	3903
Hawksworth Church of England Primary School	248	3351
Hunslet St Mary's Church of England Primary School	448	3914
Kirkstall St Stephen's Church of England Primary School	259	3904
Lady Elizabeth Hastings' Church of England Primary School, Ledston	350	5200
Lady Elizabeth Hastings' Church of England Primary School, Thorp Arch	150	3356
Manston St James Church of England Primary School	352	3910
Meanwood Church of England Primary School	250	3907
Roundhay St John's Church of England Primary School	152	3329
St Chad's Church of England Primary School	253	3315
St Matthew's Church of England Aided Primary School	153	3908
St Peter's Church of England Primary School, Leeds	354	3911
Whinmoor St Paul's Church of England Primary School	353	3912
<b>Catholic Primary Schools</b>		
Christ The King Catholic Primary School	566	3369
Corpus Christi Catholic Primary School	366	3370
Holy Family Catholic Primary School	567	3372
Holy Name Catholic Primary School	266	3380
Holy Rosary & St Anne's Catholic Primary School	166	3383
Immaculate Heart of Mary Catholic Primary School	167	3381
Mount St Mary's Catholic Primary School	371	3636
Our Lady of Good Counsel Catholic Primary School	367	3376

SCHOOL NAME	LA	DfES
	Account N°	N°
Sacred Heart Catholic Primary School, Leeds	267	3377
Ss Peter & Paul Catholic Primary School, Yeadon	268	3363
St Anthony's Catholic Primary School, Beeston	466	3367
St Augustine's Catholic Primary School	368	3368
St Benedict's Catholic Primary School, Garforth	369	3365
St Edward's Catholic Primary School, Boston Spa	168	3358
St Francis Catholic Primary School, Morley	467	3362
St Francis of Assisi Catholic Primary School	468	3371
St Gregory's Catholic Primary School	370	3384
St Joseph's Catholic Primary School, Hunslet	469	3374
St Joseph's Catholic Primary School, Otley	269	3360
St Joseph's Catholic Primary School, Pudsey	568	3361
St Joseph's Catholic Primary School, Wetherby	169	3366
St Mary's Catholic Primary School, Horsforth	270	3359
St Mary's Catholic Primary School, Rothwell	470	3364
St Nicholas Catholic Primary School	372	3375
St Patrick's Catholic Primary School	373	3382
St Paul's Catholic Primary School	170	3378
St Philip's Catholic Primary School	471	3379
St Theresa's Catholic Primary School	374	3385
St Urban's Catholic Primary School	271	3373
<b>Jewish Primary School</b>		
Brodetsky Jewish Primary School	179	3915
<b>HIGH SCHOOLS 11 to 16</b>		
<b>Voluntary Aided schools</b>		
<b>Catholic Schools</b>		
Cardinal Heenan Catholic High School	195	4751
Corpus Christi Catholic High School	395	4752
Mount St Mary's Catholic High School	396	4753
St Michael's Catholic College	595	4754
<b>HIGH SCHOOLS 11 to 18</b>		
<b>Community Schools</b>		
Allerton Grange High School	180	4040
Allerton High School	181	4032
Benton Park School	280	4106
Boston Spa School	182	4114
Brigshaw High School	380	4113
Bruntcliffe High School	480	4109
Carr Manor High School	184	4041
City of Leeds School	281	4031
Cockburn High School	481	4047
Crawshaw School	581	4107
Farnley Park High School	582	4056
Garforth Community College	383	4112

SCHOOL NAME	LA	DfES
	Account N°	N°
<b>Guiseley School</b>	<b>282</b>	<b>4108</b>
<b>Horsforth School</b>	<b>283</b>	<b>4115</b>
<b>Intake High School</b>	<b>584</b>	<b>4054</b>
<b>John Smeaton Community High School</b>	<b>384</b>	<b>4045</b>
<b>Lawnswood School</b>	<b>284</b>	<b>4006</b>
<b>Morley High School</b>	<b>485</b>	<b>4101</b>
<b>Parklands Girls' High School</b>	<b>385</b>	<b>4059</b>
<b>Priesthorpe School</b>	<b>585</b>	<b>4110</b>
<b>Primrose High School</b>	<b>386</b>	<b>4044</b>
<b>Otley Prince Henry's Grammar School, Otley</b>	<b>285</b>	<b>4501</b>
<b>Pudsey Grangefield School</b>	<b>583</b>	<b>4102</b>
<b>Ralph Thoresby High School</b>	<b>286</b>	<b>4062</b>
<b>South Leeds Performing Arts College Rodillian</b>	<b>486</b>	<b>4103</b>
<b>Roundhay School</b>	<b>185</b>	<b>4063</b>
<b>Royds School</b>	<b>487</b>	<b>4104</b>
<b>South Leeds High School</b>	<b>489</b>	<b>4851</b>
<b>Temple Moor High School</b>	<b>387</b>	<b>4046</b>
<b>West Leeds High School</b>	<b>586</b>	<b>4058</b>
<b>Wetherby High School</b>	<b>186</b>	<b>4111</b>
<b>Woodkirk High School</b>	<b>488</b>	<b>4105</b>
<b>Wortley High School</b>	<b>587</b>	<b>4057</b>
<b>Voluntary Aided Schools C of E Schools</b>		
<b>Abbey Grange Church of England High School</b>	<b>293</b>	<b>5400</b>
<b>Catholic Schools</b>		
<b>St Mary's Catholic Comprehensive School, Menston</b>	<b>296</b>	<b>4601</b>
<b>COMMUNITY SPECIAL SCHOOLS</b>		
<b>Broomfield (South SILC)</b>	<b>640</b>	<b>7062</b>
<b>Elmete Wood (BESD SILC)</b>	<b>611</b>	<b>7068</b>
<b>John Jamieson (East SILC)</b>	<b>631</b>	<b>7015</b>
<b>West Oaks ( North East SILC)</b>	<b>615</b>	<b>7072</b>
<b>West SILC</b>	<b>653</b>	<b>7074</b>
<b>North West SILC</b>	<b>654</b>	<b>7073</b>

The schools listed above are as at 1<sup>st</sup> April 2007. The scheme also applies to any schools opened after this date funded through the Leeds Funding Formula.

- 1.** This statement is intended to assist schools in considering the relevance of best value principles to the expenditure of funds from their delegated budget share. When submitting annual budget plans, schools are required to say how best value principles are being followed.
- 2.** Best value will be a statutory duty to deliver services to clear standards, covering both cost and quality, the most effective, economic and efficient means available. Legislation is to place a duty on local authorities to secure best value in respect of the way in which they exercise their functions. The new duty is not intended to apply to those functions which are exercised by the governing bodies of LA maintained schools. However, schools will be encouraged to adopt the best value performance management framework.
- 3.** In relation to schools and expenditure from delegated budgets, the main features of best value can be summarised as a need for the governing body of a school to ensure:
  - a.** the existence of a programme of performance review which will aim for continual improvement. Existing mechanisms such as school development plans and post-OFSTED inspection plans can be developed to satisfy the requirements for review. The reviews should include:
    - challenging how and why a service is provided (including consideration of alternative providers);
    - comparison of performance against other schools taking into account the views of parents and pupils;
    - mechanisms to consult stakeholders, especially parents and pupils;
    - embracing competition as a means of securing efficient and effective services;
  - b.** the development of a framework of performance indicators and targets which will provide a clear practical expression of a school's performance, taking national requirements into account;
  - c.** that the following are included in school development plans -
    - a summary of objectives and strategy for the future;
    - forward targets on an annual and longer term basis;
    - description of the means by which performance targets will be achieved;
    - a report on current performance
  - d.** that internal and external audit takes place ensuring that performance information is scrutinised. LA oversight of school finances provides external review.
- 4.** The independent inspection and intervention elements of the best value framework will be the responsibility of other bodies and therefore not relevant to demonstration by a governing body of adherence to best value principles.

## FROM INTERPRETATION OF THE CIPFA CODE OF PRACTICE

ELEMENT	CAPITAL: AS CIPFA CODE OF PRACTICE	REVENUE : REPAIRS & MAINTENANCE
<b>Roofs</b>		
<u>Flat</u>	Structure. New (not replacement) structure	Repair/replacement of small parts of an existing structure
	Structure. Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure	Replace small areas of rotten or defective timber, make good minor areas of spalling concrete where reinforcing bars exposed
	Screed / insulation in a new building / extension	Repair / replacement of screed / insulation where defective
	Screed / insulation. Replacement / repair of substantially all. Improve effectiveness of insulation	Work to improve insulation standards, during work to repair / replace small areas of roof.
	Finish on new build. Replacement of all / substantially all on existing roof	Replacement of roof finish on existing building. Re-coating chippings to improve life expectancy
	Edge Trim / Fascia on new build	Repairs / replacement. (uPVC) Repairing.
	Edge / Trim / Fascia, Replacement of all / substantially all on existing roof	Repairs / replacement (uPVC) Repainting.
	Drainage on new build	Clearing out gutters and downpipes. Replacement / repair / repainting or / individual gutters / pipes
	Other eg, Flashings, Rooflights on new build Replacement of all / substantially all on existing roof	Repair / replacement / cleaning of individual items
<u>Pitched</u>	Structure. New (not replacement) structure	Repair / replacement of small parts of an existing structure
	Structure. Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure	Replace / repair small areas of rotten / defective joists, rafters, purlins etc. Not complete trusses
<u>ROOFS Pitched</u>	Insulation in a new building / extension	Repair / replacement / increasing thickness of insulation in an existing roof
	Insulation. Replacement / repair of substantially all. Improve insulation to current standards	
	Roof finish in a new building / extension, replacement of all / substantially all on existing roof	Replace missing / damaged
	Bargeboards / Fascias in a new building / extension, replacement of all / substantially all on existing roof	Repairs / replacement / repainting
	Drainage in a new building / extension	Clearing out gutters and downpipes. Replacement / repairs of individual pipes / gutters
	Drainage. Replacement of all / substantially all on existing roof	



ELEMENT	CAPITAL: AS CIPFA CODE OF PRACTICE	REVENUE : REPAIRS & MAINTENANCE
	Other eg, Flashings, roof windows in a new building / extension, replacement of all / substantially all on existing roof	Repair /replacement / cleaning
<u>Other</u>	Provide new covered link etc. between existing buildings	Minor repairs, maintenance to existing covered link
	Rebuild or substantially repair structure of existing covered link	
	Add porch etc. to existing building	Minor repairs, maintenance to existing
	Rebuild or substantially repair structure of existing porch	
<b>Floors</b>		
<u>Ground Floor</u>	Structure and dpc in new building	Repair / replacement of small parts of an existing structure
	Structure and dpc - replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure	
	Screed and finish in new build, replacement of all / substantially all on existing floor - eg, replacement of most carpets / tiles in a room	Replacement and repair of screed and finishes / replacement of mats / matwells. Maintenance eg, revarnishing wooden floors
<u>Upper floor</u>	Structure - as ground floor	As ground floor
	Screed and Finish - as ground floor	Repairs of finishes / replacement - as ground floor
<b>Ceilings</b>		
<u>Top / only storey</u>	Suspension	Repair / replacement incl. from water damage, & necessary decoration
	Membrane	
	Fixed	Repair / replacement inc. from water damage
	Access panels	Repair / replacement
<u>Lower storeys</u>	Suspension	Repair / replacement
	Membrane	
	Fixed	Repair / replacement
<u>All</u>	Specialist removal / replacement of damaged / disturbed asbestos based materials, planned or emergency	Inspection / air testing applying sealant coats to asbestos surfaces for protection
<b>External walls</b>		
<u>Masonry / cladding</u>	Structure. Underpinning / propping for new build	Repairs. Preventive measures eg, tree removal
	External finish on new build	Repair / replacement of small parts of an existing structure eg, repointing / recladding a proportion of a wall where failure has occurred

ELEMENT	CAPITAL: AS CIPFA CODE OF PRACTICE	REVENUE : REPAIRS & MAINTENANCE
<b>External walls</b> <u>Masonry / cladding</u> (cont)	External finish on existing build where needed to prevent imminent or correct actual major failure of the structure eg, repointing / recladding work affecting most of a building / replacement build	
<u>Windows and Doors</u>	Framing - new build	Repair / replacement of individual frames. Repainting frames
	Framing - structural replacement programme	Repair / replacement of individual windows. Repainting frames
	Glazing - new build	Replacing broken glass
	Glazing - Upgrading existing glazing	
	Ironmongery. Improving security	Repair / replacement, upgrading locks etc.
	Jointing including mastic joints	
	Internal and external decorations to new build	Internal and external decoration to include cleaning down and preparation
<u>Masonry chimneys</u>	Structure	
	Jointing including expansion and mortar joints / pointing / DPC	Repair / repointing
<b>Internal walls</b>		
<u>Solid</u>	Complete including various internal finishes, linings and decorations	Repairs and redecoration to internal plaster / linings tiles, pin boards etc.
	Refurbishment and alterations	Minor alterations
<u>Partitions</u>	Complete structure including linings, framing, glazing, decoration etc.	Repairs and redecoration
	Refurbishment and alterations	Minor alterations
<u>Doors &amp; Screens</u>	Framing / screens / doors to new buildings including glazing, ironmongery, jointing and internal decorations	Internal maintenance and redecoration. Repair / replacement of defective doors and screens
<u>All</u>	Glazing to meet statutory Health & Safety requirements	Replacement of broken glass
<b>Sanitary Services</b>		
<u>Lavatories</u>	In new buildings provision of all toilet fittings, waste plumbing and internal drainage	Repair / replacement of damaged sanitary ware, fittings, waste plumbing etc.
	Large scale toilet refurbishment	Small areas of refurbishment
	Provision of disabled facilities and specialist facilities related to pupils with statements.	Repair / replacement of damaged fittings, waste plumbing etc
<u>Kitchens</u>	Kitchens in new buildings, complete with fittings, equipment, waste plumbing and internal drainage. Internal finishes and decorations.	Maintain kitchen to requirements of LA  Cleaning out drainage systems Redecoration

<b>ELEMENT</b>	<b>CAPITAL: AS CIPFA CODE OF PRACTICE</b>	<b>REVENUE : REPAIRS &amp; MAINTENANCE</b>
	General refurbishment	Repairs
	Large and costly items of equipment	Repairs / replacement parts
<b>Mechanical Services</b>		
<u>Heating / hot water</u>	Complete heating and hot water systems to new projects, including fuel, storage, controls, distribution, flues etc.	General maintenance of all boiler house plant including replacement of defective parts. Regular cleaning. Energy saving projects.
<u>Heating / hot water</u>	Safe removal of old / damaged asbestos boiler and pipework insulation, where risk to Health & Safety	Monitoring systems  Health & Safety issues
	Planned replacement of old boiler / controls systems past the end of their useful life	Replacement of defective parts
<u>Heating / hot water</u>	Emergency replacement of boiler plant / systems	
<u>Cold water</u>	Provision of cold water services, storage tanks, distribution, boosters, hose reels etc. in major projects	Maintenance and repair / replacement of defective parts such as servicing pipes. Annual servicing of cold water tanks.
<u>Gas</u>	Distribution on new and major refurbishment's, terminal units	Repairs, maintenance and gas safety. All servicing
<u>Ventilation</u>	Mechanical ventilation / air conditioning to major projects	Provision of local ventilation. Repair / replacement of defective systems and units
<u>Other</u>	Swimming pool plant and its complete installation, including heat recovery systems	Repair / replacement of parts to plant, pumps and controls. Water treatment equipment and all distribution pipework. Simple heat recovery systems. Solar heating plant and equipment.
<b>Electrical services</b>		
<u>General</u>	Main switchgear and distribution in major projects.	Testing / replacement of distribution boards. The repair and maintenance of all switchgear and interconnecting cables including that in temporary buildings.
	Replacement of obsolete and dangerous wiring systems, including distribution boards.	All testing, earthing and bonding to meet Health & Safety. All servicing.
<u>Power</u>	Control gear, distribution, fixed equipment, protection etc.	All testing, repair and replacement of small items of equipment.
<u>Lighting</u>	Provision of luminaries and emergency.	Replacement of luminaires, all testing, adjustments and improvements to emergency.
<u>Other</u>	Lightning protection in new build.	Repair / replacement
	Alarm systems, CCTV, lifts / hoists etc.	Repair and maintenance

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