



SOMERSET
County Council

FINANCIAL MANAGEMENT SCHEME

**FOR SCHOOLS & EDUCATIONAL
ESTABLISHMENTS MAINTAINED BY
SOMERSET COUNTY COUNCIL**

March 2023 (Interim issue)

This document is also available on request in Braille, large print, tape or disc and can be translated into different languages.

We value diversity. We are committed to promoting equality of opportunity and fair access to services based on need.

Changes for 2023/24 : (Interim Issue)

Minor amendment throughout the document:

- Pupil Referral Units (PRUs) – now referred to as Partnership Schools
- Somerset County Council to be amended to Somerset Council in final issue.
- SCC to be amended to SC in final issue.

2.3.3 ; 2.3.4 & 4.2 (a) Final surplus/deficit balances and Submission of Budget Plan

Dates amended to 1st May each year.

2.3.9 to 2.3.12 – Recovery Plan processes

Details regarding Recovery Plan processes for schools indicating a deficit at the end of the financial year or ongoing deficits predicted.

FINANCIAL MANAGEMENT SCHEME

CONTENTS

	Page
1. Introduction	2
2. Financial Controls	7
3. Banking Arrangements	22
4. Surplus and Deficit Balances	25
5. Income	27
6. Charging of School Budget Shares	31
7. Taxation	34
8. Provision of Services and Facilities by the LA	36
9. PFI/PPP	37
10. Risk Management and Insurance	38
11. Premises Issues	39
12. Health & Safety	43
13. Withdrawal of Delegated Powers	47
14. Community Facilities	48
15. Miscellaneous	52
 Appendices	
A. Schools Covered by this Scheme	55
B. Legislative Requirements/Codes of Practice for Building Works	61
INDEX	63

1. INTRODUCTION

1.1 **The Funding Framework**

This framework replaces Local Management of Schools and is based on the legislative provisions in Sections 45 - 53 of the School Standards and Framework Act 1998 (the 1998 Act). The terminology used is in the same sense as in the 1998 Act.

Categories of expenditure falling within the Local Authority and Schools Budgets are prescribed under Regulations made by the Secretary of State.

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

LAs may retain an unallocated reserve within the Individual Schools Budget (ISB) but must otherwise distribute the ISB amongst their maintained schools using a formula that complies with the 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 each school, unless the school is new and has not yet received a delegated budget, or the right to delegation has been suspended in accordance with Section 51 of the Act (see Section 12).

1.2 **The Role of this Scheme**

This Scheme sets out the financial relationship between Somerset County Council and the maintained schools and educational establishments that it funds. Somerset County Council is the Local Authority (LA). The Scheme contains requirements relating to financial management and associated issues and is binding on both the LA and on schools through their respective Governing Bodies. In the event of a dispute concerning non-statutory requirements that cannot be satisfactorily resolved between the parties, an independent arbiter would be asked to resolve the situation.

This Scheme sets out the requirements on schools in some detail. However, some areas require further guidance that will be published separately. Any separate information should be compatible with this Scheme. In any case, this Scheme takes precedence over any separate document.

[Back to Contents](#)

1.2.1 Schools & Educational Establishments within the Scope of this Scheme

This Scheme applies to all Community, Voluntary, Foundation (including trust) Community Special or Foundation Special schools maintained by the LA. (See Appendix A for the full list). It does not apply to academies and free schools.

The Scheme also applies to Pupil Referral Units (PRUs) as they received delegated budgets from 1 April 2013.

Unless specifically stated otherwise, the provisions of this scheme apply to any nursery school maintained by the LA.

Community Learning Partnerships (CLPs) are required to adhere to parts of this Scheme and where relevant, the following changes in terminology apply:

Document reference	(replace with) CLP reference
School	CLP
Governing Body	Management Committee
Headteacher	CLP Manager

The following sections **DO NOT** apply to CLPs:

Section	Subject
1.8	Delegation of Powers to the Headteacher
1.9	Reporting and Publication Requirements – second paragraph only.
1.10	Maintenance of Schools
2.3.1 & 2.3.2	Submission of Budget Plans
2.8	Voluntary and Private Funds
2.11	Application of SCC arranged Contracts for Schools
2.13	Spending for the Purposes of the School
2.17	School Financial Value Standard (SFVS)
3	Banking Arrangements, except paragraph 3.3.
4.6	Licensed Deficit Scheme
4.7	Balance of Closing and Replacement Schools
5.2	Income from lettings
6.4.	Circumstances in which charges can be made, with the exception of paragraphs 6.4.1, 6.4.2, 6.4.3, 6.4.7, 6.4.8, 6.4.10, 6.4.12, 6.4.14, 6.4.15, 6.4.16, 6.4.21, 6.4.22, 6.4.23 and 6.4.26
6.5	De-delegation of Funding
8.1	Provision of Services from Centrally Retained Budgets
9	Private Finance Initiative and Private Public Partnerships
11	Premises Issues
12	Withdrawal of Delegated Powers
13	Community Facilities
14.12	Academy Conversion

[Back to Contents](#)

1.3 **Publication of the Scheme**

A copy of this Scheme will be made available to the Headteacher and to the Governing Body of each school covered by the Scheme, via [Schools Funding and Accounting Team](#). Any subsequent approved revisions will also be notified to the same.

1.4 **Revision of the Scheme**

The LA has consulted all Headteachers and Governing Bodies on this Scheme which has been approved by the Schools Forum. Any proposed revisions to this Scheme (whether proposed by the LA or by schools) will be the subject of consultation with all Governing Bodies and will require approval by maintained school members of the Schools Forum.

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

1.5 **Financial Duties and Responsibilities of the Director of Finance and Governance.**

All references in this Scheme to the Director of Finance and Governance can include an authorised representative.

The Director of Finance and Governance is responsible for the proper administration of the Council's financial affairs. This includes the responsibility for ensuring an adequate and effective internal audit of maintained schools in Somerset.

The Director of Finance and Governance is responsible for preparing and publishing the County Council's financial accounts.

The detailed format and content of all financial returns and procedures will be subject to approval by the Director of Finance and Governance.

The Director of Finance and Governance will regularly furnish every school with information relating to all the school's transactions that have been processed by central financial systems.

To fulfil his responsibilities, the Director of Finance and Governance has the right of access to any relevant information or data relating to a school's delegated budget, including information held within the school and the right to attend any relevant meetings of a Governing Body and to speak on financial issues (see paragraph 14.6).

1.6 **Financial Duties and Responsibilities of the Director of Children's Services**

All references in this Scheme to the Director of Children's Services can include an authorised representative.

The Director of Children's Services is responsible for ensuring that adequate advice, information, and support is available to Governing Bodies to enable them to fulfil their responsibilities under paragraph 1.7 below.

The Director of Children's Services reports to the Cabinet on the cost-effective use of resources in schools for the purposes of raising educational achievement.

The Director of Children's Services is responsible for submitting an annual budget for the forward year to the Cabinet each year. The County Council must then approve this.

[Back to Contents](#)

Following approval, the Director of Children's Services will provide details of the delegated budget share that will be allocated to each school in the following year by applying the relevant distribution formula to the Individual Schools Budget.

The LA must submit final school budget proformas to the Education and Skills Funding Agency and notify the Secretary of State of the proposed Schools Budget by the date specified by the DfE each year.

The Director of Children's Services will publish the information required by the 1998 Act in accordance with the regulations and timetables laid down by the Secretary of State for Education (see paragraph 1.9).

To fulfil his responsibilities, the Director of Children's Services has the right of access to any relevant information or data relating to a school's delegated budget, including information held within the school.

1.7 **Financial Duties and Responsibilities of the Governing Body**

In any financial year, once a school's delegated budget share has been confirmed in writing by the Director of Children's Services, the Governing Body may incur expenditure up to the total of the delegated budget share, after allowing for any accumulated surplus or deficit carried forward, for the purposes specified in paragraph 2.13. In the absence of any such notification for a given financial year, the Governing Body is authorised to spend in that year up to 40% of its delegated budget share for the preceding financial year, pending the receipt of its current year figures.

The Governing Body has a responsibility to ensure that adequate financial procedures and controls exist within the school to minimise the risk of loss, wastage, or misappropriation and to fulfil the County Council's statutory responsibilities relating to VAT, income tax, National Insurance, Construction Industry Scheme, and any other aspect of the school's finances.

All the powers and responsibilities set out in this Scheme are vested in the full Governing Body. However, subject to the Education Acts and Regulations made under those Acts, the Governors may delegate any power granted to them by this Scheme to a committee of the Governing Body or to the Headteacher (see paragraph 1.8 below). Where this Scheme attributes authority or responsibility to the Headteacher, this indicates recommended practice to achieve efficient and effective day to day management and control. The Governing Body does have the power to limit the delegated powers of the Headteacher if considered to be necessary. Prior consultation with the Director of Children's Services is strongly recommended if such action is under consideration.

The Governing Body has the responsibility to ensure that school accounts are accurately reflected in the County Council statement of accounts.

To achieve this, the Governing Body must arrange for compliance with guidance produced by the local authority.

Fuller guidance on responsibilities of Governing Bodies can be found in:

- the [Governance Handbook](#)
- the Local Authority Model Finance Policy
- periodic circular notifications issued to schools

[Back to Contents](#)

1.8 **Delegation of Powers to the Headteacher**

The introduction of Local Management of Schools (LMS) and subsequent Regulations has brought about significant changes in roles and responsibilities. Consequently, it is essential that the Governing Body considers to what extent it wishes to delegate its powers to the Headteacher.

Governing Bodies ought to consider the following key areas of headship when determining the level of responsibility which should be delegated to Headteachers:

- the strategic direction and development of the school
- the teaching and learning of the school
- leading and managing staff to secure improvement
- the efficient and effective deployment of staff and resources
- accountability to Governors and others, such as parents, pupils, staff, and the local community.

The level of such delegation must be decided by the Governing Body and recorded in the Minutes of the Governing Body meeting and the school's Finance Policy. Further advice and guidance are available from Finance.

1.9 **Reporting and Publication Requirements**

The LA will supply each school with income and expenditure data held centrally within one week of the close of accounts for each month. For CLPs, data will be provided quarterly.

By 28 February preceding each financial year, the LA must publish a statement which sets out details of its planned Schools Budget and LA Budget, showing the amounts to be retained centrally, the funding delegated to schools and the formula used to calculate those budget shares.

After each financial year the authority will publish a statement showing outturn expenditure. The detailed publication requirements for financial statements are set out in directions issued by the Secretary of State. A copy of each year's budget and outturn statement will be made easily accessible to all schools.

The outturn statement is subject to certification by the authority's Chief Finance Officer (Section 151 Officer) and information in it may be collated and published by the Secretary of State.

1.10 **Maintenance of Schools**

The LA 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 Aided school where some of the expenses are, by statute, payable by the Governing Body). Part of the way the LA maintains schools is through the funding system put in place under Section 45 to 53 of the School Standards and Framework Act 1998.

[Back to Contents](#)

2. FINANCIAL CONTROLS

2.1.1 **Application of Financial Controls to Schools**

Schools are required to follow Somerset County Council's requirements on financial controls and budget monitoring in the management of their delegated and devolved budgets.

Some of these requirements are set out in this Scheme but schools are also required to follow the [County Council's Constitution](#). The document includes the Financial Regulations (Part 2, page 84) and guidance on Contract Standing Orders. Schools should also have regard to advice and circulars from the Director of Finance and Governance and the LA to the extent that they are compatible with the Scheme. The County Council will produce and modify these as necessary and provide copies to schools.

There are additional requirements for schools that operate their own bank accounts.

Each school should have its own Finance Policy detailing the operation of all financial procedures in the school.

2.1.2 **Provision of Financial Information and Reports**

All Schools must provide the Finance Group with details of anticipated and actual expenditure and income as required but will not be requested to submit such details more often than once every three months, except for those connected with tax or banking reconciliation.

However, if the LA 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 then such details may be requested more frequently, probably monthly.

Schools converting to academy status as sponsored academies will be closely monitored if in, or close to, a deficit budget position – this may include additional requirements for the authorisation of expenditure.

Those schools not using the County Council's financial system to pay staff, creditors or record income are required to make a regular return to Finance detailing the spending and income in a suitable format specified by the LA to fulfil its accounting and budgetary control obligations.

A written report must be submitted to the Governing Body or its Finance Committee at least six times each year and reviewed by the Governing Body against the budget at least three times a year. Copies of all reports for the current financial year and the two previous financial years must be available for inspection by the Director of Children's Services or the Director of Finance and Governance.

[Back to Contents](#)

2.1.3 **Payment of Salaries, Wages, Expenses and Pensions**

If the payment of any salaries, wages, pensions, compensation, and other emoluments (including expenses) to any employee or former employee of the Council, or of the Governing Body of an Aided or Foundation school, is not made by the Director of Finance and Governance, the school's procedures must be ratified in advance by the Director of Finance and Governance to ensure that they comply with his requirements.

Where the LA is the employer (ie Community and Controlled schools) and the payroll service is undertaken by an external agency, the LA will require returns to fulfil its statutory obligations with regard to tax, National Insurance and pensions. Where the LA is not the employer and a payroll provider other than the Director of Finance and Governance is used, the school is responsible for these returns.

Where the County Council's payroll system is used, the Headteacher is responsible for ensuring that the Director of Finance and Governance is notified as soon as possible and, in the form, prescribed by him of all matters affecting the payment of such emoluments and in particular:

- (a) appointments, resignations, dismissals, suspensions, secondments and transfers;
- (b) absences from duty for sickness or other reason, apart from approved leave;
- (c) changes in remuneration, other than normal increments and pay awards and agreements of general application; and
- (d) information necessary to maintain records of service for pensions, income tax, National Insurance and such additional information as the Director of Finance and Governance may request.

Where the County Council's payroll system is used, all-time records or other pay documents must be in a form prescribed or approved by the Director of Finance and Governance and are to be certified by or on behalf of the Headteacher. The names of officers authorised to sign such records must be approved by the Governing Body. Specimen signatures of all authorised officers are to be supplied to the Director of Finance and Governance through Finance and any changes must be notified without delay.

No employee of the County Council or of the Governing Body of an Aided/Foundation school may certify expenditure or personnel documentation from which they might personally benefit. This applies equally to Governors.

2.1.4 **Payment of Invoices**

All invoices and payment vouchers processed by the school or passed to the Director of Finance and Governance for payment must be examined, verified and certified by an authorised officer. Such certification must, unless otherwise agreed by the Director of Finance and Governance, be in manuscript by or on behalf of the Headteacher or by other arrangements that ensure adequate division of duties that should be set out in the school's Finance Policy. The names of officers authorised to certify invoices are to be approved by the Governing Body.

[Back to Contents](#)

Electronic copies of invoices are acceptable but will still need to be retained, certified, and authorised in the same way as a paper invoice.

Schools with imprest accounts operated through the County Council must supply Finance with specimen signatures of all authorised officers and any changes must be notified without delay.

The certifying officer must be satisfied that:

- a) the work, goods, or services to which the account relates have been satisfactorily carried out or received.
- b) the prices, discounts, other allowances, credits, tax and invoice totals are fair and correct;
- c) the budget against which the payment is to be charged is valid and contains the necessary funds;
- d) *the invoice has not previously been passed for payment and is a proper liability of the County Council.*** This is particularly important as there have been instances where schools have paid the same invoice twice or through the erroneous use of a Procurement Card. Where it is found that a school has paid an invoice erroneously, it is the responsibility of that school to recover the overpayment or seek a credit note from the vendor.

The certifying officer must be different from the person who orders the goods or services. Where it is difficult to achieve division of duties in the purchasing process, eg in smaller schools with no Deputy or Senior Teacher, an additional level of control can be achieved by the Chair of Governors performing spot checks.

Where accounts are settled locally using an approved local payment account, or via the central creditors interface, the invoices, orders, and delivery notes must be retained securely on the school premises for a period of not less than four years in addition to the current year.

Payments to individuals (ie where invoices are not from a company or similar body), will normally be processed via the payroll system and will be subject to statutory deductions. When a school engages an individual, they should advise the person of the payment method to avoid unnecessary delays if they have an expectation of self-employment status. In these instances, schools should contact their payroll provider for guidance to determine the status and notify the individual accordingly.

2.1.5 **Procurement cards (Pcards)**

All schools may request a Procurement card. This may only be obtained through the Director of Finance and Governance. The card will be issued to a named individual in a specific role and at a single establishment. Schools must comply with the following requirements when using a Procurement card:

- The card must **only** be used to procure goods and services on behalf of the school (Somerset County Council).
- The card must **only** be used by the **named cardholder**. If the cardholder is absent, other purchase procedures must be used.
- The card PIN number must **only** be known by the cardholder. Under no circumstances should this be divulged to anyone else.
- The cardholder must **always** keep the card on their person. This is an Internal Audit requirement.
- Procurement cards should **not** be used for any expenditure involving the use of unofficial funds.

- The school must ensure that division of duties is adhered to and that expenditure is authorised by an appropriate person. In practical terms this usually requires the Headteacher to approve new card applications. Where the Headteacher is a cardholder then their application and monthly expenditure log sheets should be approved by the Chair of Governors.
- If the cardholder is no longer to hold a card, the card must be destroyed and the Director of Finance and Governance/Accounts Payable notified accordingly. The destroyed card should be put in a sealed envelope and returned promptly to the scheme administrators.
- If the cardholder transfers to another SCC establishment, proper procedures **must** be followed in accordance with the guidance provided by Accounts Payable.
- Expenditure on travel and subsistence made using a P-Card should be restricted to the agreed allowances. Expenditure above these amounts must be paid for out of the card holder's own pocket.

Schools must also comply with the guidance on Purchase Card Procedures provided by the LA and the Director of Finance and Governance. A copy of this guidance is issued to all cardholders at the time of briefing.

2.1.6 **Control and Security of Assets**

The Governing Body must ensure that an up-to-date and accurate inventory record is maintained of all items of furniture, fittings and equipment, plant and machinery with a replacement cost above the school's capital 'de minimis' level and an expected life of at least one year which the County Council owns or in which it has a financial interest.

The Governing Body must ensure that all inventories are checked against the assets physically held at least once per year. All discrepancies must be reported to the Governing Body which must ensure that unexplained discrepancies are investigated. A record of all items written off should be maintained.

Items of equipment taken off the school premises should be recorded in a signing in/out register retained by the school.

Each Governing Body is responsible for always maintaining proper security arrangements for all buildings, plant, vehicles, stocks, stores, furniture, equipment, cash, personnel, and financial records under its control.

A Somerset County Council tamper-proof security label must be attached to all portable and attractive items owned by the County Council that are especially at risk of theft or damage, including cameras, computers, televisions, and video equipment.

2.1.7 **Accounting Policies and Year End Procedures**

Schools must follow the procedures and timetable established by the Director of Finance and Governance on accounting policies and year end procedures which are issued annually in order that the County Council can meet its obligations for producing and publishing the County Council's Annual Statement of Accounts.

These procedures include the requirement for Central Payment schools to complete an annual reconciliation of their petty cash account, and the relevant balance forms should be submitted to the School Funding and Accountancy Team by the published deadline.

[Back to Contents](#)

A monthly reconciliation between the school's financial information system and the central system is required by the Director of Finance and Governance and must be carried out and completed by the last working day of the month following the month of account in accordance with procedures laid down by the Director of Children's Services in consultation with the Director of Finance and Governance.

Where a local bank account is in operation a monthly reconciliation between the school's local financial system and the latest bank statement is also required within the same timescale.

LA Community and Voluntary Controlled Schools are required to complete an annual return which provides details of any new leases that they have entered into and confirmation that they are not finance leases.

Voluntary Aided and Foundation schools will not need to provide this information as their assets are not currently held on the SCC balance sheet. However, they should still ensure they are not entering into any finance leases.

2.1.8 **Provision for Bad Debts**

Schools should ensure that effective action is taken to pursue non-payment of debts within defined timescales.

Schools may need to make a financial provision in their financial records in the expectation that certain debts may never be paid and may need to be written off. This is known as a "provision for bad debts". If this occurs, schools should notify the Finance Group of any bad debt provision they wish to make at the end of the financial year.

2.1.9 **Writing Off Debts**

The total amount of debt written off locally by a Governing Body in a financial year must not exceed 1% of the school's delegated budget share for the year.

Subject to the paragraph above, debts due from a single debtor up to a total value of £1,000 including VAT in any one financial year may be written off, but only on the direct authority of the Governing Body, that is, by resolution at a Governing Body meeting (an individual school could set a lower limit in their Finance Policy if desired). Before referring a debt to the Governing Body for approval to write off, the Director of Finance and Governance must be consulted through Finance to ensure that there are no other outstanding financial transactions involving the County Council and the individual or organisation concerned.

Each school must maintain a record of all debts written off showing what attempted recovery action was taken and the justification for non-recovery.

Any debts due from a single debtor of £1,000 including VAT or more in any financial year may only be written off on the authority of the Director of Children's Services. If this situation is likely to arise, guidance should be sought urgently from Finance.

2.2 **Basis of Accounting**

Schools may use either cash or accruals accounting for its internal accounts during the year but unless otherwise requested, reports and accounts sent to the County Council from schools should be on a cash basis (ie what expenditure and income has actually been paid/received). This will prevent the need for each school to process accruals and prepayments prior to running each report.

At the year end, schools are required to supply information on outstanding payments and debts which will be used to produce final accounts on an accruals basis.

2.3 **Submission of Budget Plans**

- 2.3.1 Not later than 28 February each year, the Director of Children's Services will furnish every maintained school with written details of its delegated budget share and any other relevant information which is available to enable the Headteacher and Governing Body to prepare a detailed revenue budget for the financial year commencing 1 April.
- 2.3.2 By 31 March or within 30 working days of the budget share being issued (whichever is the later) each year the Headteacher is responsible for preparing estimates of expenditure and income covering the next three financial years for the consideration and approval of the Governing Body.
- 2.3.3 By ~~31 May~~ 1st May the Director of Children's Services will confirm with every maintained school the level of its accumulated surplus or deficit at the previous 31 March.
- 2.3.4 By ~~31 May~~ 1st May, each Governing Body or a committee of the governing body must formally approve the school's budget plan for the three financial years commencing 1 April and must notify the details of the budget plan in the required format to Finance with the assumptions underpinning it.
- 2.3.5 When considering budget proposals for the forward financial years, the Governing Body must always consider:
- (a) up-to-date information on the progress of spending against budget in the current year and realistic estimates of achievable income.
 - (b) agreed priorities, as set out in the School Development Plan, school's Asset Management Plan, Property Maintenance Plan, or other planning document.
 - (c) known and estimated future commitments (particularly staff costs), whether arising from external factors or from action taken or authorised by the Governing Body.
 - (d) the effect of projected changes in pupil numbers, or any other element of the allocation formula, on the school's future budget share.
 - (e) the full impact of any specific proposals that have been or are due to be implemented after the start of the current financial year.
 - (f) the responsibility of providing school lunches falls on all maintained schools, rather than the Local Authority, and this is not dependent on there being a specific amount of budget share allocated in respect of school lunches. This is in accordance with The Transfer of Functions Concerning School Lunches etc. (England) (Amendment) Order 2013.
- 2.3.6 The above factors must also be considered whenever the Governing Body is requested to consider any proposal which significantly affects the overall budget requirement in the current financial year and/or in future years.
- 2.3.7 The final budgeted net spending total for the year approved under paragraph 2.3.4 above must not exceed the school's delegated budget share plus any accumulated surplus (or less any accumulated deficit) at the previous 31 March.

[Back to Contents](#)

This requirement may only be waived with the prior written approval of the Director of Children's Services through Finance.

- 2.3.8 Where there are clear indications during the year that a school's delegated budget will be overspent at the end of the financial year by 5% or more of its delegated budget share, after allowing for any accumulated surplus or deficit brought forward, the Headteacher must immediately inform the Director of Children's Services with a proposed recovery plan to recover the deficit (see also Section 4). **Once the school's Financial Recovery Plan is approved by the Local Authority, the deficit will be approved.**
- 2.3.9 Where a school's budget is indicating a deficit position in Year 1 but moving back into surplus from Year 2, the deficit will be approved but detailed finance reports must be submitted to Schools Funding & Accounting Team at months 3, 6 and month 9. If there are concerns about a worsening position during the year, a Financial Recovery Plan may be requested at this point.
- 2.3.10 Where a school's budget is indicating an ongoing deficit position from Year 1 onwards, a Financial Recovery Plan, which is an action plan with target dates to bring the school back into surplus within 3 years (or 5 years with prior agreement), should be completed and returned to Schools Funding & Accounting Team **by 30th June.**
- 2.3.11 Where a school's budget is indicating a deficit position from Year 2, a Financial Recovery Plan should be completed and returned to Schools Funding & Accounting Team **by 30th June.**
- 2.3.12 The Financial Recovery Plan, once agreed with the Local Authority, must be formally approved by the governing body and recorded in the minutes of meetings of both the finance committee (where the school has one) and the full governing body. **Actions on the recovery plan must be reviewed at months 3, 6 and month 9 and detailed finance reports must be submitted to Schools Funding & Accounting Team.** Monthly finance reports may also be requested in individual cases.
- 2.3.13 The LA may require schools to submit a financial forecast, to provide assurance of effective forward budget planning where the LA has concerns regarding the school's financial position.

2.4 **School Resource Management**

Schools must seek to achieve effective management of resources and value for money, to optimise the use of their resources and to invest in teaching and learning, considering the Authority's purchasing, tendering, and contracting requirements.

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

[Back to Contents](#)

2.5 **Virement**

- 2.5.1 Virement (ie the transfer of spending approval between the budget headings of a school's delegated budget) may be carried out provided the following conditions are satisfied:
- (a) Virements should be in accordance with each individual school's Finance Policy and within reasonable agreed virement limits contained therein. The policy will make clear the level of virement which may be authorised by the Head without the prior approval of the Governing Body or its Finance Committee.
 - (b) All virements must be recorded and be authorised in advance by the Headteacher or designate recorded in the school's Finance Policy (suggested proforma available from Finance).
 - (c) Details of all virements (including their reasons) must be reported to the Governing Body or its Finance Committee at the next available opportunity.
 - (d) A record of virements covering the current financial year and the preceding two financial years should be retained on the school premises.
- 2.5.2 Where a school receives devolved budgets for a specific purpose, virement of funds away from the specified purpose must not occur unless previously authorised by the Director of Children's Services through Finance.

2.6 **Internal Audit**

- 2.6.1 The Director of Finance and Governance will maintain an adequate and effective internal audit of schools covered by this Scheme. This may be supplemented by an external audit if schools wish (see paragraph 2.7).
- 2.6.2 To fulfil his statutory responsibilities, the Director of Finance and Governance shall have the authority to:
- (a) access any County Council premises or land at all reasonable times, but where such premises or land are in the control of a contractor, that access shall be in accordance with the provisions of the contract;
 - (b) access all assets, records, documents, correspondence and control systems relating to any financial or other activity of schools considered relevant to audit;
 - (c) take such copies of any records, documents and correspondence as they consider necessary for the conduct of their work;
 - (d) require and receive any information and explanation considered necessary concerning any matter under examination;
 - (e) require any member of staff to produce or account for cash, stores or any other Council property under his or her control;
 - (f) access, when required, records belonging to third parties, including those of contractors so long as that access shall be in accordance with the provisions of the contract; and
 - (g) report directly to the Chief Executive, the County Council, the Cabinet, the Scrutiny Committee, or any other County Council's committees as appropriate.

- 2.6.3 The County Council's expectation of propriety and accountability is that governors and staff at all levels will undertake their duties with honesty and integrity and will lead by example in ensuring adherence to legal requirements, rules, procedures, and practices.

Further information is available in [Somerset County Council's Anti-Fraud and Corruption Policy](#) and guidance may also be sought from the Financial Governance Manager.

- 2.6.4 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, cheques, equipment, stores or other property of the Council or any suspected irregularity in the exercise of the functions of the LA, the Director of Children's Services through Finance must be notified without delay. The Director of Children's Services will notify the Director of Finance and Governance and the Governing Body, and they will determine such steps as are considered necessary by way of investigation and report.
- 2.6.5 Where a school covered by this Scheme is the subject of an internal audit report, the school must respond to the draft report within 14 days and submit a formal response to the Director of Finance and Governance within one month of receipt of the final report. The Governing Body must receive details of the final report and the response at the next available opportunity.

2.7 External Audit

- 2.7.1 External auditors are appointed to each Local Authority and their duties are defined in statute.
- 2.7.2 The external auditors must satisfy themselves that the statement of accounts 'presents fairly' the financial position of the County Council at the accounting date and its income and expenditure for the year in question and complies in all respects with the legal requirements.
- 2.7.3 The external auditor has the same rights of access as the internal auditor to all records, documents and correspondence that are necessary to enable him to carry out his work.
- 2.7.4 Governing Bodies may spend funds from schools' budget shares to obtain separate external audit certification of their official accounts, separate from any LA internal or external audit process.
- 2.7.5 It is not expected that separate external audits for individual schools should be a usual feature, but schools are able to seek an additional source of assurance at their own expense if they so wish.
- 2.7.6 Separate external audit certification of school accounts would not exclude a school from the County Council's internal or external audit process.

2.8 Voluntary and Private Funds

- 2.8.1 Unofficial funds should be managed with as much care and diligence as official funds, particularly where this is the responsibility of a member of staff. Special care must be taken in handling cash.
- 2.8.2 Unofficial funds must be administered and controlled separately from official monies. Income due to Somerset County Council must not under any circumstances be paid into an unofficial fund. Proper accounts must be kept of receipts and payments relating to unofficial funds and an annual statement of accounts produced.

- 2.8.3 Every unofficial fund is to be audited at least once per year by an independent person (ie someone not involved in the running of the funds or related to someone involved) nominated by the Governing Body. If a cost is incurred in obtaining the audit, this should be met from the fund concerned. An annual certificate of the audit must be forwarded to Finance together with the completed and signed Unofficial Funds Audit Checklist and supporting information about the fund as reasonably requested.
- 2.8.4 All cash and cheques received for an unofficial fund should as soon as possible be paid into the fund's bank account (see also Section 5 regarding official income).
- 2.8.5 In exceptional circumstances unofficial funds could be used by a member of the public to launder money, for example by giving a donation and then asking for a refund. If there is any suspicion that such a criminal act has been attempted, it is the Headteacher's responsibility to contact the County Council's Money Laundering Reporting Officer asweet@somerset.gov.uk

Guidance is also provided in [Somerset County Council's Anti-Money Laundering Policy](#).

2.9 **Register of Business Interests**

- 2.9.1 Governing Bodies must maintain an up-to-date register (suggested proforma in the Model Finance Policy), which lists for each member of the governing body and the head teacher:
- Any business interests they or any member of their immediate family have
 - Details of any other educational establishments that they govern
 - Any relationships between school staff and members of the governing body

The register must be kept up to date with notification of changes and through annual review of entries, be made available for inspection by governors, staff and parents, and the authority and to publish the register, for example on a publicly accessible website. In addition, staff and Governors must withdraw from meetings where they have a financial interest in any matter under consideration.

[Back to Contents](#)

2.10 **Purchasing, Tendering and Contracting Requirements**

- 2.10.1 Schools are required to abide by the [Council's Constitution documents: B-Contract Procedure Rules and Standing Orders](#): and advice on purchasing, tendering and contracting matters. This also includes a requirement to assess in advance, where relevant, the health and safety competence of contractors, taking account of the County Council's policies and procedures. Every contract entered into by a school must be made or confirmed in writing.
- 2.10.2 Where the Contract Standing Orders refer to the "Corporate Director", the school's governing body applies. The "Responsible Procurement Officer" should be designated by the school's governing body.
- 2.10.3 The thresholds and processes to be adopted according to the value of the contract as per the current SCC Standing Orders are as follows:

Contract Type	Total Contract Value	Specification Requirements	Procurement Process and guidance reference in B-Contract Procedure Rules and Standing Orders:
Goods, services and works.	Up to and including £25,000	Purchasing requisition, specification	Recommend three written quotes, minimum 1 written quote ensuring Best Value See section 20.
Goods, services and works.	Over £25,000 up to £50,000	Purchasing requisition, specification	Minimum of three written quotes See Section 20
Goods and services	Over £50,000 up to £100,000.	Specification, evaluation criteria, terms, and conditions	Quick Quote via the Council's Electronic Tendering System. See section 21.
Works	Over £50,000 up to £250,000		

Goods and services	Over £100,000 and less than the EU Exit Regulations Threshold	Tender docs, specification, evaluation criteria, terms, and conditions	Invitation to Tender via the Council's Electronic Tendering System. See section 22.
Works	Over £250,000 and less than the EU Exit Regulations Threshold		
Goods, services and works	At and above the EU Exit Regulations Threshold	Tender docs, specification, evaluation criteria, terms, and conditions	Invitation to Tender as per the Relevant Legislation and via the Council's Electronic Tendering System See section 23.

The value of a contract is calculated as the amount per annum multiplied by the number of years duration. For example, if taking out a 4-year contract at £50,000 per year this would be worth £200,000 and would fall into the **OJEU tender process.

*Note: The EU Goods and Services threshold with effect from 1 January 2022 is £213,477 and works threshold is £5,336,937.

** OJEU is 'Official Journal of the European Union', which publishes all public sector tenders breaching the EU thresholds across the European Union. OJEU Tender means a formal sealed bid procurement process that must comply fully with the requirements of the EU Consolidated Public Procurement Directive because the total aggregated value exceeds the value thresholds detailed within the Directive.

- 2.10.4 [Section B of the Council's Contract Standing Orders](#) outlines the procurement process and threshold requirements. Schools may contact the Commercial and Procurement Team (CPT) when considering contracts for goods, services and works. However, they should be aware that this would be a chargeable service to be negotiated at the time.
- 2.10.5 Where schools do not wish to engage CPT's support, they should refer to the [Buying for Schools](#) general guidance, which provides guidance in the instance that they wish to undertake their own procurement.
- 2.10.6 Official orders must be issued for all work, goods, or services except for emergency work, supplies of public utility services, periodical payments such as rent or rates, purchases from imprest, or local bank accounts of under £100 in value or such other transactions as the Director of Children's Services may approve. Official orders for the supply of goods and services must be in a form approved by the Director of Children's Services through Finance and are to be signed only by the Headteacher or other named members of staff specifically authorised by the appropriate Governing Body and set out in the school's Finance Policy which ensures adequate division of duties.
- 2.10.7 All members of staff authorised to issue official orders must be familiar with the County Council's Standing Orders on Contracts. Any contracts must comply with the Local Government Acts, EU Exit Regulations and other legislation governing the expenditure of public funds.
- 2.10.8 Orders may not be raised on behalf of or for the benefit of private individuals, including members of staff, or organisations that are not part of the County Council.
- 2.10.9 Any payment from a school's delegated budget to an individual (other than some subcontractors and piano tuners/window cleaners using their own equipment) who undertakes work for the school (ie tuition, demonstration, performance, repairs) must be made via the school's payroll provider **not** via a locally produced cheque **or** the central creditors system **nor** paid in cash. **Special legislation (the Construction Industry Scheme) covers the payment of sums due to subcontractors.** Payments other than for the supply of building materials should be made less tax unless a certificate is produced, and the appropriate tax documentation is completed. This is to ensure that Inland Revenue requirements are adhered to (see also paragraph 7.2). Guidance on the scheme is available from Accounts Payable. (AccountsPayable@somerset.gov.uk)
- 2.10.10 Where an order placed by a school subject to this Scheme gives rise to a contractual claim against the County Council, the Director of Finance and Governance is empowered to discharge the claim by imposing a charge against the delegated budget of the school concerned, after consultation with the school, the Director of Children's Services and the County Solicitor (see also Section 6). In the event of any dispute with a contractor, the Headteacher concerned must inform the Director of Children's Services and County Solicitor immediately through Finance, so that proceedings can be defended as appropriate.
- 2.10.11 Tendering and contract procedures for building works are detailed in the [SCC Property Design Standards and Guidance](#). These procedures are based on the Council's Contract Standing Orders and set out the administrative procedure that schools must follow in seeking tenders and letting contracts for the supply of goods, services and works.

[Back to Contents](#)

2.11 **Application of SCC arranged Contracts for Schools**

- 2.11.1 Each school has the right to opt out of Somerset County Council arranged contracts where these are funded through delegated schools' budgets. Before opting into any contract, governing bodies should have regard to the terms and conditions and the implications of any change in the school's circumstances during the contract term (see paragraph 6.4.26).
- 2.11.2 Governing bodies are empowered to enter into contracts, although 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. In some cases, however, contracts may be made solely on behalf of the governing body, when they have clear statutory obligations – for example, contracts made by aided or foundation schools for the employment of staff.

2.12 **Central Funds and Earmarking (Devolved funds)**

- 2.12.1 From time-to-time, the County Council may make sums available to schools from central funds by way of allocations that are additional to and separate from the school's budget shares. The LA will not make any deduction in respect of interest costs to the LA from such devolved or specific grants.
- These allocations will be subject to conditions setting out the purpose(s) for which the funds can be used and must not be assimilated into the general budget share. Appropriate accounting mechanisms must be complied with to demonstrate that this has occurred. Financial returns must be completed as required.

Funding could be withdrawn and/or penalties imposed if earmarked funds are not spent correctly. If not spent in-year (or within the period allowed, if different), balances of earmarked funds must be returned to the County Council.

2.13 **Spending for the Purposes of the School**

- 2.13.1 Section 50(3) of the 1998 Act allows Governing Bodies to spend budget shares for the purposes of the school subject to any provisions of this Scheme. By virtue of section 50(3A) (which came into force on 1st April 2011), amounts spent by governing bodies on community facilities or services under section 27 of the Education Act 2002 will be treated as if spent for any purposes of the school.

The Secretary of State may prescribe additional purposes for which expenditure of the budget share may occur.

He has done so in the School Budget Shares (Prescribed Purposes) (England) Regulations 2002 (SI 2002/378), which have been amended by the School Budget Shares (Prescribed Purposes) (England) (Amendment) Regulations 2010 (SI 2010/190). These allow schools to spend their budgets on pupils who are on the roll of other maintained schools or academies. However, budget shares must not be used to make any purchases on behalf of others (eg individuals, playgroup) which would constitute avoidance of VAT.

2.14 **Capital Spending from Budget Shares**

- 2.14.1 Governing Bodies can 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 1998 Act).

However, if the expected capital expenditure from the budget share in any one year will exceed £20,000 or 5% of the school's delegated budget share for the year (whichever is the larger), the Governing Body must notify the Director of Children's Services through Finance and consider any advice as to the merits of the proposed expenditure. LA consent to the proposed works can be withheld on health and safety grounds.

[Back to Contents](#)

2.15 **Capital Grant Funded Expenditure**

2.15.1 Schools must follow guidance issued by the LA in respect of expenditure funded from capital grants.

2.16 **Leases**

2.16.1 An operating lease is the only type of lease a school should enter into. These leases involve the school paying a rental fee for the hire of an asset for a period of time and are similar to a rental agreement. No other type of lease, such as a finance lease or hire purchase, may be entered into by the school as this is a form of borrowing.

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

2.17.1 Returns must be completed and submitted to the LA annually by the end of the Financial Year. From 2021/22 the annual SFVS return has been replaced by an Word document to be completed by Governors following their review of the Self-Assessment Dashboard found on the [benchmarking website](#).

2.17.2 The Self-Assessment Dashboard helps assure governing bodies that they are meeting the standards to achieve a good level of financial health and resource management. It can be used to identify areas for change to make sure resources are used to support high-quality teaching and the best education outcomes for pupils.

2.17.3 The checklist asks questions of governing bodies in six areas of resource management. The dashboard shows how a school's data compares to thresholds on a range of statistics that have been identified by the Department for Education as indicators of good resource management and outcomes.

2.18 **Fraud**

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

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

2.18.3 All schools must maintain a log of incidents/irregularities which must be reported to the Governing Body at least once a year.

2.19 **Notice of Concern**

- 2.19.1 The authority may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Chief Finance Officer and the Director of Children's Services, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of the local authority or the school.
- 2.19.2 Such a notice will set out the reasons and evidence for it being made and may place on the governing body restrictions, limitations or prohibitions in relation to the management of funds delegated to it.
These may include:
- Insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;
 - Insisting that an appropriately trained/qualified person chairs the finance committee of the governing body;
 - Placing more stringent restrictions or conditions on the day to day financial management of a school than the scheme requires for all schools – such as the provision of monthly accounts to the local authority;
 - Insisting on regular financial monitoring meetings at the school attended by local authority officers;
 - Requiring a governing body to buy into a local authority's financial management systems;
 - Imposing restrictions or limitations on the manner in which a school manages extended school activity funded from within its delegate budget share – for example by requiring a school to submit income projections and/or financial monitoring reports on such activities;
 - Removal of local banking arrangements.
- 2.19.3 The notice will clearly state what these requirements are and the way in which and the time by which such requirements must be complied with in order for the notice to be withdrawn. It will also state the actions that the authority may take where the governing body does not comply with the notice.
- 2.19.4 The purpose of this provision is to enable a local authority to set out formally any concerns it has regarding the financial management of a school it maintains and require a governing body to comply with any requirements it deems necessary. The principle criterion for issuing a notice, and determining the requirements included within it, must be to safeguard the financial position of the local authority or school.
- 2.19.5 It should not be used in place of withdrawal of financial delegation where that is the appropriate action to take; however, it may provide a way of making a governing body aware of the authority's concerns short of withdrawing delegation and identifying the actions a governing body should take to improve their financial management to avoid withdrawal.
- 2.19.6 Where a local authority issues a notice of concern the scheme must provide for the notice to be withdrawn once the governing body has complied with the requirements it proposes.

[Back to Contents](#)

3. BANKING ARRANGEMENTS, INSTALMENTS OF THE BUDGET SHARE

3.1 Central Payment Schools

The Director of Finance and Governance will continue to offer central banking arrangements for schools which do not operate their own bank accounts. In effect, a non-bank account school may have access to its entire budget share from the start of the year (although in practice this will not be drawn upon until needed to pay salaries, invoices etc; all schools are expected to have regard to the County Council's cashflow).

3.1.1 Imprest Accounts

Schools using central banking arrangements will also be entitled to operate a bank imprest account for minor disbursements through the County Council's bankers. Such accounts may only be opened through Finance.

Imprest accounts should only be used for the payment of minor day to day expenses. Exceptional payments may be agreed when the degree of urgency for payment prevents the use of SAP or the SCC Emergency Payment System. Where necessary, direct debits may be set up on Imprest Accounts for the payment of telephony services to BT.

The following types of payments are **not** appropriate from an imprest account:

- a) Payment of staff salaries
- b) Payment of employee travel claims
- c) Payment of employee expenses claims
- d) The cashing of personal cheques
- e) Paying in income to the imprest account

Schools are required to submit periodic electronic requests for the reimbursement of imprest expenditure and are expected to ensure that Imprest levels are maintained at levels suitable for their on-going use.

Where there are inadequate local facilities for a school to cash cheques, a suitable alternative is for key members of staff to obtain a PCard and further information is provided in section 2.1.5 of this Scheme. Schools are encouraged to use PCards more and limit their use of Imprest.

[Back to Contents](#)

3.2 **External Borrowing by Schools**

- 3.2.1 Governing Bodies may only borrow money from outside of the County Council with the written permission of the Secretary of State.
- 3.2.2 The Secretary of State's general position is that schools will only be granted permission for borrowing in exceptional circumstances. From time to time, however, the Secretary of State may introduce limited schemes to meet broader policy objectives. Schools may use any scheme that the Secretary of State has said is available to schools without specific approval.
- 3.2.3 Paragraph 3.2.1 does not apply to Trustees and Foundations, whose borrowing, as private bodies, make no impact on Government accounts. These debts may not be serviced directly from delegated budgets, but the Governing Body is able to agree to pay a charge to the Trustees. Governing bodies do not act as agents of the authority when repaying loans.
- 3.2.4 Governing Bodies are not permitted to use credit cards or enter into Finance leases as these are regarded as another method of borrowing. However, the County Council operates a Procurement Card Scheme (see paragraph 2.1.5).

3.3 **Borrowing Arrangements through the LA**

- 3.3.1 A Somerset County Council capital loan scheme is available for maintained schools.
- 3.3.2 Capital loan Scheme funded from school revenue balances.

This scheme enables schools to borrow money from the County Council, so they can progress with essential capital projects which otherwise may not be affordable for a number of years.

Criteria for Approval of Capital loans:

- Projects must address agreed Asset Management Plan (AMP) priorities and have approval from the Local Authority.
- The school must be able to demonstrate their ability and commitment to repay the debt considering the impact on future years' budgets and sustainability.
- The school must demonstrate that loan repayments will not threaten unacceptable disruption to the delivery of education.
- A school's uncommitted revenue balances during the term of the loan should be considered as a way of reducing the balance and/or loan period.
- As the period of the loan is likely to be over a number of years, approval must be obtained from the full Governing Body as the implications will have a long-lasting effect on the school and future Headteachers and Governors.
-

3.3.3 Loans will only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year. Loans will not be used as a means of funding a deficit that has arisen because a school's recurrent costs exceed its current income. If loans are made to fund a deficit and a school subsequently converts to academy status, the Secretary of State will consider using the power under paragraph 13(4)(d) of Schedule 1 to the Academies Act 2010 to make a direction to the effect that such a loan does not transfer, either in full or part, to the new Academy school

[Back to Contents](#)

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

4.1 Carry Forward of Surpluses and Deficits

- 4.1.1 At the end of each financial year any surplus or deficit on a school's delegated revenue budget at 31 March will be carried forward to the following year. No deficit carry forwards will be written off.

Devolved Formula Capital Grant allocations must be spent within a three-year period, after which any unspent balance will be retained by the LA to be spent according to centrally agreed priorities.

Where exceptionally a school wishes to accumulate Devolved Formula Capital Grant allocations for more than three years to finance a specific large project, it may do so provided agreement has been reached with the LA.

- 4.1.2 If during a financial year the Governing Body proposes to undertake additional expenditure for any purpose for which there is no specific provision in the school's approved budget and which is likely to lead to a budget deficit at the end of the current financial year, prior written approval must be obtained from the Director of Children's Services through Finance.

4.2 Calculation of surplus balances

Surplus balances held by schools are permitted under this scheme and are calculated as follows:

- a) the LA shall calculate by ~~31 May~~ 1st May each year the surplus balance, if any, held by the 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 LA shall deduct from the calculated balance any amounts for which the school has a prior financial year commitment to pay from the surplus balance;
- c) The LA 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 LA as listed as 'allowable exceptions' and which the LA 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 LA.

4.3 Interest on Surplus Balances

- 4.3.1 Balances held by the LA on behalf of schools will automatically earn interest. This will include Devolved Formula Capital Grant (DFCG) and staff balances held centrally by the LA on behalf of VC and Community schools.

[Back to Contents](#)

- 4.3.2 This will be calculated as the (mean) average of the brought forward (cash) surplus from the previous year and the end of year (cash) carry forward. The agreed rate of 1% below the average Base Rate for the previous financial year will be applied and allocated to each school in the following year with their carry forward allocation.
- 4.3.4 Where the average Base Rate remains at or below 1% over a financial year, no interest will be paid on surplus balances for that particular period.

4.4 **Interest on Deficit Budgets**

- 4.4.1 Schools must not plan for a deficit budget except where they have obtained prior approval from the Director of Children's Services through Finance (see paragraph 2.3.7).
- 4.4.2 Approval will only be given for specific purposes and where the school is able to demonstrate that it will be able to clear such a deficit.
- 4.4.3 In order not to penalise those schools who carry surplus balances, an interest charge will be made on deficit balances, unless the school is meeting the terms of an agreed recovery plan, in which case no interest will be charged. This arrangement will be reviewed on an annual basis.
- 4.4.4 The interest on a deficit balance will be calculated in the same way as the interest on surplus balances (ie using the (mean) average of the brought forward deficit from the previous year and the end of year deficit carry forward). The agreed rate of 1% above the average Base Rate for the previous financial year will be applied and charged to the school in the following year. The charge will reflect the cost to the County Council of borrowing money to fund the deficit. Such a charge will also be made on deficit staff balances held centrally for 'Non-Staff Local Payment' schools.

4.5 **Writing off Deficits**

The Local Authority is unable to write off deficit balances other than from a centrally held budget specified for the purpose of expenditure on special schools and pupil referral units in financial difficulty or, in respect of mainstream maintained schools, from a de-delegated contingency budget where this has been agreed by Schools Forum.

4.6 **Balance of Closing and Replacement Schools**

- 4.6.1 If a school closes, including during its amalgamation, any balance (whether surplus or deficit) will be held centrally within the Central Schools Budget. Devolved Formula Capital Grant (DFCG) balances on closure would be reallocated between schools. Where a school converts to academy status under section 4(1) (a) of the Academies Act 2010 the balance will be transferred to the academy.
- 4.6.2 Where in the funding period, a school has been established or is subject to a prescribed alteration as a result of the closure of a school, a local authority may add an amount to the budget share of the new or enlarged school to reflect all or part of the unspent budget share (including any surplus carried over from previous funding periods) of the closing school for the funding period in which it closes.

[Back to Contents](#)

5. INCOME

5.1 Collection of Income

- 5.1.1 The Headteacher is responsible for the prompt identification, collection and banking of all money due to the school and the County Council. All reasonable steps must be taken to collect income at the time the service or facility is provided (or in advance), and thereby to minimise the need for accounts to be raised. However, when this is not possible, accounts should be raised promptly, and outstanding debts monitored regularly, using aged debt reports which are produced monthly.
- 5.1.2 All income must be receipted. Care must be taken to distinguish between County Council income and unofficial income. Under no circumstances is income due to the County Council to be credited to an unofficial fund (see paragraph 2.8)
- 5.1.3 Each Headteacher is responsible for ensuring that complete and accurate records are maintained of all income due and monies received. It should be possible to trace individual income transactions from receipt through to banking and vice versa.
- 5.1.4 The Headteacher is responsible for ensuring that the correct VAT treatment is applied to all transactions. Where a school does not use the Director of Children's Services – Finance's income system for debt collection purposes, the Headteacher is also responsible for ensuring that full details of VAT collectable are notified to Finance, and that the appropriate sums are paid over to the County Council at the required intervals (see also paragraph 7.1.5).
- 5.1.5 Secure and sound arrangements must exist for the ordering, receipt, custody and use of income stationery including accounts, invoice requests, receipts and tickets, or their computer produced equivalents. All income stationery must be in a form approved by the Director of Children's Services. Further guidance is available from Finance.
- 5.1.6 All money received on behalf of the County Council should be paid without delay into the school's official funds and an electronic return of such banking made to the County Council. No deduction may be made from any income received. No cheques are to be cashed from Council monies. Any crossed cheques sent to the Director of Finance and Governance or paid into the County Council's main bank account must be made payable to SCC or Somerset County Council. **Imprest accounts must not be used to handle income other than official reimbursements.** Under no circumstances should there be a bank paying-in book for an imprest account.
- 5.1.7 If a school wishes to set up an on-line system for receiving funds the permission of the Local Authority must be obtained. This can be done through the Service Manager – Education, Inclusion and Schools Finance (schoolsfunding@somerset.gov.uk). The school will need to research the service offered to ensure it is suitable for requirements and notify SCC of all information required to ensure that income is coded correctly. The direct debit mandate will need to be signed by an authorised bank signatory via emailing corporate-finance@somerset.gov.uk. [Back to Contents](#)

5.2 **Income from Lettings**

- 5.2.1 Schools have the right to retain income from lettings unless alternative provisions have been made in relation to joint use or Private Finance Initiatives (PFI)/Private Public Partnership (PPP) agreements. Income from letting the school premises should normally be payable into the official funds and not voluntary or private funds held by the school. Exceptions are as follows:
- a) Voluntary Aided and Foundation schools; where any income over and above is needed to cover costs such as heating, lighting, caretaking/cleaning costs may be paid into the governors' funds. Charges must cover all costs and be approved by the Governing Body. They must be reviewed regularly.
 - b) Where land is held by a charitable trust, it will be for the school's trustees to determine the use of any income generated by the land.
- 5.2.2 Schools can cross-subsidise lettings for community and voluntary use with income from other lettings, provided the governing body is satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the Education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement. There should be no net cost to the school's delegated budget after payment of caretaking/cleaning, heating, lighting, lettings, etc.
- 5.2.3 Schools should ensure that anyone hiring the school premises is adequately insured, has appropriate public entertainment licences if required and has due regard to health and safety legislation requirements. (Please refer to section 10 for further guidance).
- 5.2.4 Schools need to have regard to any separate information issued by the County Council as to the use of school premises.

5.3 **Income from Fees, Charges and Fund-Raising Activities**

- 5.3.1 Schools can retain income from fees and charges except where a service is provided by the LA from centrally retained funds. However, schools must have regard to their individual school charging policy and any policy statements on charging produced by the LA where this applies.
- 5.3.2 Income from boarding charges should not exceed that needed to provide the full cost of board and lodging for the pupils concerned (including the capital cost). Schools should provide the Local Authority with sufficient information on the level of fees, boarding income, expenditure and balances to carry out its responsibilities in this area.
- 5.3.3 Schools can also retain income from fund-raising activities.

5.4 **Income from the Sale of School Assets**

- 5.4.1 Surplus goods (which the County Council owns or in which it has a financial interest) including materials, stores, plant, vehicles and equipment should be disposed of by competitive tender or auction unless their current value is below £500. In all cases, the Headteacher must ensure that value for money has been achieved and should retain documentary evidence to support this, particularly if other arrangements are employed for asset disposal. All such disposals must be reported to the Governing Body in summary form.

- 5.4.2 Disposals to staff must be under the same terms as to any other party.
- 5.4.3 A record must be maintained of all disposals, including the reason for disposal, the proceeds of the sale, the date of the transaction, and the name and address of the purchaser and this record must be retained for three years plus the current year. The disposal must be recorded in the inventory (see paragraph 2.1.6).
- 5.4.4 Where the proceeds from the sale of an item exceed £10,000, its disposal will count as a capital transaction. Details of any such disposal must be reported to Finance before the disposal takes place.
- 5.4.5 Schools can retain the proceeds of any assets sold except where the asset was purchased with LA non-delegated funds, (in which case the LA can decide on the proceeds) or if the asset is land or buildings forming part of the school premises and is owned by the County Council (contact CYPD Strategic Planning: [CYPD Plan Admiss@somerset.gov.uk](mailto:CYPD_Plan_Admiss@somerset.gov.uk)). Special arrangements also apply if the asset was purchased using specific grant allocations. Contact Finance with details of these proposed disposals.
- 5.4.6 Approval MUST be sought from the Secretary of State for all sale of land.
- 5.5 **Income from Sales on eBay**
Schools may auction items on eBay. However, they must adhere to the following advice:
- a) the school should risk assess the sale of all items, for example by making sure they are in good working order, with particular attention to electrical appliances.
 - b) Schools are covered for liability under the Products Liability part of SCC's insurance. The insurance **does not cover** the cost to the school of refunding the transaction itself, i.e. reimbursing the purchase for a faulty item and postage and packaging, etc.
 - c) The school should be aware of eBay's terms of use, in particular the Compensation clause.
- 5.6 **Grant Income**
Schools must ensure that grant income is accounted for properly, to ensure accurate and timely reporting. Grant income is an amount of money provided by an external public body or from a non-government organisation with a specific aim and targeted to specific groups of people. Further guidance is available from Finance.
- 5.7 **Purposes for which Income can be used**
Money collected for specific purposes must be spent for that use (eg donations collected specifically for a new computer must not be spent on books or staffing). Also, income from the sale of assets purchased with delegated funds may only be spent for the purposes of the school.
- 5.8 **Cash Handling Guidance**
Guidance on cash handling in schools may be found within the Model Finance Policy on [Schools Funding and Accountancy website](#).

5.9 **Debt Write-off**

Paragraphs 2.1.8 and 2.1.9 detail the appropriate requirements when making provision for and writing off a school debt.

[Back to Contents](#)

6. THE CHARGING OF SCHOOL BUDGET SHARES

- 6.1 A school's budget share can only be charged by the LA with the consent of the Governing Body except in specific circumstances expressly permitted by this Scheme. Even then, the school will be consulted prior to the charge and notified when it has been made.
- 6.2 Provisions made here which allow the LA to charge a school directly are made to protect the LA's financial position from liabilities caused by the action or inaction of a Governing Body.
- 6.3 The LA cannot act unreasonably in the exercise of any power given by this Scheme and would have to be able to demonstrate that the LA had necessarily incurred the expenditure recharged to the school. Due to the variation in statutory responsibilities between categories of schools, the position of charging will vary according to category. The LA is required to charge salaries of school-based staff to school budget shares at actual cost.
- 6.4 **Circumstances in which charges can be made:**
- 6.4.1 Where premature retirement costs have been incurred without the prior written agreement of the LA to bear such costs (the amount chargeable being only the excess over any amount agreed by the LA).
- 6.4.2 Other expenditure incurred by the County Council to secure resignations where there is good reason to charge this to the school.
- 6.4.3 Awards by courts and employment tribunals (including Health and Safety cases) against the County Council, or out of court settlements arising from action or inaction by the Governing Body contrary to the County Council's written advice and other guidance/legislation.
- 6.4.4 Expenditure incurred by the County Council in carrying out health and safety work, repairs and maintenance or capital expenditure for which the County Council is liable where funds have been delegated to the Governing Body, but the Governing Body has failed to carry out the required work or not carried it out to the required standard.
- 6.4.5 Expenditure by the County Council in making good defects in building work or remedying issues that arise from a building provided without the prior consent of the LA, where the school has been the client and where the premises are owned or leased by the County Council or the school has voluntary controlled status.
- 6.4.6 Expenditure incurred by the County Council 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 County Council.
- 6.4.7 Recovery of monies due from a school for services provided where the result of a

dispute has been found in the County Council's favour after having been referred to a disputes procedure set out in a service level agreement or contractual arrangement administered by Somerset County Council on behalf of schools.

- 6.4.8 Recovery of penalties on the County Council by the Board of Inland Revenue, the Contributions Agency, HM Revenue and Customs, Teachers' Pensions, the Environment Agency or regulatory authorities as a result of school error.
- 6.4.9 Correction of County Council errors in calculating charges to a budget share (eg pension deductions). The time period for repayment will be the same as the duration over which the error occurred.
- 6.4.10 Costs of a contractual claim against the County Council where an order has been placed by a school subject to this Scheme. (see paragraph 2.10.8).
- 6.4.11 Additional transport costs incurred by the County Council arising from decisions by the Governing Body on the length of the school day which were not agreed with the LA with at least half a term's notice or failure to notify the LA of non-pupil days resulting in unnecessary transport costs.
- 6.4.12 Legal costs which are incurred by the County Council because the Governing Body did not accept the written advice of the County Council (see also paragraph 14.4).
- 6.4.13 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.
- 6.4.14 Compensations paid where the school enters into a contract beyond its legal powers and the contract is of no effect.
- 6.4.15 Expenditure incurred by the County Council as a consequence of a school defaulting on a payment, including loss of interest.
- 6.4.16 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 Authority's compliance with its statutory obligations.
- 6.4.17 Costs incurred by the LA in securing provision specified in an Education, Health and Care Plan (EHCP) where the governing body of a school fails to secure such provision despite the delegation of funds in respect of low-cost high incidence SEN and/or specific funding for a pupil with High Needs.
- 6.4.18 Costs incurred by the LA in securing provision for a pupil where the school receives High Needs Pupil (HNP) Top Up Funding and the governing body of the school fails to secure appropriate provision to meet the pupil's needs as set out in the High Needs Funding application.
- 6.4.19 Costs incurred by the LA in securing provision for a pupil who is a Child in Care and where CLA audit funding has been allocated and the governing body of the school fails to secure appropriate provision to meet the needs as agreed in the reintegration plan for that pupil.
- 6.4.20 Costs incurred by the LA in securing full time provision for a permanently excluded

[Back to Contents](#)

pupil from another school where reintegration monies have been allocated and the governing body of the school fails to secure appropriate provision to meet the pupil's needs as agreed in the reintegration plan for that pupil.

(The LA would only invoke these powers, if the governing body fails to implement professional advice following an early annual review.)

- 6.4.21 Costs incurred by the LA due to submission by the school of incorrect or insufficient data.
- 6.4.22 Recovery of amounts spent from specific grants on ineligible purposes.
- 6.4.23 Costs incurred by the LA as a result of the governing body being in breach of the terms of a contract.
- 6.4.24 Where expenditure has been incurred by the County Council to ensure that the infant class size legislation is met in circumstances where funding has been delegated but the school has failed to take action to demonstrate that it has complied with the legislation.
- 6.4.25 Where expenditure has been incurred by the County Council to ensure the education of pupils who, under the Code of Practice on Admissions, are entitled to a place at a school where funding has been delegated but where the school has failed to take action to provide a place.
- 6.4.26 Costs incurred by the authority or another school as a result of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster.
- 6.4.27 Costs incurred by the authority in administering admissions appeals, where the local authority is the admissions authority and the funding for admission appeals has been delegated to all schools as part of their formula allocation.

6.5 **De-delegation of Funding**

- 6.5.1 For the avoidance of doubt, local authorities may de-delegate funding for permitted services without the express permission of the governing body, provided this has been approved by the appropriate phase representatives of the Schools Forum.

[Back to Contents](#)

7. TAXATION

7.1 **Value Added Tax**

7.1.1 Categories of School

The Act provides for most schools in the state sector to belong to one of three categories of "maintained school" – community, foundation and voluntary.

7.1.2 Governing bodies as agents of the LA

The governing body of a maintained school (whether community, foundation or voluntary) acts as agent of the LA for goods and services it pays out of the delegated budget or from amounts given to the school from LA central funds for specific purposes. (Such "devolved" funding may include funding which the LA has received in the form of specific grants from central government or other sources).

7.1.3 Recovery of VAT

It follows that the local authority can recover the VAT incurred on such purchases under Section 33 of the VAT Act 1994. It is important to note that this treatment applies only to purchases funded out of LA budgets or LA central funds allocated to the school as described above. This means goods and services that are paid for:

- From the delegated budget, which contains allocations for equipment, salaries and so on, and which the governing body can spend as it chooses; and
- From central LA funds (whether spent by the LA directly or by the governing body) allocated to the school for the purposes of, for example, capital expenditure, special needs provision and home-to-school transport.

You must have a proper VAT invoice in order to claim VAT; please ensure you have read the requirements in the [Schools VAT Manual](#) found on the Education Financial Services SSE website - guidance and resources.

In the case of VA schools though, Section 49(6) SSFA (School Standards and Framework Act) stipulates that the governing body does not act as the LA's agent when spending amounts from the delegated budget/central funds to meet expenses payable by the governing body in relation to work for which the governing body is responsible. VAT may therefore not be recovered on such expenditure.

7.1.4 Other Transactions

There are different VAT rules regarding purchases paid for by donations, governing bodies acting in their own right, and work that is the responsibility of the governors of voluntary aided schools. If you are in any doubt as to the correct VAT treatment in these circumstances, please contact Finance.

[Back to Contents](#)

7.1.5 Information provided by all Schools to the LA

In order to satisfy HM Revenue and Customs excise rules regarding accounting for

output VAT (on income) in the correct period, and to ensure no loss of cash flow when recovering input VAT (on expenditure), it will be necessary for all schools to provide prompt information on their financial activity in a prescribed form, after each month end.

7.1.6 VAT on Schools income

Schools must consider whether VAT is due on **all income received**. If you are unsure of the correct VAT treatment, please contact the Education Financial Services Helpline or the Somerset County Council VAT Team at the following email address VATHelpline@somerset.gov.uk for further advice.

Further guidance is also available in the Finance VAT Manual and the Council's Corporate VAT Manual – copies are available on request from the EFS helpline or the VAT Helpline address above.

Just because the income has been received from a parent does not mean there is no VAT due, the correct VAT liability will depend on what the parent is receiving in return for their payment. This is a very complex area, that can if reported incorrectly result in an assessment from HM Revenue & Customs and possible fine. If you are unsure of how to treat the income received, please ask.

7.1.7 VAT Advice

If you are unable to resolve VAT queries by reference to the County Council's VAT Manual or the Finance VAT Manual, schools should contact the Education Financial Services Helpline. The VAT implications of some capital schemes (eg those funded by the Lottery or self-help) can be complex and your contact may need to seek further advice. Schools must not attempt to resolve any issues directly with Customs and Excise. This could give rise to inconsistent treatment within the County Council that must be avoided.

7.2 **Construction Industry Scheme (CIS)**

Schools must strictly follow procedures and guidance issued by the County Council in connection with CIS. This is of particular importance to schools with local bank accounts that must maintain their own records of CIS payments and registration. Guidance on the CIS is available from AccountsPayable@somerset.gov.uk

7.3 **Domestic Reverse Charge (VAT) on Construction Services**

From 1 March 2021, new VAT rules come into effect when procuring construction services (including building repairs). Schools must strictly follow procedures and guidance issued by the County Council in connection with this rule change. Guidance on the rule change is available from the Corporate VAT Team (VATHelpline@somerset.gov.uk). Please ensure you contact helpline to check whether the new rules apply prior to the procurement of any building related services at your school.

[Back to Contents](#)

8. THE PROVISION OF SERVICES AND

FACILITIES BY THE LA

8.1 **Provision of Services from Centrally Retained Budgets**

8.1.1 The LA will publish details about the basis on which services from centrally retained funds will be provided to schools.

8.1.2 The LA will not differentiate in its provision of services on the basis of categories of schools except where this would be allowable under the school and early years finance regulations or the dedicated schools grant (DSG) conditions of grant.

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

8.2.1 Any arrangements made by schools to buy services or facilities from the LA will be limited to a maximum of three years.

8.2.2 Service provision where the expenditure is not retainable centrally by the LA under the Regulations made under Section 46 of the Act, must be offered at prices that are intended to generate income which is no less than the cost of providing those services. The total cost of the service must be met by the total income, even if schools are charged differentially.

8.3 **Service Level Agreements**

8.3.1 If services or facilities are provided under a service level agreement, the terms of such agreement starting will be reviewed at least every three years if the agreement lasts longer than that.

8.3.2 Except for centrally arranged premises and liability insurance, services will be available on a basis not related to an extended agreement, as well as on the basis of such agreements.

8.3.3 Service Level Agreements must be in place at an appropriate date to be effective for either the following financial year or for the start of the next academic year, depending on the packages purchased and schools should have at least a month to consider the terms of the agreement.

8.3.4 Where services are provided on an ad hoc basis they may be charged for at a different rate than if provided based on an annual agreement.

8.3.5 If a school wishes to dispense with a service level agreement, then enough notice must be given by the school.

8.4 **Packaging**

Where the LA provides a service for which funding has been delegated, the service will be offered in a way which does not unreasonably restrict schools' freedom of choice among the services available. Where practicable this will include provision on a service-by-service basis as well as in packages of services. [Back to Contents](#)

9. PRIVATE FINANCE INITIATIVE (PFI)/

PRIVATE PUBLIC PARTNERSHIPS (PPP)

In November 2012, the County Council commenced PFI arrangements as part of the Building Schools for the Future programme.

Schools that are involved with a PFI scheme should refer to the detailed contract for that scheme.

[Back to Contents](#)

10. RISK MANAGEMENT AND INSURANCE

- 10.1 The Director of Finance and Governance will effect insurance cover for schools and will negotiate changes in insurance cover and claims in consultation, where appropriate, with the Governing Body concerned and/or The Director of Children's Services. Cover will only be effected for the insurance areas in which the County Council has an insurable interest.
- 10.2 Where funds for insurance are not de-delegated, each school must demonstrate that its own policy is at least as good as the minimum cover arranged by the County Council; this level being determined with regard to actual risks which might reasonably be expected to arise at the school (see also paragraph 6.4.6). A copy of the proposed policy must be forwarded to Finance at least **six** months before the commencement of the financial year. The evidence required to demonstrate the parity of cover should be reasonable, not place an undue burden upon the school, nor act as a barrier to the school exercising their choice of supplier.
- 10.3 Where the County Council effects insurance, Headteachers must notify the Director of Finance and Governance (through the Risk Management and Insurance) immediately of:
- (a) all new or anticipated risks with a value exceeding £1,000 which may require to be insured;
 - (b) any event or anticipated event that might give rise to a claim by or against the County Council or the Governing Body;
 - (c) any indemnity which may be requested of the County Council; in which case the County Solicitor should also be notified.
- 10.4 Headteachers and Governing Bodies must ensure that all reasonable action is taken to minimise risks.
- 10.5 Headteachers to ensure that property inventories are updated regularly to conform to insurance policy conditions.
- 10.6 Full details of the insurance areas provided are laid out in the Service Level Agreement which can be found on the [SSE Insurance page](#).
- 10.7 As from 1st April 2020 schools, instead of taking out insurance, may join the Secretary of State's Risk Protection Arrangement (RPA) for risks that are covered by the RPA.
- Schools may do this individually when their existing insurance contract expires.
 - All Primary and Secondary maintained schools collectively may join the RPA in agreement through the School's Forum to de-delegate funding.

[Back to Contents](#)

11. PREMISES ISSUES

11.1 Repairs and Maintenance

- 11.1.1 The LA must delegate to schools funding to cover all non-capital repairs and maintenance. Capital is defined by the LA for financial accounting purposes in line with the CIPFA Code of Practice. In Somerset, our repairs and maintenance funds are paid as a revenue contribution to a fund and in our accounts, we do not treat any repairs and maintenance funds as capital. All repairs and maintenance are deemed to be “de minimis”, i.e. revenue. Therefore, this has all been delegated and none retained centrally.
- 11.1.2 Governing Bodies are responsible for arranging and funding all necessary repairs and maintenance work. The County Council may offer services to schools and academies that can support them in meeting their responsibilities in this area.
- 11.1.3 Safeguards will apply to ensure that the buildings are properly maintained. Ultimately, the LA is responsible for the strategic management of assets and ensuring pupil safety. Where, in the professional opinion of the LA, the school is not maintaining the property assets including grounds to a reasonable standard, the LA will have the right to carry out the necessary work on behalf of a school and charge it to the school’s budget directly (see paragraphs 6.4.4, 6.4.5).
- 11.1.4 Schools will arrange for a full property condition survey to be undertaken in accordance with the following guidance: [Requirements for carrying out a condition survey in an Educational Facility](#). The time frame for undertaking and submitting the condition survey data is described in the issued guidance. For those schools who buy back a condition survey from SSE, the condition survey will be sent directly by SSE to the LA. For schools not purchasing an SSE condition survey the school shall submit the condition survey data in the format prescribed by the LA to SCCPROPERTYSERVICES@SOMERSET.GOV.UK . If a school does not submit a condition survey, the LA will arrange for a survey to be undertaken and reclaim the costs.
- 11.1.5 Full condition surveys shall be produced biennially to help the Council better plan condition programme works – it is therefore important that the condition surveys are carried out accurately and comprehensively during the period between condition surveys and if a significant change in an assets condition is identified which elevates it’s status to condition “D1” i.e. serious risk of imminent failure and requires immediate action, then the school should advise the LA accordingly.
- 11.1.6 The LA receives an amount of money from the EFA to provide a planned maintenance programme of work. This allocation has increasingly become insufficient to fund all of the highest priority property needs across the education portfolio. The LA will seek DFCG contributions from all schools towards priority condition items.

[Back to Contents](#)

11.1.7 It should be noted that for Voluntary Aided (VA) schools, Governing Bodies are liable for work to the school buildings and playground whilst the LA is responsible for work to playing fields and their associated buildings. Governors of VA schools may apply to their Diocese for funding through the LCVAP process to support their statutory responsibilities. Eligibility for support depends, in part, on the “de minimis” limit applied by the DfE to categorise such work, not the “de minimis” used by the authority.

11.1.8 The Education Asset Management Plan (EAMP) is used by the Authority to prioritise work. Therefore, all schools will need to provide required data (e.g. condition surveys) in the form specified by the LA to populate and ensure the accuracy of the EAMP.

11.2 **Works to School Premises**

11.2.1 If the premises (including land) are owned or leased by the County Council, the Governing Body must seek the prior consent (via Capital Investment Proposal form) of the County Council for all property related works including proposed alterations and change of use (e.g. from classroom to office) which address Asset Management Plan priorities. CIP applications will be assessed on a priority needs basis. Outstanding items which are identified on the school’s condition survey as categories D1, C1 & C2 must be prioritised and undertaken before any consideration is given to building improvement and modification applications. The current condition survey must be submitted with each CIP application to demonstrate outstanding priority condition needs have been / are being addressed.

11.2.2 For all premises (including Foundation, VA, and VC schools), if the work may affect the capacity of the school, the County Council must grant prior approval after ensuring that the provision of school places, as set out in the School Organisation Plan will not be adversely affected and that the work is in line with priorities identified in the Asset Management Plan.

11.2.3 Guidance is provided in the [SCC Property Design Standards and Guidance](#) which has been distributed to schools. Governing Bodies must seek prior consent of the County Council before managing a building project themselves.

11.2.4 The school is responsible for providing sufficient plans, specifications, and other information to allow the County Council to process any application for a proposed alteration or change of use of the site or buildings.

11.2.5 Statutory obligations must also be met in relation to any alterations to the school premises. Guidance on relevant Regulations is given in [Appendix B](#).

[Back to Contents](#)

11.3 **Carbon Management**

- 11.3.1 Somerset Council declared a 'Climate Emergency@ in 2019. The Energy Team collates and reports energy data for the purpose of monitoring and reporting energy and carbon emissions data.
- 11.3.2 Schools are required to maintain a record of accurate monthly meter readings for carbon reporting and energy billing purposes. It is recommended that smart meters are fitted to gas and electricity supplies.
- 11.3.3 Managing energy usage and rectifying energy waste will help schools to reduce bottom line spend on utilities, minimise their carbon footprint and create a better working environment for staff and students.
- 11.3.4 The Energy Team has put together some guidance for schools on how to set up an energy management system, including developing an energy policy and action plan and identifying ongoing savings. The guidance is available online at:
<https://www.somerset.gov.uk/business-and-economy/energy-management/>

11.4 Central Utility Contracts and Bureau Service

- 11.4.1 Somerset County Council procures utilities through the Crown Commercial Services (CCS) Frameworks, recommended by the Department for Education which makes the most of collective buying power in the sector, securing competitive tariffs for the Council and Schools.
- 11.4.2 The Energy Team manages a central bill validation, query management and payment system. From April 2020, all maintained schools are required to utilise this service.
- 11.4.3 The Energy Team will:
- Receive copies of energy bills directly from the utility suppliers electronically
 - Using specialist industry leading software compare charges on each bill with agreed tariffs and contract rates
 - Look for errors, duplicate bills, overdue bills and identify missing bills
 - Investigate inconsistencies directly with the utility supplier and
 - Liaise with utility suppliers to ensure recoveries are refunded or credited efficiently and correctly
 - Arrange payment of invoices, ensuring bills are paid on time thus mitigating issues with non-payment such as late payment interest charges – particularly useful where invoices are issued over the school holiday periods. (Applicable to schools using SCC finance systems only)
- 11.4.4 The central bill validation, query management and payment system will improve contract management and mitigate financial risk to the Council and Schools.
- 11.4.5 Full records of invoices and query management reports etc will be maintained centrally for audit purposes.
- 11.4.6 Schools can view energy invoices and access reports for budgeting and energy management purposes via the Energy Viewer.
- 11.4.7 The new service will save time, money and will ensure all accounts are accurate and up

to date.

11.5 **Academy Conversions**

11.5.1 The Energy Team must be notified if a school is due to convert to an Academy and all utility bills must be paid before conversion takes place. The central bill validation, query management and payment system will ensure that accounts are up to date.

11.5.2 Academy Schools can continue to use the services of the Energy Team provided that a Service Level Agreement is in place.

11.6 **Landlord Responsibilities**

11.6.1 The following activities are undertaken by the LA as Landlord for all maintained schools and academies:

- Implementation of the Capital Investment Programme including site selection for new schools, feasibility studies and adaptations to meet needs of pupils and adults.
- Ensuring that the condition element of the School Asset Management Plan is maintained
- Managing the process by which schools gain approval for investment approvals
- Providing strategic advice for property and accommodation issues
- Maintaining and updating policies for hiring and leasing of land and buildings by third parties.
- Management of the estate including valuations, renewal of Landlord and Tenancy Agreements.
- Considering the effects of accommodating third parties e.g. pre-schools on School sites.
- Applying to the Secretary of State for approval to dispose of playing field land.
- The terminal management of assets e.g. school closures
- Developing and advising on energy management strategy

[Back to Contents](#)

12. HEALTH AND SAFETY

12.1 In expending the school's budget share, Governing Bodies must comply with the following health and safety requirements for which they are responsible, considering the SCC's policy and guidance and any changes to it.

12.2 **Responsibilities Delegated to Governing Bodies**

The following responsibilities are delegated by SCC, in its capacity as the employer, to the governing bodies of SCC community, community special and voluntary controlled schools.

12.2.1 Ensure that school staff and premises comply with the LA's health and safety policy and practices.

12.2.2 Implement a school health and safety policy and advise employees of it, ensuring that it is reviewed regularly and in response to any guidance and/or instructions published by the LA from time to time.

12.2.3 Recognise the role of safety representatives appointed by recognised trade unions and co-operate with them so that they may undertake their health and safety related functions, including reasonable paid time off for consultation, inspection, and investigation.

12.2.4 Have a Critical Incident/Business Continuity plan that considers emergency scenarios.

12.2.5 Ensure, **so far as is reasonably practicable**, the health, safety and welfare of teachers and other education staff; the health and safety of pupils, both in school and on off-site visits; and the health and safety of visitors to schools, and volunteers involved in any school activity.

12.2.6 Have a sustainable and efficient process for reporting any accidents and incidents, including near misses, and investigate their causes. Incidents/accidents should be recorded immediately, and investigations undertaken within 7-days of the incident in question.

12.2.7 Review on an annual basis, all accidents and incidents reported to identify and monitor trends.

12.2.8 Ensure that the LA has access to or is informed of both significant incidents in a timely fashion and to the overview of all incidents recorded.

12.2.9 Assess the risk of all activities and potentially hazardous scenarios relevant to the school, both on-and off-site; introduce measures to manage those risks and tell employees about those measures using an identified method for recording and create a process for completing periodic reviews as appropriate.

12.2.10 Assess and make arrangements for appropriate first aid provision.

[Back to Contents](#)

- 12.2.11 Ensure that staff can access relevant training to ensure their competence for their tasks.
- 12.2.12 Ensure that staff are competent and trained in their health and safety responsibilities; and are actively involved in maintaining or improving health and safety standards.
- 12.2.13 Ensure that volunteers receive adequate instruction, training, and supervision to work safely.
- 12.2.14 Take reasonable steps to make sure that the buildings, equipment, and materials are safe and do not put the health of users and visitors at risk.
- 12.2.15 Undertake a periodic check of the school buildings, in conjunction with the property surveyor and reflect any changes in priority in the school's Asset Management Plan (AMP).
- 12.2.16 Accept the duties that they may hold as a client where they arrange for work through contractors or volunteers. Follow the Council's guidance for the selection of competent contractors and seek assistance from SSE Property & Grounds Service or the school's chosen professional advisor when necessary.
- 12.2.17 Recognise their responsibilities when they make available premises or equipment for hire and will ensure that risks to the safety or health of hirers and other persons are adequately controlled as far as possible.
- 12.2.18 Appoint one or more Governors with responsibility to maintain a watching brief on health and safety matters within the school and to alert the school management to any issues that require attention. The H&S governor(s) or Chair of the governing body is expected to take an active part in the LA's performance monitoring processes.
- 12.2.19 Agree a system of delegation for the approval of off-site visits and review it on an annual basis.
- 12.2.20 Monitor safety performance within the school against the standards set by SCC and demonstrate that this has been carried out by completing the following returns on RAMISlive annually:
- Fire safety management
 - Asbestos management
 - Legionella management
 - General health and safety management – Declaration
 - H & S Self-Audit
 - Details of the current Trained Premise Manager
 - Safety Glazing – Review
 - LA School Catering - Review

[Back to Contents](#)

12.3 **Conditions Governing Bodies Must Meet in Terms of H & S Responsibilities**

Under Section 39 (3) of the School Standards and Framework Act, LAs 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 Section 497 of the Education Act 1996 if not complied with.

If the safety of pupils or staff is threatened, Section 17 of the 1998 Act gives the LA the power to suspend a Governing Body's right to a delegated budget.

12.4 **SCC Responsibilities**

SCC will retain resources to help ensure that the arrangements for managing risks in community, community special and voluntary controlled schools are sensibly implemented by:

- Developing and publishing a comprehensive range of policies, arrangements and standards;
- Providing competence on strategic and technical issues relating to health and safety in schools;
- Monitoring all the above schools periodically to check policies and procedures are implemented and working.
- Ensuring that each school can purchase access to competent health and safety advice and associated services.

12.5 **Services Provided by SCC**

To meet the responsibilities and to augment them, the following are currently provided at no charge by SCC in support of all community, community special and voluntary controlled schools. All other H&S-related service provision is carried out via traded relationship mainly with SSE but also under the Occupational health.

- Providing guidance documentation on H&S to help schools set consistent policies and standards.
- Providing telephone support and access to specialist H&S-related support to provide competence on strategic and technical H&S issues.
- Performance monitoring (via the school audit cycle) to check compliance with policies and procedures and that previous action plans have been implemented.
- Creating / updating a fire risk assessment for each establishment.
- Maintaining and Updating the Asbestos Register (including periodic re-survey) (for SCC-owned premises only).
- Providing guidance and advice on Outdoor Education including access to SCC's Outdoor Education website and an endorsement service for adventurous activities.
- Providing access to the RAMISlive website; the repository for the Fire Risk Assessment and any associated records.
- Providing access to ATRIUM; the repository for the Asbestos Register and its associated management plan.

- Providing access to an Occupational Health service for pre-placement assessments and medical referrals.

12.5.1 Voluntary aided, foundation and academy schools can access at no charge:

- Guidance documentation and general telephone support on H&S
- The RAMISlive website

12.5.2 Voluntary aided and foundation schools are currently able to access at no charge:

- The Occupational Health services

12.5.3 Schools not eligible for any of the services at no charge can purchase the relevant H&S-related traded packages made available by SCC.

12.6 **Resources Retained by SCC**

SCC retains professional and technical staff in several service areas whose roles include the delivery of the functions listed above. They are not funded from DSG.

12.7 **Authority-wide Policies and Procedures**

SCC has produced the following documents which are available for schools via the H&S Extranet site:

- A comprehensive corporate H&S manual, (also available via RAMISlive).
- The "Burgundy Pack", which is a set of requirements and recommendations specifically drawn up for schools.
- Guidance for Schools.

[Back to Contents](#)

13. WITHDRAWAL OF DELEGATED POWERS

13.1 Where it appears to the County Council that a school subject to this Scheme:

- (i) has been guilty of a substantial or persistent failure to comply with requirements applicable under the relevant scheme, or
- (ii) is not managing its delegated budget in a satisfactory manner,

the County Council may suspend the Governing Body's right to a delegated budget in accordance with the provisions of Section 51 and Schedule 15 of the 1998 Act.

13.2 A school's right to a delegated budget may also be suspended for other reasons under Section 17 of the 1998 Act.

13.3 Any action by the County Council under this section will be reported to the Cabinet and to the Secretary of State.

13.4 Schools have the right to appeal to the Secretary of State against suspensions under Section 51, but not under Section 17.

[Back to Contents](#)

14. COMMUNITY FACILITIES

14.1 Introduction

- 14.1.1 Schools that choose to exercise the power conferred by Section 27 (1) of the Education Act 2002 to provide community facilities will be subject to a range of controls. First, regulations made under Section 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 LA and have regard to advice from the authority. 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.
- 14.1.2 However, under Section 28 (1), the main limitations and restrictions on the power will be those contained in the maintaining LA's scheme for financing schools made under Section 48 of the School Standards and Framework Act 1998. Paragraph 2 of the Schedule 3 to the Education Act 2002 extends the coverage of schemes to the powers of governing bodies to provide community facilities.
- 14.1.3 Schools are therefore subject to prohibitions, restrictions, and limitations in the scheme for financing schools.
- 14.1.4 This section of the scheme does not extend to joint-use agreements; transfer of control agreements, or arrangements between the Authority and schools to secure the provision of adult and community learning.

14.2 Consultation with the LA – Financial Aspects

- 14.2.1 Following changes to the Children and Families Act 2014, a school is no longer required to consult before establishing community facilities, and there is no longer a need for a school to be mindful of a local authority's advice under section 27 of the Education Act 2002.

14.3 Funding Agreements – LA Powers

- 14.3.1 The provision of community facilities in many schools may be dependent on the conclusion of a funding agreement with a third party which will either be supplying funding or supplying funding and taking part in the provision. A very wide range of bodies and organisations are potentially involved.
- 14.3.2 Any funding agreements with third parties (other than the LA itself) should be submitted to the LA for comment and financial checks at least two terms before such agreements come into force.

[Back to Contents](#)

14.3.3 If a school has concluded an agreement or is to be concluded against the wishes of the LA, or has been concluded without informing the LA, which in the view of the Authority is seriously prejudicial to the interests of the school or Somerset County Council, then this may constitute grounds for suspension of the right to a delegated budget.

14.4 Other Prohibitions, restrictions, and limitations

14.4.1 Section 28 of the Education Act 2002 provides that the exercise of the community facilities power is subject to prohibitions, restrictions, and limitations.

14.4.1 Schedule 15 of School Standards Framework Act 1998 allows the LA to make the mismanagement of funds received for community facilities a basis for suspension of the right to delegation of the budget share.

14.5 Supply of Financial Information

14.5.1 Schools that exercise the community facilities power may be required to provide the LA with a summary statement showing actual income and expenditure for the previous six months together with a forecast for the next six months. These returns will be in the same format as the Consistent Financial Reporting (CFR) Framework.

14.5.2 If Somerset County Council 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, the school in question will be required to supply a financial statement every three months, together with the submission of a recovery plan for the activity in question.

14.6 Audit

14.6.1 Where a Governing Body exercises the power of community facilities, the school will allow access to school records connected with the exercise of this power, in order to facilitate internal and external audit of the relevant income and expenditure.

14.6.2 If a Governing Body enters into an arrangement with a third party pursuant to the exercise of the community facilities power, then such agreements should contain a provision allowing access by the LA to the records and other property of those persons held on school premises, or held elsewhere insofar as they relate to the activity in question, and in order for the LA to satisfy itself as to the propriety of expenditure on the facilities in question.

[Back to Contents](#)

14.7 Treatment of income and Surpluses

- 14.7.1 All income that is derived from community facilities will be retained by the school except where otherwise agreed with a third party, whether that is the LA or some other person.
- 14.7.2 The school, in exercise of this power, is permitted to carry forward such retained income over from one financial year to the next as a separate community facilities surplus.
- 14.7.3 If the LA ceases to maintain a community or community special school any accumulated retained income obtained from the exercise of community facilities power reverts to the LA unless agreed with a funding provider.

14.8 Health and Safety Matters

- 14.8.1 The health and safety provisions contained in the Scheme for Financing Schools also apply to those schools that exercise the power of community facilities.
- 14.8.2 The Governing Body of a school that exercises this power will be responsible for the costs of securing Disclosure and Barring Scheme (DBS) clearance for all adults involved in community activities taking place during the school day. If a funding partner is involved, then the Governing Body will be free to pass on such costs as part of the agreement with the partner.

14.9 Insurance

- 14.9.1 The Governing Body is responsible for making adequate arrangements for insurance against risks arising from the exercise of the community facilities power. In doing so, the school should seek advice from the Corporate Director – Children and Young People (through the Insurance Section).
- 14.9.2 If the LA judges that the insurance arrangements are inadequate in respect of community facilities, the Authority will undertake its own assessment. The LA will then make the arrangement itself and charge the resultant cost to the school. Such costs must not be charged to the school's budget share.

[Back to Contents](#)

14.10 Taxation

- 14.10.1 Schools who exercise this power should seek the advice of the LA and the local VAT Office on any issues relating to the possible imposition of Value Added Tax on expenditure in connection with community facilities; including the use of the Local Authority VAT reclaim facility.
- 14.10.2 If any member of staff employed by the school or Council in connection with community facilities at the school is paid from funds held in the school's own bank account, the school is likely to be held liable for payment of Income Tax and National Insurance, in line with HM Revenue and Customs rules.
- 14.10.3 In exercising this power, schools should follow the LA's advice in relation to the Construction Industry Scheme, where relevant to the exercise of the Community Facilities power.

14.11 Banking

- 14.11.1 Schools in exercising their powers of community facilities are permitted to set up a bank account to account for all income and expenditure in connection with community facilities.
- 14.11.2 Where a school already has a bank account it still may require a separate account unless the school can demonstrate that it has adequate internal accounting controls to maintain separation of funds.
- 14.11.3 Where a school does not have a bank account and does not wish to open one for community facilities, the school may use the LA's banking facilities where the Authority will be able to have separate accounts for the budget share and community facilities.
- 14.11.4 Where schools have bank accounts for community facilities, they shall be allowed to retain all interest earned on these accounts.
- 14.11.5 Schools that have a bank account for community facilities should not allow that account to go overdrawn.
- 14.11.6 Schools may only borrow money (except from the LA) with the written consent of the Secretary of State for Education.

14.12 Staff Costs

For staff employed under the community facilities power, the default position is that any costs must be met by the governing body, and can be funded from the school's delegated budget, if the governing body is satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the Education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement. This is in accordance with Section 27 of the Education Act 2002.

15. MISCELLANEOUS

15.1 **Right of Access to Information**

Governing Bodies are required to supply the County Council with all financial, property and other information which might reasonably be required to enable the Director of Children's Services to satisfy himself as to the school's management of its delegated budget share and responsibilities, or the use of any central expenditure by the LA (e.g. earmarked funds) on the school.

15.2 **Liability of Governors**

Because the Governing Body is a corporate body and because of the terms of Section 50(7) of the School Standards and Framework Act 1998, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share provided they act in good faith.

15.3 **Governors' Expenses**

Under Section 50 (5) 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. Any other allowance is forbidden. In addition, schools cannot pay expenses that duplicate those paid by the Secretary of State to additional Governors appointed by him to schools requiring measures.

The LA can delegate to the Governing Body of a school yet to receive a delegated budget, funds to meet Governors' expenses. The LA would normally set this amount.

15.4 **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), may be charged to the school's budget share unless the Governing Body acts in accordance with the written advice of the County Council. (See also paragraph 6.4.12). Where there is a conflict of interest between the County Council and the Governing Body, schools can access independent legal advice; however, the cost will be met through the school's budget share.

15.5 **Right of Attendance for the Director of Finance and Governance**

The Director of Finance and Governance has the right to attend any meeting of a Governing Body at which any agenda items are relevant to the exercise of his responsibilities subject to this Scheme, and to speak on financial issues. Prior notice of such attendance would be given unless impracticable to do so.

[Back to Contents](#)

15.6 **Special Educational Needs**

Schools are required to use their best endeavours in spending the budget share to secure the specific needs of all pupils. This includes those with additional educational needs, whether an Education, Health, and Care Plan (EHCP) has been made or not. Governing Bodies must provide information on the provision made for pupils, in particular for pupils with Education Health and Care (EHC) plans, as required by the EHC and those in receipt of High Needs Pupil Funding and Children Looked After Audit Funding allocated on the admission of a Child in Care.

15.7 **'Whistleblowing'**

Persons working at a school or school governors who wish to complain about financial management or financial propriety at the school should follow the school's own "Whistleblowing" policy which should be in line with the County Council's own policy and recommended model.

15.8 **Child Protection**

Schools must release staff to attend child protection case conferences and other related events; the cost must be met from their individual school's budget.

15.9 **Partnership and Collaborative Arrangements**

Where funds are held on behalf of a group of schools and/or other agencies, a school must comply with this guidance.

15.10 **Provision of information to Teachers' Pensions**

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

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

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

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

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

Any administrative costs incurred by the authority arising from the late or incorrect supply of data may be charged to the school.

15.11 **Academy Conversion**

Any maintained school converting to an Academy must follow Somerset County Council procedures and the Department for Education Guidance entitled 'The Academy Conversions (Transfer of School Surpluses) Regulations 2013' and provide the required information to ensure an efficient and timely resolution of financial matters.

15.12 **Retrospective adjustments for de-delegated services**

Where a school converts to an academy, any over or under spend on services previously provided through de-delegation, will be made retrospectively, following the closure funding period when full costs are established. Any differences will be charged or refunded to the academy accordingly through the Individually Assigned Resources (IAR) payment schedule.

[Back to Contents](#)

APPENDIX A: SCHOOLS COVERED BY THIS SCHEME IN SOMERSET

LA School Number	DFE Number	School Name
PRIMARY SCHOOLS		
011	3276	Ash Primary School
013	2150	Ashcott Primary School
021	3001	Baltonsborough CE Primary School
024	2300	Barwick and Stoford Primary School
210	2331	Bawdrip, Kingsmoor Primary School
028	3008	Beckington CE First School
030	3009	Berkley CE First School
031	3226	Berrow CE Primary School
040	2106	Bowlish Infants School
050	2152	Bridgwater, Eastover Primary School
055	2157	Bridgwater, Hamp Infants School
059	3401	Bridgwater, St Joseph's RC Primary School – Converted to Academy 1/3/2022
062	3151	Bridgwater, St Mary's CE Primary School
070	5200	Bruton Primary School
074	2165	Burnham-on-Sea Infants School
075	3152	Burnham-on-Sea, St Andrew's CE Junior School
076	3402	Burnham-on-Sea, St Joseph's RC Primary School – Converted to Academy 1/3/2022
080	3017	Butleigh CE Primary School
081	3154	Cannington CE Primary School
084	2008	Castle Cary Primary School
086	2166	Catcott Primary School
094	3020	Charlton Mackrell CE Primary School

LA School Number	DFE Number	School Name
099	3305	Chewton Mendip CE Primary School
103	3277	Chilthorne Domer Primary School
105	2203	Churchstanton Primary School
107	3029	Coleford, Bishop Henderson Primary School
110	3307	Combe St Nicholas Primary School
115	2334	Cotford St Luke
116	2019	Coxley Primary School
117	3178	Creech St Michael CE Primary School
122	3035	Crewkerne, Ashlands CE First School
120	3037	Crewkerne, St Bartholomew's CE First School
124	3311	Croscombe CE Primary School
125	3313	Crowcombe VA Primary School
127	3039	Curry Mallet CE Primary School
128	3040	Curry Rivel CE Primary School
130	3314	Cutcombe CE First School
132	2020	Ditcheat Primary School
134	3041	Doultling, St Aldhelm's CE Primary School
139	3042	Dulverton CE First School
140	2022	Dunster First School
143	2302	East Coker Primary School
148	3047	Evercreech CE Primary School
150	3048	Exford CE First School
152	3057	Frome, Christchurch CE First School – Converted to Academy 1/1/2023
151	3058	Frome, Trinity CE First School
157	3369	Frome, St John's CE First School
158	3371	Frome, St Louis RC Primary School
160	2028	Frome, Vallis First School

LA School Number	DFE Number	School Name
164	3322	Glastonbury, St Benedict's CE Junior School
166	3060	Glastonbury, St John's CE Infants School
173	3278	Haselbury Plucknett CE First School
178	3061	Henstridge CE Primary School
183	3062	High Ham CE Primary School
184	3064	Hinton St George CE First School
194	2327	Ilchester Primary School
196	3066	Ilminster, Greenfylde CE First School
202	2038	Keinton Mandeville Primary School
204	3329	Kilmersdon CE Primary School
207	2041	Kingsbury Episcopi Primary School
209	3180	Kingston St Mary CE Primary School
211	3181	Langford Budville CE Primary School
215	3331	Long Sutton CE Primary School
216	3076	Lovington CE Primary School
218	2205	Lydeard St Lawrence Primary School – Converted to Academy 1/9/2022
224	3486	Martock CE Primary School
226	2045	Meare Village Primary School
227	3078	Mells CE First School
228	2046	Merriott First School
229	2047	Milborne Port Primary School
233	2206	Milverton Primary School
237	3080	Misterton CE First School
243	3158	Nether Stowey CE Primary School
248	2175	North Newton Primary School
251	2335	North Petherton Primary
255	3342	Norton St Phillip CE First School

LA School Number	DFE Number	School Name
256	3281	Norton-sub-Hamdon CE Primary School
264	3290	Oake, Bradford and Nynehead CE VC Primary
276	3344	Porlock, St Dubricius CE First School
278	2057	Priddy Primary School
284	3186	Rockwell Green CE Primary School
286	3287	Rode Methodist First School
291	2211	Sampford Arundel Primary School
298	2062	Shepton Mallet Infants School
299	3132	Shepton Mallet, St Paul's CE Junior School
302	2182	Somerset Bridge Primary School
307	3484	South Petherton CE Infants School
308	2306	South Petherton Junior School
313	2212	Stawley Primary School
315	3101	Stogumber VC Primary School
318	3190	Stoke St Gregory CE Primary School
319	2067	Stoke St Michael Primary School
325	3358	Stratton-on-the-Fosse, St Benedict's RC Primary School
328	2068	Street, Elmhurst Junior School
329	2069	Street, Hindhayes Infants School
333	3439	Taunton, Bishop Henderson CE Primary School
034	2200	Taunton, Bishops Hull Primary School
337	2332	Taunton, Holway Park Community School
346	2228	Taunton, Parkfield
351	3438	Taunton, St George's RC Primary School
357	2221	Taunton, Wellsprings Primary School
359	3105	Abbas and Templecombe CE Primary School
361	3436	Thurlbear CE Primary School

LA School Number	DFE Number	School Name
363	3359	Timberscombe CE First School
364	3485	Tintinhull, St Margaret's CE Primary School
369	3437	Trull CE Primary School
375	3129	Upton Noble CE Primary School
381	3110	Walton Primary School
382	3490	Watchet, Knights Templar CE/Methodist Community First School
390	2224	Wellington, Beech Grove Primary School
392	5201	Wellington, St John's CE Primary School
396	3114	Wells, St Cuthbert's CE Junior School
397	3361	Wells, St Joseph and St Teresa's RC Primary School – Converted to Academy 1/3/2022
400	2333	Wells, Stoberry Park School
406	3119	Westbury-sub-Mendip, St Lawrence's CE Primary School
407	3284	West Chinnock CE Primary School
408	3285	West Coker Primary School
413	3121	West Pennard CE Primary School
414	2185	Westonzoyland Primary School
417	3488	Wincanton, Our Lady's RC Primary School – Converted to Academy 1/3/2022
418	2081	Wincanton Primary School
422	2227	Wiveliscombe Primary School
423	2085	Wookey Primary School
432	2320	Yeovil, Birchfield Primary School
438	2311	Yeovil, Milford Infants School
440	3494	Yeovil, Oaklands School
445	2314	Yeovil, Reckleford Infants School
447	3487	Yeovil, St Gildas RC Primary School – Converted to Academy 1/3/2022
MIDDLE SCHOOLS		
487	4277	Dulverton Community Middle School

LA School Number	DFE Number	School Name
494	4288	Ilminster, Swanmead Community Middle School
SECONDARY SCHOOLS		
502	4300	Bridgwater, The Blake School
522	4508	Crewkerne, Wadham CE Community School
527	4000	Frome Community College
585	4354	Taunton, Heathfield Community School
SPECIAL SCHOOLS		
601	7003	Polden Bower – Opened 1/9/2021
610	7018	Street, Avalon Special School
617	7007	Yeovil, Fairmead Special School
618	7016	Yeovil, Fiveways Special School
PUPIL REFERRAL UNITS (PRUs)		
651	1115	The Bridge School Sedgemoor
652	1109	Mendip Partnership School
653	1114	Taunton Deane Partnership College
655	1112	South Somerset Partnership School
COMMUNITY LEARNING PARTNERSHIPS (CLPs)		
		Ansford Learning Partnership
		Frome
		Huish
		Sheppey Valley (WAKA)
		Street and Glastonbury
		Taunton
		Tower Learning Community
		Wells
		Yeovil Federation CLP

[Back to Contents](#)

APPENDIX B: LEGISLATIVE REQUIREMENTS AND CODES OF PRACTICE FOR BUILDING WORKS IN SCHOOLS

This list is not exhaustive and does not necessarily cover all regulations, codes of practice, or guidance which may relate to buildings and equipment, specialist facilities, services, or the management of schools, but aims to refer to the most useful documents. It does not cover legislation or directives due to come into force.

B.1 Workplace (Health Safety and Welfare) Regulations 1992 plus Approved Code of Practice and Guidance L24 (all are contained in the approved Code of Practice). These apply to all schools from January 1st, 1996. The regulations expand duties on employers under the Health and Safety at Work Act 1974 (Sections 2 and 4) and cover:

- Health and safety in the workplace;
- Welfare facilities for people at work;
- Maintenance of the workplace.

B.2 The School Premises (England) Regulations 2012 (SPRs). The statutory instrument that applies to all maintained schools and covers standards for both existing and new premises.

B.3 Guidelines for Environmental Design: Building Bulletin 87. These support the SPRs by way of practical guidance to meet those standards and in certain areas require higher standards than the current approved documents to the Building Regulations. They cover acoustics, lighting, heating and thermal performance, ventilation, hot and cold-water supplies, and energy (CO5) rating.

Health and Safety legislation, Codes of Practice and guidance applicable to school buildings, equipment and the management of schools include the following:

- The Management of Health and Safety at Work Regulations 1992, amendments 1994, plus approved code of practice. (This covers risk assessment to implement regulations).
- The Control of Substances Hazardous to Health Regulations 2002 (COSHH) as amended.
- Relevant Town and Country Planning Acts.
- The Education (Hazardous Equipment and Materials) (England) Regulations 2004
- Approved Codes of Practice 2002 (COSHH).
- Electricity at Work Regulations 1989.
- IEE Wiring Regulations 2008, amended 2011.
- The Gas Safety (Installation and Use) Regulations 1998.
- Guidance Note on Gas Safety in Educational Establishments. Published by DES and British Gas 1989.
- The Control of Asbestos at Work Regulations 2012.

- Health and Safety (Signs and Signals) Regulations 1996.
- The Education (Schools and Further and Higher Education) Regulations 1989.
- The Fire Precautions Act 1971.
- The Fire Precautions (Workplace) Regulations 1997 amended 1999.
- The Construction (Design and Management) Regulations 2007 (CDM).
- The Food Safety Act 1990, revised April 2009.
- Environmental Protection Act 1990.
- Provision and Use of Work Equipment Regulations 1998.
- The Health and Safety (Display Screen Equipment) Regulations 1992 (amended 2002).
- Personal Protective Equipment at Work Regulations 1992.
- The Manual Handling Operations Regulations 1992 (amended 2002).
- Occupiers' Liability Act 1984.
- The Health and Safety at Work Act 1974.
- Model Water Byelaws 1986.
- BS 6262 1982 Code of Practice for Glazing in Buildings.

[Back to Contents](#)

INDEX

A

	<u>Paragraph</u>
Academy Conversion	11.5, 15.11
Access to premises or land	2.6.2
Access to financial information	1.5, 1.6, 2.6.2, 15.1
Accounting Policies	2.1.7
Accounting Basis	2.2
Accruals Accounting	2.2
Alterations to School Premises	11.2
Approval of Budget	2.3.4
Arbitration	1.2
Assets: Control and Security	2.1.6
Assumptions underpinning budget	2.3.4
Attendance at Governors' Meetings	1.5, 15.5
Audit of Unofficial Funds	2.8.3
Authorised officers	2.1.3, 2.1.4

B

Balances of Closing/Replacement Schools	4.6
Banking Arrangements	3
Banking Income	5.1.1
Basis of Accounting	2.2
Borrowing externally	3.2
Borrowing through the LA	3.3
Budget Approval	2.3.4
Budget assumptions	2.3.4
Budget Plans	2.3
Building Works Legislative Requirements & Codes of Practice	Appendix B
Business Interests	2.9

C

Capacity of the School Premises	11.2.2
Capital Grant Funded Expenditure	2.15
Capital Spending from Budget shares	2.14
Carbon Management	11.3
Carry Forward Surpluses & Deficits	4.1, 4.2
Cash Accounting	2.2
Cash Handling	5.8
Charging of School Budget Shares	6
Chief Finance Officer	1.5
Closing/Replacement Schools Balances	4.6
Codes of Practice for Building Works	Appendix B
Community Facilities	14
Condition Surveys	11.1.4

	<u>Paragraph</u>
Construction Industry Scheme (CIS)	7.2
Contracting Requirements	2.10
Control of Assets	2.1.6
D	
Debt Write off	2.1.8, 2.1.9
Deficit Balances	4.1, 4.4. 4.5
Deficit budget	2.3.8
Delegation of Powers to the Headteacher	1.8
Devolved Funds	2.12
Director of Children’s Services: Financial	
Duties & Responsibilities	1.6
Disposal of Assets	5.4
Disputes with contractors	2.10.10
Disputes on the Scheme	1.2
Division of duties	2.1.4, 2.1.5, 2.10.6,
E	
Earmarked funds	2.12
eBay	5.5
Efficiency and Value for Money	2.4
Expenses for Governors	15.3
External Audit	2.7
External Borrowing	3.2
F	
Fee Income	5.3
Financial Controls	2
Financial Duties & Responsibilities: Director of	
Children’s Services	1.6
Financial Duties & Responsibilities: Director of	
Finance, Legal & Governance	1.5
Financial Duties & Responsibilities: Governing Body	1.7
Financial Information: Access	1.5, 1.6, 2.6.2, 15.1
Financial Information & Reports	2.1.2
Fraud	2.6.3, 2.18
Fund Raising Income	5.3
Funding Framework	1.1
G	
Governing Body: Financial Duties & Responsibilities	1.7
Governing Bodies Meetings: Attendance	1.5, 15.5
Governors’ Liability	15.2
Governors’ Expenses	15.3
Grant Funds	2.15, 5.6

	<u>Paragraph</u>
H	
Headteachers' delegated powers	1.8
Health & Safety	12
I	
Imprest accounts	2.1.4, 2.1.7, 2.10.6, 3.1.1, 5.1.6
Income Collection	5.1
Income from Fees, Charges and Fund Raising	5.3
Income from Lettings	5.2
Income records	5.1.3
Income from Sale of Assets	5.4
Income from Sales on eBay	5.5
Income stationery	5.1.5
Individual Schools Budget (ISB)	1.1
Insurance	10
Interest on Surplus Balances	4.3
Interest on Deficit Balances	4.4
Internal Audit	2.6
Inventory	2.1.6
Invoice Certification	2.1.4
Invoice Payments	2.1.4
Irregularities	2.6.4
L	
LA Services and Facilities	8
Landlord Responsibilities	11.6
Leasing expenditure	2.16
Legal Costs	15.4
Legislative Requirements for Building Works	Appendix B
Lettings Income	5.2
Liability of Governors	15.2
Loan Scheme	3.3
M	
Maintenance of schools	1.10
N	
Notice of Concern	2.19
O	
Orders	2.10
Overspending of a Schools Budget	2.3.8

P	<u>Paragraph</u>
Payment of Invoices	2.1.4
Payments to an Individual	2.1.4, 2.10.9
Payments to staff	2.1.3
Payroll forms	2.1.3
Pecuniary Interests	2.9
Petty cash accounts (Imprest)	2.1.4, 2.1.7, 2.10.6, 3.1.1, 5.1.6
Premises alterations	11.2
Private Funds	2.8
Private Finance Initiative (PFI)	9
Private Public Partnership (PPP)	9
Procurement Cards (Pcards)	2.1.5
Publication of the Scheme	1.3
Purchases on behalf of others	2.13
Purchasing Requirements	2.10

R	
Reconciliation	2.1.7
Register of Business Interests	2.9
Repairs and Maintenance	11.1
Repairs and Maintenance for Voluntary Aided Schools	11.1.7
Reporting & Publication Requirements for the LA	1.9
Reports Required from Schools	2.1.2
Reports to Governors	2.1.2
Responsibility for Legal Costs	15.4
Responsibility for Repairs and Maintenance	11.1
Retention of Invoices, orders and delivery notes	2.1.4
Revision of the Scheme	1.4
Right of Access to Information	15.1
Risk Management	10
Role of the Scheme	1.2

S	<u>Paragraph</u>
Sale of Assets	5.4
Sales on eBay	5.5
SCC Arranged Contracts	2.11
School resource management self-assessment tool.	2.17
Schools Budget	1.1
Schools not using the County financial system	2.1.2
Schools not using the County payroll system	2.1.3
Security of Assets	2.1.6
Segregation of Duties	2.1.4, 2.1.5, 2.10.6,
Service Level Agreements	8.3
Services and Facilities provided by the LA	8
Special Educational Needs	15.6

	<u>Paragraph</u>
Specimen signatures	2.1.3, 2.1.4
Staff Payments	2.1.3
Standing Orders	2.10, 3.2.4
Submission of Budget Plans	2.3
Submission of Financial Forecasts	2.3.9
Surplus Balances	4.1, 4.2, 4.3.
Suspension of Delegated Powers	13

T

Taxation	7
Tendering Requirements	2.10

U

Unofficial Funds	2.8
Utility Contracts	11.4

V

Value Added Tax (VAT)	7.1
Value for Money	2.4
VAT and Voluntary Schools	7.1.3
Virement	2.5
Voluntary Funds	2.8

W

Withdrawal of Delegated Powers	13
Writing-off debts	2.1.9

Y

Year end procedures	2.1.7
---------------------	-------

[Back to Contents](#)