



London Borough of Richmond upon Thames Scheme for Financing Schools

Effective April 2012

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Introduction

1.1 The funding framework

The funding framework which replaces Local Management of Schools is based on the legislative provisions in sections 45-53 of the School Standards and Framework Act 1998.

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

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

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

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

The Authority is obliged to publish each year, under s.251 of the Apprenticeships, Skills, Children and Learning Act 2009, a Budget Statement setting out details of its planned Schools Budget and Local Authority Budget, showing the amounts to be centrally retained, the budget share for each school, the formula used to calculate those budget shares, and the detailed calculation for each school. After each financial year the Authority must publish a statement showing out-turn expenditure at both central level and for each school, and the balances held in respect of each school.

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

1.2 The role of the scheme

This scheme sets out the financial relationship between the London Borough of Richmond upon Thames ("the Authority") and the maintained schools that it funds. It contains requirements relating to financial management and associated issues, binding on both the Authority and on schools.

1.3 Application of the scheme to Authority and maintained schools

The scheme covers all community, voluntary, foundation, community special or foundation special schools. A list of the schools covered by the scheme is attached at Appendix 1.

1.4 Publication of the scheme

A copy of the scheme will be provided to the headteacher and to the Governing Body of each school covered by the scheme, and any approved revisions will be notified to each such school. (Extra requirements will be published in regulations)

1.5 Revision of the scheme

Any proposed revisions to the scheme will be the subject of consultation with the schools and will require approval by the Richmond Schools Forum.

1.6 Delegation of powers to the Headteacher

Governing Bodies must consider the extent to which it wishes to delegate its financial powers to the Headteacher and must record its decision, and any revisions, in the minutes of the Governing Body.

Under the Education (School Government) (Terms of Reference) (England) Regulations 2000, budget plans must be considered by Governing Body.

1.7 Maintenance of schools

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

1.8 Community Facilities

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

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

(a) those contained in schools' own instruments of government, if any; and

(b) in the maintaining Authority's scheme for financing schools made under section 48 of the School Standards and Framework Act 1998. Paragraph 2 of Schedule 3 to the Education Act 2002 extends the coverage of schemes to the powers of Governing Bodies to provide community facilities.

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

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

Financial Controls

2.1 Financial controls and information

2.1.1 Application of financial controls to schools

Schools must comply with the Authority's requirements in the management of their delegated budgets. This is to include those requirements within this scheme and also those requirements contained in more detailed publications referred to in this scheme but outside and compatible with it.

2.1.2 Provision of financial information and reports

In order that the Director of Finance and Corporate Services can fulfil his obligations under Section 151 of the Local Government Act 1972 to "make arrangements for the proper administration of their financial affairs' schools must provide the Director of Finance and Corporate Services with a copy of their budget monitoring report submitted to their Governing Body on at least a termly basis.

The Authority will provide to schools by the 28 February of the previous financial year indicative financial information on which schools can base their draft budgets and final/confirmed financial information by 31 March of the previous financial year.

2.1.3 Multi-Year Budget Forecasts

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

2.1.4 Notice of Concern

The Authority may issue a notice of concern to the Governing Body of any school it maintains where, in the opinion of the Director of Finance and Corporate Services/Director of Education, Children's and Cultural Services, the school has failed to comply with any provisions of the Scheme, or where actions need to be taken to safeguard the financial position of the Authority or the school.

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

These may include:

- Insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;
- Insisting that an appropriately trained/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 Authority;

- Insisting on regular financial monitoring meetings at the school attended by Authority officers;
- Requiring a Governing Body to buy into the Authority's financial management systems; and
- Imposing restrictions or limitations on the manner in which a school manages extended school activity funded from within its delegated budget share – for example by requiring a school to submit income projections and/or financial monitoring reports on such activities.

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

2.1.5 Payment of salaries; payment of bills

Salaries and wages will be paid through the Authority's own bank account unless a separate contract has been agreed by a school with an outside bureau in which case separate arrangements will have to be reached between the bureau, the Authority and the school.

Bills payable by schools will be paid via local bank accounts in accordance with arrangements approved by the Director of Finance and Corporate Services. These procedures are outlined in the Schools Bank Accounts Scheme.

2.1.6 Control of Assets

Each school must maintain an inventory of its movable assets in a form agreed by the Director of Education, Children's Services and Culture for any asset worth over £1,000. For assets worth less than £1,000 schools are free to determine the format of the inventory following guidance issued by the Director of Education, Children's Services and Culture. Disposal of assets purchased from the schools delegated budget must be approved by the Governing Body.

2.1.7 Accounting policies (including year-end procedures)

All schools must abide by procedures issued by the Director of Education, Children's Services and Culture on accounting policies and year-end procedures.

2.1.8 Writing off debts

The Governing Body can write off debts of any value. The Director of Finance and Corporate Services will write to schools each year asking for details of debts written off and this will reported to the appropriate committee of the Authority.

2.2 Basis of accounting

Schools accounts furnished to the Authority should be either on a cash or accruals basis.

2.3 Submission of Standard School Budget Plan

A school's own financial information requirements will be detailed, reflecting the many possible sub-headings, departments and cost centres between which funds may be allocated. However, the Authority's requirement is only for summarised information in the form of the Standard School Budget Plan.

Each school must submit by the 31 March of the previous financial year a provisional school budget plan to the Director of Education, Children's Services and Culture. The budget plan must be approved by either the Governing Body or finance committee and signed by both the Headteacher and the Chair of Governors or Chair of the finance committee. The provisional school budget plan will be used to calculate schools April cash advances where appropriate.

Each school must submit as early as possible and no later than by the 30 June of the relevant financial year a Standard School Budget Plan to the Director of Finance and Corporate Services. The budget plan must be approved at a full Governing Body meeting, minuted as such, and signed by both the Headteacher and the Chairs of Governors.

If a school considers they are likely to have to set a deficit budget they must notify the Director of Education, Children's and Cultural Services by 31 May. This will allow ongoing discussion between the school and the Authority in order to agree a recovery plan.

For the Authority to manage its responsibilities to "make arrangements for the proper administration of their financial affairs" (Section 151 of the Local Government Act 1972), a school may be required to provide further information to support their Standard School Budget Plan.

2.4 Efficiency and value for money (replaces current Best Value section)

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

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

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

2.5 Virement

Schools can vire freely between budget headings and accounts within their budget shares see 1.6. The revisions should be shown in the monthly reports submitted to the Authority as in 2.1.2.

2.6 Audit: General

The Director of Finance and Corporate Services shall be responsible for maintaining a continuous internal audit of the financial records, operations and systems of each school. Schools are also subject to inspection by the Authority's external auditors. Schools must co-operate with both internal and external auditors as and when required.

2.7 Separate external audits

A school's Governing Body may also, if it wishes, spend part of its budget share to obtain external audit certification of its accounts. This would be in addition to the Authority's own internal and external audit process.

2.8 Audit of voluntary and private funds

Schools must provide appropriate audit certificates to the audit section on request in respect of voluntary and private funds held by them and of the accounts of any trading organisations or company controlled by the school.

The Consistent Financial Reporting framework requires that private funds under the control of the Governing Body be included within the schools return.

2.9 Register of business interests

Each school's Governing Body is required to establish a register of business interests for each member of the Governing Body and the Headteacher. The register should list any business interests they or their immediate families have. The register should be kept up to date and should be reviewed annually. The register should be available for inspection by governors, staff, parents and the Authority.

2.10 Purchasing, tendering and contracting requirements

Each school must abide by the Authority's financial regulations and standing orders regarding purchasing, tendering and contracting supplies and services.

Schools should also assess in advance, where relevant, the health and safety competence of contractors, taking account of the Authority's policies and procedures.

The financial regulations and standing orders will not apply where they would require schools:

- to do anything incompatible with any of the provisions of the scheme, or any statutory provision, or any EU Procurement Directive;
- to seek Authority officer countersignature for any contracts for goods or services for a value below £60,000 in any one year;
- to select suppliers only from an approved list (Schools may wish to nominate suppliers for inclusion on lists of approved suppliers);
- to seek fewer than three tenders in respect of any contract with a value exceeding £10,000 in any one year.

2.11 Application of contracts to schools

Schools have the right to opt out of Authority arranged contracts.

All existing contracts have been entered into freely by schools and are paid for from delegated budgets. A school meals contract is managed by the Authority on behalf of participating schools under the terms of a Service Level Agreement (SLA). The SLA binds schools to the terms of the contract with the supplier.

2.12 Central funds and earmarking

The Authority will make sums available to schools from central funds, in the form of allocations that are additional to and separate from schools' budget share. These will be subject to conditions as to the purpose for which these additional funds can be used. In certain circumstances virement is acceptable (excluding specific grant items) between different types of earmarked funding. All these funds must be accounted for separately from the schools budget share. Any earmarked funds not spent in-year must be repaid to the Authority, or within the period which schools are allowed to use the funding if different.

2.13 Spending for the purposes of the school

Governing Bodies are allowed to spend budget shares for the purposes of the school, subject to any provisions of this scheme. Under s.50(3)(b) of Schools Standards and Framework Act 1998, the Secretary of State may prescribe additional purposes for expenditure of the budget share.

2.14 Capital spending from budget shares

Schools Governing Bodies are allowed to use their budget shares to meet the cost of capital expenditure on the school premises. These must be shown in the schools accounts as a revenue contribution to capital.

On an annual basis schools will be required to report to the Authority on how they intend to spend their devolved capital and any other funds available for capital works.

2.15 Schools Financial Value Standard (SFVS)

All Richmond maintained schools including nursery schools that have a delegated budget must demonstrate compliance with the Schools Financial Value Standard (SFVS) and complete the assessment form on an annual basis.

Governors must demonstrate compliance through the submission of the SFVS assessment form signed by the Chair of Governors. The form must include a summary of remedial actions with a clear timetable, ensuring that each action has a specified deadline and an agreed owner.

Maintained schools that do not achieve the Financial Management Standard in Schools (FMSiS) must have submitted the form to the Authority by 31 March 2012, and must do annually thereafter.

All other maintained schools with a delegated budget must submit the form to the Authority before 31 March 2013 and annually thereafter.

2.17 Fraud

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

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

Budget Share & Banking

3.1 Proportion of budget share payable at each instalment

The following options are available:

- Equal monthly instalments of total budget share i.e. including employee costs
- Monthly instalments (one of 4% and 12 of 8%) of non-employee budget share.

Further details of these options are included in the Schools Bank Account Scheme, which is appended to the Schools Financial Regulations and Standing Orders.

3.2 Frequency of instalments

The school's appropriate budget share will be advanced into the schools bank accounts in accordance with their selection in 3.1.

3.3 Interest clawback

The Authority currently charges no interest for budget share instalments paid in advance.

The Authority will make no deduction for potential loss of corporate interest on instalments made to schools with a non-consolidated bank account.

3.3.1 Interest on late budget share payments

The Authority will add interest to late payments of budget share instalments on any school non-consolidated bank account, where such late payment is the result of Authority error. For schools within the consolidated bank account scheme, no interest is paid since interest is paid on year end balances. The interest rate used will be the Bank of England base rate.

3.4 Budget shares for closing schools

Schools where approval for closure has been given, may have their estimated non-employee budget share advanced on a monthly basis until closure.

3.5 Bank and building society accounts

All schools will have their budget share as appropriate (see 3.1) paid into an external bank account with a financial institution approved by the Director of Finance and Corporate Services. Any interest earned from such an account will be retained by the school. The account must be in the name of the school. Money paid by the Authority and held in such accounts remains Authority property until spent. The list of approved institutions is attached at Appendix 3.

Should a school open an external bank account, the Authority, if the school desires, will transfer immediately to that account an amount agreed by both the school and the Authority as the estimated surplus balance held by the Authority in respect of the school's budget share. Any subsequent correction will be made when the accounts for the relevant year are closed.

Should a school open an external bank account, the Authority must be named as the owner of the account, be entitled to receive statements on request and, in the event of the Authority withdrawing a schools right to a delegated budget, control of the account is transferred to the Authority.

Further details of these options are included in the Schools Bank Account Scheme which is appended to the Schools Financial Regulations and Standing Orders.

3.6 Borrowing by schools

Schools must not enter into any borrowing agreement unless the written permission of the Secretary of State has been obtained. This provision relates to borrowing from external financial institutions and not to internal loan schemes or borrowing from the Authority as part of an agreed recovery plan.

3.6.1 Leases

Schools may not enter into a 'finance lease' or 'hire-purchase' unless the written permission of the Secretary of State has been obtained, since these are classified as borrowing.

School may enter into an 'operating lease', as defined by the Local Authorities (Capital Finance) Regulations 1997 as these do not count as borrowing. The definition of an 'operating lease' is summarised as follows.

- The asset under lease must have a residual value at the end of the agreed lease period of at least 10% of its original cost.
- The lease cannot transfer ownership of the asset to the lessee (at any time during the agreed lease period or a renewal or continuation period).
- The lease cannot provide for renewal or continuation beyond the initial term at less than the "market value" for this provision at the commencement of the secondary arrangement.
- The lessee cannot share in the sale proceeds of the asset under lease.

Treatment of Surpluses & Deficit Balances

4.1 Right to carry forward revenue surplus balances

Schools will be allowed to carry forward from one financial year to the next any underspend relative to the schools budget share plus/minus any balance brought forward from the previous year, subject to controls on surplus balances (see below). A schools balance at 1 April of any financial year is equal to the balance as at 31 March in the previous financial year.

Any surpluses should be earmarked for specific future needs to ensure that pupil's benefit from a planned approach to spending that does not deprive them of resources in a given year. These earmarked surpluses should be clearly linked to the School Development Plan.

4.2 Control on Surplus Balances

The arrangements for surplus balances held by schools as permitted under this scheme have been revised.

As schools are moving towards greater autonomy, the Authority will not constrain schools from making early efficiencies to support their medium term budgeting in a tighter financial climate, and thus schools will not be burdened by bureaucracy.

Schools where either the Local Authority or Department for Education deem the surplus balance to be excessive, may be required to comment on rationale employed.

4.3 Interest on surplus balances (revenue and capital)

Schools that have a bank account consolidated to the Authority's account will attract interest on any surplus balance at the year end.

The Interest rate will be the Treasury Management 7 day rate.

4.4 Obligation to carry forward deficit balances

If a school is in deficit (revenue and capital) on the 31 March in any one financial year that deficit will be carried forward to the following financial year. A schools deficit balance at 1 April of any financial year is equal to the deficit balance as at 31 March in the previous financial year.

4.5 Planning for deficit revenue balances

4.5.1 Deficit plans (Setting a deficit revenue budget)

Governing Bodies must not set a deficit budget plan except with the express permission of the Director of Finance and Corporate Services and the Director of Education, Children's and Cultural Services and only when:

- the school is due for closure; or

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- the school has had a reduction in their gross School Budget Share of 5% or greater from one financial year to the next; or
 - other exceptional circumstances and only where the following procedures are followed:
 1. a recovery plan is agreed between the Governing Body of the school and both the Director of Finance and Corporate Services and the Director of Education, Children's and Cultural Services which consists of:
 - details of the measures that will be taken to bring the school back into a balanced budget situation; and
 - a forecast of future pupil numbers, school expenditure and school budget shares; and
 - forecast deficits at the end of each financial year and a timescale for bringing the budget into balance, usually not more than 3 years;
 2. monthly budget monitoring reports are provided to the Director of Education, Children's and Cultural Services in the format specified; and
 3. quarterly budget monitoring reports are provided to the Director of Education, Children's and Cultural Services and the Cabinet Member for Schools; and
 4. the Director of Education, Children's Services and Culture is consulted before any change to points of responsibility or the permanent staffing establishment; and
 5. any other such arrangements as the Director of Education, Children's and Cultural Services or the Director of Finance and Corporate Services may require for the regular joint review of the plan.

The Authority will provide appropriate management support to any school in deficit.

The withdrawal of delegation may be considered if the terms of the recovery plan are not fulfilled.

4.5.2 Deficit revenue balances (carryovers)

Unforeseen circumstances in year may result in a projected end of year deficit (carryover). In such instances the school should report this to the Director of Education, Children's and Cultural Services as soon as they become aware of such a situation.

The Authority's own monitoring procedures may also highlight situations of potential end of year deficit (carryover).

If such unforeseen circumstances do result in an end of year deficit balance (carryover), any deficit will be carried forward to the following financial year and schools are required to:

- report to the Director of Education, Children's and Cultural Services and Director of Finance and Corporate Services on the reasons for the end of year deficit (carryover);
- if appropriate, detail the management arrangements in place to ensure there is no repeat of the situation;

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- detail the measures that will be taken to bring the school back into a balanced budget situation;
 - any other such arrangements as the Director of Education, Children's and Cultural Services or Director of Finance and Corporate Services may require.

If a school is unable to bring the budget back into balance when setting the following year's budget it will have to provide a recovery plan (section 4.5.1).

The end of year balance is defined for this purpose as the school end of year balance (as notified to the school by the Director of Education, Children's and Cultural Services).

4.6 Charging of interest on deficit balances

The Authority will not charge interest on deficit balances.

4.7 Writing off deficits

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

4.8 Balances of closing and replacement schools

The Director of Education, Children's and Cultural Services in conjunction with the Governing Body of a closing school will ensure that the most efficient use is made of resources in the period prior to the closure of a school.

The balance (whether surplus or deficit) in respect of a school that closes or amalgamates will revert to the Authority. Any balance cannot be transferred to any other school, even where the school is a successor to the closing school.

4.9 Licensed deficits

The Authority does not operate a licensed deficit scheme. Any deficit agreed as part of an agreed recovery plan is deemed as borrowing from the Authority.

4.10 Loan schemes

The Authority is currently investigating the potential benefits of operating a loan scheme by utilising the collective balances held by schools.

5.1 Income from lettings

5.1.1 Community use

The Authority considers it important that school premises continue to be available for community use and will liaise with schools to ensure the premises continued availability. Schools will be reimbursed for the costs of the use of their premises where the community use has been agreed with the Authority under the dual use policy. Schools may subsidise other lettings for community and voluntary use with income from other lettings, provided that there is no net cost to their budget share.

5.1.2 Private lettings

All schools are recommended to produce a hiring and letting policy which is adopted by the Governing Body.

Any income raised through private lettings must be paid into the schools main bank account.

Private lettings should not displace agreed community lettings. However, schools may find it advantageous to have private lettings take place alongside their community lettings to reduce costs.

5.1.3 Use of schools for elections

Under elections legislation, community and voluntary aided schools are obliged to make accommodation available for polling stations. The Authority policy is that, if at all possible, schools should remain open on the day of the election.

Schools are reimbursed directly by the Authority for the costs incurred in making accommodation available for polling stations.

5.1.4 Use of schools for emergency plan

Any costs incurred by the school for emergency plan purposes will be reimbursed by the Authority.

5.2 Income from fees and charges

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

5.3 Income from fund-raising activities

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

5.4 Income from the sale of assets

Schools may retain the proceeds from the sale of assets except in cases where the asset was purchased with non-delegated funds, in which case the Authority will decide whether the school should retain the proceeds. If the asset is land or buildings forming part of the school premises and is owned by the Authority the proceeds must be paid to the Authority.

5.5 Administrative procedures for the collection of income

The procedures for collection of income are laid down in the operation of bank accounts handbook and Schools Financial Regulations and Standing Orders. These include guidance on charging of VAT on income.

5.6 Purposes for which income may be used

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

The Charging of School Budget Shares

6.1 General provisions

A school's budget share may only be charged by the Authority without the Governing Body's permission in the circumstances permitted by this scheme (see 6.2 below). The Authority will consult the schools as to the intention to so charge and will notify schools when it has been done.

The Authority will charge salaries of school based staff to school budget shares at actual cost.

6.2 Circumstances in which charges may be made

- 6.2.1 Where premature retirement costs have been incurred without the prior written agreement of the Authority to bear such costs (the amount chargeable being only the excess over any amount agreed by the Authority);
- 6.2.2 Other expenditure incurred to secure resignations where the school has not sought or followed Authority advice.
- 6.2.3 Awards by courts and employment tribunals against the Authority or out of court settlements, arising from action or inaction by the Governing Body contrary to Authority advice.
- 6.2.4 Expenditure by the Authority in carrying out health and safety work or capital expenditure for which the Authority is liable where funds have been specifically delegated to the Governing Body for such work, but the Governing Body has failed to carry out the required work;
- 6.2.5 Expenditure by the Authority incurred in making good defects in building work funded by capital expenditure from budget shares, where the premises are owned by the Authority or the school has voluntary controlled status.
- 6.2.6 Expenditure incurred by the Authority in insuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would have been arranged by the Authority. (see 10.1)
- 6.2.7 Recovery of monies due from a school for services provided to the school, where a dispute over the monies due has been referred to a disputes procedure set out in a services level agreement and the result is that monies are owed by the school to the Authority
- 6.2.8 Recovery of penalties imposed on the Authority by the HM Revenue & Customs (HMRC), the Environment Agency, Teachers Pensions or regulatory authorities as a result of schools negligence.
- 6.2.9 Correction of Authority errors in calculating charges to a budget share (e.g. pension deductions)

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- 6.2.10 Additional transport costs incurred by the Authority arising from decisions by the Governing Body on the length of the school day, and the failure to notify the Authority of non-pupil days resulting in unnecessary transport costs.
 - 6.2.11 Legal costs which are incurred by the Authority because the Governing Body did not accept or seek advice from the Authority (assuming that the Authority advice is lawful).
 - 6.2.12 Costs of necessary health and safety training for staff employed by the Authority, where funding for training has been delegated but the necessary training has not been carried out.
 - 6.2.13 Compensation paid to a lender where a school enters into a contract for borrowing beyond its legal powers, and the contract is of no effect.
 - 6.2.14 Cost of work done in respect of teacher pension remittance and records for schools using non-Authority payroll contracts, the charge to be minimum needed to meet the cost of the Authority's compliance with its statutory obligations.
 - 6.2.15 Costs incurred by the Authority in securing provision specified in a statement of SEN where the Governing Body of a school fails to secure provision despite the delegation of funds in respect of that statement.
 - 6.2.16 Cost incurred by the Authority due to submission by the school of incorrect data.
 - 6.2.17 Recovery of amounts spent from specific grants on ineligible purposes.
 - 6.2.18 Costs incurred by the Authority as a result of the Governing Body being in breach of the terms of a contract e.g. opting out of a centrally managed contract without giving sufficient notice as specified in the contract.
 - 6.2.19 Additional costs incurred either by the Authority or the other schools in the Quindrat as a result of a school withdrawing from a Quindrat arrangement into which it entered voluntarily.
 - 6.2.20 Recovery of an unpaid loan under the Authority's loan scheme.
 - 6.2.21 Any costs arising from the non-compliance of schools to provide information to the Authority for the Environment Agency in respect of the Carbon Reduction Scheme (CRC).

Taxation

7.1 Value Added Tax

Schools will provide a monthly return showing the amounts of VAT paid out and charged. The Authority will reclaim the net VAT on non-business activities and the reclaimed amount will be paid into the schools bank account. More details can be obtained from the Schools Bank Account Scheme.

7.2 Construction Industry Taxation Scheme

Schools should abide by the procedures laid down by the Authority in connection with Construction Industry Taxation Scheme details of which are included in the Schools Bank Account Scheme.

The Provision of Services & Facilities

8.1 Provision of services from centrally retained budgets

The Authority has agreed criteria regarding retained items. These are broadly:

- Items for which the Authority has a major statutory and strategic responsibilities and functions, including premature retirement costs (PRC) and redundancy payments
- Special needs – where a formula for distributing funding would be too inflexible to benefit individual students.

These services will be provided, on the same basis, to all categories of all the Authority's schools.

8.2 Provision of services provided by the Authority

Services can be bought back from the Authority using delegated budgets, the services available are contained within the Authority's current Service for Schools brochure.

Provision will be available on a service-by-service basis; it may be tailored to individual school needs and may form part of a package of services.

Services are renegotiated annually in the autumn term, with a pricing proposal sent to schools for consideration in December.

Final offers are confirmed in May when schools sign a Service Level Agreement setting out the terms and conditions of the Authority and the school.

Changes to services

- The service provider will give schools six months' written notice, with the option to withdraw from the service from the start of the revised specification.
- Schools wishing to withdraw should give three months' notice of withdrawal in writing to their Business Relationship Manager.

Termination of the service

- The service provider may terminate the agreement with a minimum of one terms' prior written notice.
- Either party may terminate the agreement immediately if the other party commits any serious or material breach of the terms of this agreement.
- Schools can terminate their agreement with the provider by giving six months notice in writing to their Business Relationship Manager.

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- The exception to this is where the Authority negotiates a corporate contract on behalf of the schools with a third party; under these circumstances the school must give the full period of notice.

Any service provided to schools for which expenditure is not retainable by the Authority under the Regulations made under section 46 of the Act, are offered at prices which are intended not to generate income but cover the cost of provision.

The cost of providing the service is met by the income generated, even if schools are charged differentially.

8.3 Packaging

Any services, which the Authority is providing on a buyback basis, will be offered in a way that will not unreasonably restrict schools' freedom of choice among the services available.

Provision will be available on a service-by-service basis with further freedom of choice available through a menu systems which offers individual elements of the services. Some services also offer packages of services, which may offer a more cost effective service.

8.4 Teachers' Pensions

In order to ensure that the performance of the duty on the Authority to supply Teachers Pensions with information under the Teachers' Pensions Regulations 1997, the following conditions are imposed on the Authority and Governing Bodies of all maintained schools covered by this Scheme in relation to their budget shares. The conditions only apply to Governing Bodies of maintained schools that have not entered into an arrangement with the Authority to provide payroll services.

A Governing Body of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or agreement with a person other than the Authority to provide payroll services, shall ensure that any such arrangement or agreement is varied to require that person to supply salary, service and pensions data to the Authority which the Authority requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The Authority will advise schools each year of the timing, format and specification of the information required. A Governing Body shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions (AVCs) are passed to the Authority within the time limit specified in the AVC scheme. The Governing Body shall meet any consequential costs from the school's budget share.

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

9.1 PFI/PPP

Any school agreeing to be included within a PFI contract will be required to sign a 'Governing Body Agreement'. The agreement is between the Authority and Governing Body and sets out details of the services provided under the PFI contract and the schools financial contributions.

The current PFI contract in place for some Primary schools requires schools to pay a contribution based on their historical spend for the services now provided by the contractor under the PFI contract.

10.1 Insurance cover

If a school opts to make its own arrangements for insurance, the Authority will require the school to show that its insurance cover meets the specification laid down by the Authority prior to the signing of any contract. (See 6.2.6).

10.1.1 Minimum Levels of Non-Property Insurance

Business Interruption	(I) Gross Revenue £3,000,000 (24 months) (ii) Additional Cost of Working Secondary £350,000 (24 months) Primary £250,000 (24 months)
Contractors "All Risks" Money	£1,000,000 any one contract In locked safe or strongroom - £2,000 In locked receptacle - £500 In private residence of any employee - £500 On the premises in the custody of employees, or in transit to or from the bank, or in a bank night safe - £40,000
Fidelity Guarantee	£5,000,000 all claims in the period of insurance
Employer's Liability	£25,000,000 any one event, inclusive of costs
Public Liability	£20,000,000 any one event, plus costs
Libel and Slander	£500,000 all claims in the period of insurance, inclusive of cost

A more comprehensive list can be found in Appendix 5.

11.1 Right of access to information

The Governing Body must supply all financial and other information which may be required by the Authority to satisfy itself that the school is properly managing its delegated budget share and any additional funds provided by the Authority.

11.2 Liability of Governors

Governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share provided that they act in good faith.

11.3 Governors expenses

11.3.1 New schools

Provision may be made to delegate funds for Governor's expenses to a school yet to receive a delegated budget. Only allowances as per Section 11 of the Schools Standards and Framework Act 1998 will be paid.

11.3.2 Special measures

Expenses paid to additional Governors to schools appointed by the Secretary of State under special measures must not be paid from a school's delegated budget share.

11.4 Responsibility for legal costs

Legal costs incurred by the Governing Body, although the responsibility of the Authority as part of the cost of maintaining the school unless they relate to the statutory responsibility of voluntary aided school governors for buildings, may be charged to the school's budget share unless the Governing Body acts in accordance with the advice of the authority.

Where there is a potential conflict of interest, problems could arise for the Authority and the Governing Body in obtaining proper legal advice. In this situation, the Authority should be consulted and the Governing Body should consider obtaining independent legal advice.

11.5 Health and safety

In expending the school's budget share the Governing Body must have due regard to duties placed on the Authority in relation to health and safety, and the Authority's policy on health and safety matters in the management of the budget share.

11.6 Right of attendance for Director of Education, Children's Services and Culture

Governing bodies must permit the Director of Education, Children's Services and Culture, or any officer of the Authority nominated by the Director of Education, Children's Services and Culture, to attend meetings of the Governing Body at which any agenda items are relevant to the exercise of his/her responsibilities. The Director of Education, Children's Services and Culture will give prior notice of such attendance unless impracticable to do so.

11.7 Delegation to new schools

The Authority has the power to delegate selectively and optionally to the Governing Bodies of schools that have yet to receive delegated budgets.

11.8 Optional delegated funding

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

11.9 Special Educational Needs

Schools must use their best endeavours, in spending the budget share, to secure appropriate provision both for pupils with Special Educational Needs at the school based stages of the Code of Practice, and pupils for whom additional funding has been delegated in connection with a statement of special education needs.

11.10 Interest on late payments

Under the Late Payment of Commercial Debts (Interest) Act 1998 all small company creditors must be paid within 30 days of the receipt of the invoice, unless there has been a dispute registered with the creditor. The creditor can, after such period has elapsed, submit a surcharge, on the original amount outstanding, of the current bank rate plus 8%.

11.11 'Whistleblowing'

Staff and Governors who wish to raise concerns about financial management or financial propriety at the school should contact the Head of Legal Services who will look into the matter. Procedures have been adopted by the Authority to protect individuals making disclosures in order to maintain confidence in public services.

11.12 Child Protection

All maintained schools are required to have a designated member of staff for child protection (usually the head or deputy) and a named Governor. These people are required to attend the basic awareness Foundation Child Protection training course arranged by ACPC. The courses are free to all schools, however, any supply cover costs has to be met from the schools delegated budget.

11.13 Responsibilities in respect of the provision of school meals

11.14 Schools Management Information Systems (MIS)

Schools are required to have an accredited MIS capable of recording and securely transferring pupil, staff and financial data in accordance with DfE requirements for each and maintain these to be capable of meeting any changes required by government. In particular for pupils it must as minimum hold information which complies with the Common Basic Data Set (CBDS), can issue and receive electronic Common Transfer Files (CTF's) and hold and transfer exam information for all relevant Key Stages. For Staff data as a minimum it must be able to hold and transfer all data for the School Workforce Census as defined by the DfE and for financial information it must fulfil the requirements of the Consistent Financial Reporting Framework.

Responsibility for Revenue & Capital Maintenance and Improvement

12.1 Responsibility for repairs and maintenance

Following on from this section is an annex showing the categories of work which Governing Bodies must finance from their budget. This covers both revenue (maintenance) and capital budgets.

The Authority will maintain a capital programme for items of capital expenditure set out in regulation 12.2 of the scheme. All other capital expenditure is the responsibility of the Governing Body to be funded either from the schools devolved capital grant, other capital funds or revenue contributions to capital.

Expenditure may be treated as capital only if it fits the definition of capital used by the Authority for financial accounting purposes in line with the CIPFA Code of Practice on Authority accounting. There is no de minimis limit in use by the Authority in determining expenditure to be treated as capital or revenue.

Governors of Voluntary Aided schools will continue to be eligible for capital grants from the DfE in respect of their statutory responsibilities (see “Funding for premises related work at Voluntary Aided (VA) Schools in England”).

12.2 Authority capital programme

The Authority maintains a capital programme each year of large capital projects. The Local Authorities capital programme addresses issues of:

- Sufficiency e.g. new build for school place provision
- Condition e.g. replacement roofs, replacement boilers, electrical re-wire
- Capital implications of council's strategic objectives

The capital programme is agreed by Cabinet following consideration by the Capital Strategy Group in accordance with the priorities set out in the local policy statement of the LAs Asset Management Plan and the needs identified as sufficiency issues or through condition surveys. The programme is monitored to ensure effective use of capital resources.

13.1 Introduction

As a result of the Education Act 2002, schools now have greater opportunities to provide services for the community. An extended school is one that provides a range of services and activities often beyond the school day to help meet the needs of its pupils, their families and the wider community.

Schools which choose to exercise the power conferred by s.27 (1) of the Education Act 2002 to provide community facilities will be subject to a range of controls. First, regulations made under s.28 (2) specify activities which may not be undertaken at all under the main enabling power. Secondly, the school is obliged to consult its Authority 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.

Governing bodies cannot provide any service that might interfere with their main duty to educate pupils or their responsibility to promote high standards of educational achievement at the school. However, under s.28 (1), the main limitations and restrictions on the power will be those contained in schools' own instruments of government and those detailed below.

Governing bodies should read the DfE guidance publication "Extended Schools – providing opportunities and services to all" prior to seeking to establish community activities.

13.2 Consultation

In every school and community there will be key groups who need to be consulted about activities. They should be involved in the planning process to ensure that extended school programmes are in demand, well organised and meet local needs.

The Governing Body has ultimate responsibility for deciding whether the school should offer additional activities and services and what form these should take. Before making decisions, governors need to be aware of any additional responsibilities that may result from providing additional services through the school. As with existing school activities, Governing Bodies can delegate the practical delivery of services to others, but they will keep ultimate legal responsibility.

Headteachers will need to be fully consulted in the development of additional activities and services in the school. Their school management experience can also be invaluable for the planning of new activities and services and in some schools, head teachers may choose to be closely involved in the Leadership of additional activities and services.

Other school staff can also play a key role in the planning process. Most will have a clear understanding of the needs of pupils, families and the wider school community. They will also be able to advise on the day-to-day impact of additional services on the school premises, equipment, timetables and school community.

Whatever their level of involvement, all school staff should be kept informed and involved in any decisions that relate to the school premises, staff or pupils.

Schools should initially approach the Authority for a strategic view on potential programmes. The Authority is well placed to help in assessing the ability of schools to offer additional activities. The Authority will take into account the school's resources, financial management abilities and other considerations.

13.2.1 Consult the Authority

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

The Authority may request from any school operating community activities a report on any action taken following the advice.

13.3 Funding Agreements

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

Any funding agreements with third parties should be submitted to the Authority for its comments prior to the Governing Body signing any such agreement so that the Authority can ensure that any agreement is not seriously prejudicial to the interests of the school or the Authority.

The Authority has the power to suspend a school's delegated budget if:

- a school undertakes the provision of community activities without consulting the Authority and which the Authority considers is seriously prejudicial to the interests of the school or the Authority;
- the Authority considers the financial management of community services provided by a Governing Body unsatisfactory; or
- the Governing Body is guilty of substantial or persistent non-compliance with any rules laid down by or under the Authority's Scheme for Financing Schools.

13.4 Financial Procedures

All schools will need to make some adjustments to their financial procedures in order to extend their activities beyond pupils and the school curriculum.

Community activities must be self-financing, except study support for pupils. Study support is learning activities outside normal school hours which young people take part in voluntarily. The purpose of study support is to improve young people's motivation, build their self-esteem and help them become more effective Learners and above all aims to raise pupil's achievement.

There are several basic principles for financial management of extended schools programmes.

- Additional activities and services should have separate financial accounts.

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- Programmes must be self-financing and the school's delegated budget share cannot be used for funding additional activities and services, except study support for pupils.
 - Before establishing community activities the Governing Body must prepare a four year business plan including cash flow forecasts. The business plan should demonstrate how the Governing Body would fund establishing any community activities and demonstrate that the activities are self-financing for the following three years. Once established a three year business plan should be maintained.
 - Governing bodies may seek grant funding to establish community activities e.g. New Opportunities Funding for Out of School Clubs.
 - The Governing Body may not borrow money for community activities without the written consent of the Secretary of State. This requirement does not extend to monies lent to schools by the Authority.
 - If by providing community activities, it is felt that it is adversely affecting the Governing Body's main responsibility to educate pupils and promote high standards of educational achievement at the school, the Authority may withdraw the right for the Governing Body to operate such community activities.
 - Failure to comply with regulations on financial procedures could lead to the removal of the Governing Body's power to discharge its delegated budget.

Community use of school facilities will need to be self-financing, either through alternative funding streams or charges to users.

It should be noted that activities such as study support are deemed as being for 'the purposes of the school' (i.e. for the educational benefit of the school's registered pupils). Therefore, such activities may be funded from the school's budget share and schools are encouraged to provide all study support activities free to all pupils.

The Governing Body should keep separate accounts for its community activities to ensure that the community costs incurred are fully covered by income such as fees and charges and kept distinct from the school's delegated budget.

Some schools may wish to encourage activities and services that they consider a priority, but which might not be self-financing. Activities and services that generate income can be used to help support other programmes. Equally, charges can be subsidised for individual users of services who might be unable to pay to participate, but who could benefit significantly from the activity or service.

13.5 Supply of Financial Information

Any school operating community activities must provide the Authority with a financial report identifying income and expenditure received, accumulated balance brought forward from the previous financial year and projected year end financial position every six months.

If the Authority has concerns of the financial viability of any community activities a school may be required to provide a financial report identifying income and expenditure received, accumulated balance brought forward from the previous financial year and projected year end financial position on a quarterly basis.

If the Authority continues to have concerns of the financial viability of any community activities a school will be required to submit a recovery plan for the activity in question.

Schedule 3 of the Education Act 2002 inserts a new provision into Schedule 15 of the Act to make mismanagement of funds received for community facilities a basis for suspension of the right to delegation of the budget share.

13.6 Supply of Non-financial information

Governing bodies may be required to provide some non-financial information to the Authority where any community activities form part of a corporate strategy for provision. The Authority will inform the Governing Body of any such requirements at the time of agreeing the establishment of such community activities.

13.7 Audit

Schools community activities financial accounts must be made available for inspection by internal and external audit.

In concluding funding agreements with other persons pursuant to the exercise of the community facilities power, the Governing Body must ensure that such agreements contain adequate provision for access by the Authority to the records and other property of those persons held on the school premises, or held elsewhere insofar as they relate to the activity in question, in order for the Authority to satisfy itself as to the propriety of expenditure on the facilities in question.

13.8 Treatment of Income and Surpluses

The school can retain all net income derived from community facilities except where otherwise agreed with a funding provider, whether that be the Authority or some other body.

Such retained net income can be carried over from one financial year to the next as a separate community activities surplus. Such surplus funds should usually be retained to provide a contingency fund to cover any deficit generated on community activities in any year or are sufficient to cover any winding up costs should the activity cease. If the community activities surplus funds are such that they are not all required as a contingency to cover any potential deficit generated or potential winding up costs, the Authority may agree with the school transferring part of the surplus to the schools account for a specific purpose.

Should the Authority close any community or community special school, any accumulated community activities surplus of the school reverts to the Authority unless otherwise agreed with a funding provider.

13.8.1 Treatment of Deficits

Any deficit must firstly be met from any accumulated community activities surplus and cannot be met from the school budget share unless such a purpose is prescribed by regulations made under s.50 (3) (b) of the 1998 Act.

If the accumulated community activities surplus is insufficient to cover any deficit this must be carried forward, if the business plan demonstrates that the deficit can be covered from future year's surpluses.

If the business plan demonstrates that the community activity is not viable long term the Governing Body are required to use any other funds under their control to cover the deficit. If this is still insufficient any remaining liabilities must be met by the Authority. The Governing Body and the Authority should then implement an action plan to cease any

unviable community activity in agreement with the Authority.

13.9 Health and Safety

The health and safety standards for community activities should be the same as those to any other activities undertaken at the school.

The Governing Body must ensure that any adults involved in community activities have Criminal Records Bureau clearance and the cost of such clearance should be met by the community activities accounts or funding partner as part of an agreement with that partner.

13.10 Insurance

The Governing Body must ensure adequate arrangements are made for insurance against risks arising from the exercise of the community facilities power, taking professional advice as necessary. Such insurance should not be funded from the school budget share.

The Governing Body must provide the Director of Education, Children's Services and Culture with evidence that they have such insurance arrangements in place for community activities. The Director of Education, Children's Services and Culture may also undertake his/her own assessment of the insurance arrangements made by a school in respect of community activities, and if it judges those arrangements to be inadequate, make arrangements itself and charge the resultant cost to the schools community activities account. This provision ensures that the Authority can protect itself against possible third party claims.

13.11 Taxation

The Governing Body should seek the advice of the Director of Finance and Corporate Services and the local VAT office on any issues relating to the possible imposition of Value Added Tax on expenditure and income in connection with community facilities, including the use of the Authority VAT reclaim facility.

The Governing Body must abide much the requirements of the Scheme for Financing Schools in relation to all aspect of taxation (regulations under section 7 of the Scheme for Financing Schools).

13.12 Banking

Although it is necessary for the school to keep a separate financial account for community activities this does not necessitate community activities being held in a separate bank account.

If a school does decide to operate their community activities through a separate bank account at an approved institution as set out in requirement 3.5 of the Scheme for Financing Schools.

Responsibility for Redundancy and Early Retirement Costs

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

Section 37 of the 2002 Education Act says:

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

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

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

The default position, therefore, is that premature retirement costs must be charged to the school's delegated budget, while redundancy costs must be charged to the local authority's budget. In the former case, the local authority has to agree otherwise for costs to be centrally funded, while in the latter case, there has to be a good reason for it not to be centrally funded, and that cannot include having a no redundancy policy. Ultimately, it would be for the courts to decide what was a good reason, but the examples set out below indicate the situations in which exceptions to the default position might be taken.

Charge of dismissal/resignation costs to delegated school budget

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

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

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

Costs of new early retirements or redundancies can also be charged to the central part of the Schools Budget if the Schools Forum agree and the local authority can demonstrate that the "revenue savings achieved by any termination of employment are equal to or greater than the costs incurred".

The Schools Forum must agree to any increase in this budget over the previous financial year. If the Schools Forum does not agree with the local authority's proposal, then the authority can appeal to the Secretary of State. The Schools Forum would also be involved if the additional expenditure resulted in a breach of the central expenditure limit, whereby central expenditure increases faster than the Schools Budget as a whole.

An example of where a charge to the central Schools Budget might be appropriate would be a school reorganisation. A reorganisation involving the closure of a number of schools would be likely to result in savings because there would be a reduced amount being allocated through the formula for factors such as flat rate amounts to all schools or floor area. If the savings in the formula exceeded the ongoing costs of the VER/redundancy then this would qualify.

It would be possible to consider savings at an individual school level as well, but this needs to be carefully managed so that there are clear ground rules in place for applications, recommendations and approval. It may be sensible to agree criteria for eligibility which are consistent with the general approach as to when costs should be centrally funded.

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

There are clearly difficulties in setting a budget, whether inside or outside the Schools Budget, at a point prior to the beginning of the financial year before schools have set their budgets and made staffing decisions. Local authorities can only make a best estimate of what may be needed, based on past experience, local knowledge of the financial position of individual schools and the context of that year's funding settlement. There are dangers in raising expectations that costs will be met centrally if the budget is set too high, and so an alternative would be to keep the budget tight and use contingency or schools in financial difficulties budgets if there is an unexpected need for staffing reductions and it is not appropriate for delegated budgets to fund VER/redundancy costs. To achieve best use of resources, local authorities should also have an active redeployment policy, to match staff at risk to vacancies.

One of the permitted uses of the contingency is where "a governing body has incurred expenditure which it would be unreasonable to expect them to meet from the school's budget

share” while local authorities are also allowed to retain funding for schools in financial difficulties “provided that the authority consult the schools forum on their arrangements for the implementation of such support.”

For staff employed under the community facilities power, the default position is that any costs must be met by the governing body, and can be funded from the school’s delegated budget if the governing body is satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the Education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement. Section 37 now states:

(7)Where a local education authority incur costs—

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

(b) in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school who is employed for those purposes,

they shall recover those costs from the governing body except in so far as the authority agree with the governing body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable.

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

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

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

Responsibility for Revenue and Capital Maintenance & Improvement

Capital/Revenue split - Illustrative examples in line with CIPFA code of practice.

Roofs - Flat

Capital: as CIPFA code of practice (Schools)

Structure. New (not replacement) structure

Structure. Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure

Screed / insulation in a new building / extension

Screed / insulation. Replacement/repair of substantially all. Improve effectiveness of insulation

Finish on new build. Replacement of all/substantially all on existing roof

Edge trim/fascia on new building

Edge trim/fascia. Replacement of all/ substantially all on existing roof

Drainage on new building

Other e.g. flashings, rooflights on new building. Replacement of all/substantially all on existing roof

Revenue: Repairs and Maintenance

Repair/replacement of small parts of an existing structure

Replace small areas of rotten or defective timber, make good minor areas of spalling concrete where reinforcing bars exposed

Repair/replacement of screed/insulation where defective

Work to improve insulation standards, during work to repair/replace small areas of roof

Replacement of roof finish on existing building. Re-coating chippings to improve life expectancy

Repairs/replacement. (uPVC) Repainting

Repairs/replacement. (uPVC) Repainting

Clearing out gutters and downpipes. Replacement/repair/ repainting / individual gutters/pipes

Repair/replace/cleaning of individual items

Roofs - Pitched

Capital: as CIPFA code of practice

Structure. New (NOT replacement) structure

Structure. Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure

Insulation in a new building/extension

Insulation. Replacement/repair of substantially all. Improve insulation to current standards

Roof finish in a new building/extension, replacement of all/substantially all on existing roof

Bargeboards/fascias in a new building/extension, replacement of all/substantially all on existing roof

Drainage in a new building/extension

Drainage. Replacement of all/substantially all on existing roof

Other e.g. flashings, roof windows in a new building/extension, replacement of all/substantially all on existing roof

Revenue: Repairs and Maintenance

Repair/replacement of small parts of an existing structure

Replace/repair small areas of rotten/defective joists, rafters, purlins etc. Not complete trusses

Repair/replacement/ increase thickness of insulation in an existing roof

Replace missing/damaged

Repairs/replacement/ repainting

Clearing out gutters and downpipes Replacement/repair of individual pipes/gutters

Repair/Replacement /cleaning

Roofs - Other

Capital: as CIPFA code of practice

Provide new covered link etc. between existing buildings

Rebuild or substantially repair structure of existing covered link

Revenue: Repairs and Maintenance

Minor repairs, maintenance to existing covered link

Add porch etc. to existing building

Minor repairs, maintenance to existing

Rebuild or substantially repair structure of existing porch

Floors - Ground Floor

Capital: as CIPFA code of practice

Structure and dpc in new building

Structure and dpc - Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure

Screed and finish in new build, replacement of all/substantially all on existing floor - e.g. replacement of most carpets/tiles in a room

Revenue: Repairs and Maintenance

Repair/replacement of small parts of an existing structure

Replacement and repair of screed and finishes/replacement of mats/matwells
Maintenance e.g. revarnishing wooden floors

Floors - Upper Floors

Capital: as CIPFA code of practice

Structure - as ground floor

Screed and finish - as ground floor

Revenue: Repairs and Maintenance

As ground floor

Repairs of finishes/Replacement - as ground floor

Ceiling – Top/only Storey

Capital: as CIPFA code of practice

Suspension

Membrane

Fixed

Revenue: Repairs and Maintenance

Repair/replacement includes. from water damage, & necessary decoration

Repair/replacement inc. from water damage

Access panels

Repair/replacement

Ceiling – Lower Storeys

Capital: as CIPFA code of practice

Revenue: Repairs and Maintenance

Suspension

Repair/replacement

Membrane

Fixed

Repair/replacement

Ceiling – All

Capital: as CIPFA code of practice

Revenue: Repairs and Maintenance

Inspection/air testing. Applying sealant coats to asbestos surface for protection

External Walls – Masonry/Cladding

Capital: as CIPFA code of practice

Revenue: Repairs and Maintenance

Structure, Underpinning/propping for new build

Repairs. Preventive measures e.g. tree removal

External finish on new build

Repair/replacement of small parts of an existing structure, e.g. repointing/recladding a proportion of a wall where failure has occurred

External finish on existing builds where needed to prevent imminent or correct actual major failure of the structure. e.g. repointing/recladding work affecting most of a building/replacement build

External Walls – Windows and Doors

Capital: as CIPFA code of practice

Revenue: Repairs and Maintenance

Framing - new build	Repair/replacement of individual frames. Repainting frames
Framing - structural replacement programme	Repair/replacement of individual windows. Repainting frames
Glazing - new build	Replacing broken glass
Glazing, Upgrading existing glazing	
Ironmongery, Improve security	Repair/replacement, upgrading locks etc.
Jointing including mastic joints	
Internal and external decorations to new build	Internal and external decoration to include cleaning down and preparation

External Walls – Masonry Chimneys

Capital: as CIPFA code of practice

Revenue: Repairs and Maintenance

Structure

Jointing including expansion and mortar joints/pointing/DPC

Repair/re-pointing

Internal Walls – Solid

Capital: as CIPFA code of practice

Revenue: Repairs and Maintenance

Complete including various internal finishes, linings and decorations

Repairs and redecoration to internal plaster/lining tiles, pin boards etc.

Refurbishment and alterations

Minor alterations

Internal Walls – Partitions

Capital: as CIPFA code of practice

Revenue: Repairs and Maintenance

Complete structure including linings, framing, glazing, decoration etc	Repairs and redecoration
Refurbishment and alterations	Minor alterations

Internal Walls – Doors and Screens

Capital: as CIPFA code of practice

Framing/screens/doors to new building including glazing, ironmongery, jointing and internal decorations

Revenue: Repairs and Maintenance

Internal maintenance and redecoration. Repair/replacement of defective doors and screens

Internal Walls – All

Capital: as CIPFA code of practice

Glazing to meet statutory Health & Safety requirements

Revenue: Repairs and Maintenance

Replacement of broken glass

Sanitary Services - Lavatories

Capital: as CIPFA code of practice

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

Revenue: Repairs and Maintenance

Repair/replacement of damaged sanitary ware, fittings, waste plumbing etc

Small areas of refurbishment

Repair/replacement of damaged fittings, waste plumbing etc

Sanitary Services - Kitchens

Capital: as CIPFA code of practice

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

Revenue: Repairs and Maintenance

Maintain kitchen to requirements of Authority. Cleaning out drainage systems. Redecoration

General refurbishment

Repairs

Large and costly items of equipment

Repairs/replacement parts

Mechanical Services – Heating/Hot Water

Capital: as CIPFA code of practice

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

Safe removal of old/damaged asbestos boiler and pipework insulation where it is a risk to Health and Safety

Planned replacement of old boilers/control systems past the end of their useful life

Emergency replacement of boiler plant/systems.

Revenue: Repairs and Maintenance

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

Monitoring systems. Health and safety issues

Replacement of defective parts

Mechanical Services – Cold Water

Capital: as CIPFA code of practice

Provision of cold water services, storage tanks, distribution, boosters, hose reels etc in major projects

Revenue: Repairs and Maintenance

Maintenance and repair/replacement of defective parts such as servicing pipes. Annual servicing of cold water tanks

Mechanical Services – Gas

Capital: as CIPFA code of practice

Distribution on new and major refurbishments, terminal units

Revenue: Repairs and Maintenance

Repairs, maintenance and gas safety. All servicing

Mechanical Services – Ventilation

Capital: as CIPFA code of practice

Mechanical ventilation/air conditioning to major projects.

Revenue: Repairs and Maintenance

Provision of local ventilation Repair/replacement of defective systems and

units

Mechanical Services – Other

Capital: as CIPFA code of practice

Swimming pool plant and its complete installation, including heat recovery systems

Revenue: Repairs and Maintenance

Repair/replacement of parts to plant pumps and controls. Water treatment equipment and all distribution pipework. Simple heat recovery systems. Solar heating plant and equipment

Electrical Services – General

Capital: as CIPFA code of practice

Main switchgear and distribution in major projects

Revenue: Repairs and Maintenance

Testing/replacement of distribution boards. The repair and maintenance of all switchgear and interconnecting cables including that in temporary buildings

Replacement of obsolete and dangerous wiring systems, including distribution boards

All testing, earthing and bonding to meet Health and Safety. All servicing

Electrical Services – Power

Capital: as CIPFA code of practice

Control gear, distribution, fixed equipment, protection etc

Revenue: Repairs and Maintenance

All testing, repair and replacement of small items of equipment

Electrical Services – Lighting

Capital: as CIPFA code of practice

Provision of luminaires and emergency

Revenue: Repairs and Maintenance

Replacement of luminaires, all testing, adjustments and improvements to emergency

Electrical Services – Other

Capital: as CIPFA code of practice

Lighting protection in new buildings

Alarm systems, CCTV, lifts/hoists etc

New installation of communication systems, radio/TV, call, telephone, data transmission, IT etc and provision in new buildings

Revenue: Repairs and Maintenance

Repair/replacement

Repair and maintenance

Repair/replacement/ maintenance, including all door access systems

External Works – Paving**Capital: as CIPFA code of practice**

Provision of new roads, car parks, paths, courts, terraces, play pitches, steps and handrails, as part of major project, including disabled access

Revenue: Repairs and Maintenance

Maintenance and repair. Car park and playground markings

External Works – Miscellaneous**Capital: as CIPFA code of practice**

Provision of walls, fencing, gates and ancillary buildings as apart of major project

Revenue: Repairs and Maintenance

Maintenance and repair of all perimeter/boundary /retaining walls, fencing and gates.

External Works – Drainage**Capital: as CIPFA code of practice**

Drains, soakaways, inspection chambers and sewage plant as part of new projects

Revenue: Repairs and Maintenance

Maintenance and repair of drains, gullies, grease traps and manholes between buildings and main sewers. Cleaning of the above and unblocking as necessary

External Works – Open Air Pools**Capital: as CIPFA code of practice**

Structure, hygiene/safety in new build

Revenue: Repairs and Maintenance

Hygiene, cleaning, maintenance and repairs including replacement parts.

Simple energy saving systems

External Works – Services Distribution

Capital: as CIPFA code of practice

Heating mains, gas mains, water mains, electricity mains, renewal of any of the above

Revenue: Repairs and Maintenance

Annual servicing

Schools List

Primary Schools Establishment Names

Archdeacon Cambridge's CE Primary School
 Barnes Primary School
 Bishop Perrin CE Primary School
 Buckingham Primary School
 Carlisle Infant School
 Chase Bridge Primary School
 Collis Primary School
 Darell Primary School
 East Sheen Primary School
 Hampton Infant School
 Hampton Junior School
 Hampton Hill Junior School
 Hampton Wick Infant and Nursery School
 Heathfield Infant School
 Heathfield Junior School
 Holy Trinity CE Primary School
 Kew Riverside Primary School
 Lowther Primary School
 Marshgate Primary School
 Meadlands Primary School
 Nelson Primary School
 Orleans Primary School
 The Queen's CE Primary School
 The Russell Primary School
 Sacred Heart RC Primary School
 St Edmund's RC Primary School
 St Elizabeth's Catholic Primary School
 St James's RC Primary School
 St John the Baptist CE Junior School
 St Mary's CE Primary School
 St Mary's & St Peter's CE Primary School
 St Mary Magdalen's Catholic Primary School
 St Osmund's RC Primary School
 St Richard's CE Primary School
 St Stephen's CE Primary School
 Sheen Mount Primary School
 Stanley Primary School
 Trafalgar Infant School
 Trafalgar Junior School
 The Vineyard Primary School

Secondary Schools Establishment Names

Christ's School

Special Schools Establishment Names

Clarendon School
 Strathmore School

Approved Institutions

Approved Institutions for School Bank Accounts

(This list is based on the Authority's Treasury Management Policy)

Banks with 40% + Government Ownership:

Royal Bank of Scotland
Lloyds Group (including Lloyds TSB, Bank of Scotland)
Bank of Scotland Business Reserve

Banks

HSBC (UK) plc

Building Society:

Nationwide Building Society

Instant Access Accounts:

Co-operative Bank
Clydesdale Bank
Santander UK BRA
Barclays

For other banks and/or building societies contact the Authority's Treasury Management Officer.

School Borrowing

Introduction

The School Standards and Framework Act 1998 allow schools to borrow if they have the permission of the Secretary of State.

Definition

The type of financing arrangements, which would normally be classed as borrowing, is:

- Loans in the broadest sense, whereby lenders make available to the school a sum of money which the school uses for specific aims. The school repays the sum of money (the principal) usually at a price (the interest charges) over the term of the loan.
- Finance Leases, whereby the school acquires the use of an asset (e.g. a building or an item of equipment) from the supplier or lender over a specified period. At the end of the period, the school has paid the lender for the underlying cost of the asset plus interest charges,
- Certain types of Public Private Partnerships (PPP's) where the asset is deemed to be "on the balance sheet". Due to the longer term nature of PPP's, schools which enter into them should establish whether the commercial interest of their private sector partners constitutes a form of borrowing by the school – for example a finance Lease.

There are certain types of financing arrangements which for the purposes of this Guidance would not normally be classified as borrowing – for example, where a local fair funding scheme permits an Authority to deal with an overspend on a school's budget share by advancing additional sums which are to be charged against future years budget shares. Other circumstances where the Department would not normally require the school to obtain permission before entering into a financial arrangement are:

- Where a Diocese spends money on behalf of a Voluntary Aided school, and the Department subsequently pays grant to the diocese under paragraph 5(1) (b) of Schedule 3 to the 1998 Act.
- Where an association such as a Parents' Association or Former Pupils' Association, takes out a loan to be repaid from its future fund raising, and donates the money to the school.
- Where a school takes credit as part of a supplier's standard trading terms.
- Certain types of Public Private Partnership.

Insurance

Minimum Levels of Insurance (Schools)

This is a very brief summary of the insurance arranged by the Authority on behalf of schools.

Property Risks

Risk	Property Insured	Insured Against	Limits
Material Damage	School buildings and contents	Fire, Lightning, Aircraft or articles dropped therefrom, Explosion, Riot, Civil Commotion, Malicious Damage, Earthquake, Subterranean Fire, Storm, Flood, Escape of water from any tank, apparatus or pipe, Impact from vehicles or animals, Subsidence or land heave, Theft or attempted theft.	Buildings - "Day One" reinstatement value. Contents – Replacement "as new" value.
Business Interruption	Loss of Revenue/Additional Costs incurred as a result of a Material Damage claim	As for Material Damage	(i) Gross Revenue - £3m (24 months). (ii) Additional Cost of Working – Comprehensive Schools £350,000 (24 months), Primary Schools £250,000 (24 months).
Contractors "All Risks"	Contract works where the Authority is responsible.	"All Risks" as defined in the policy.	£1,000,000 any one contract.
Computers	All computer equipment	"All Risks" as defined in the policy	Replacement "as new" value.
Money	"Money" as defined in the policy	"All Risks" as defined in the policy	In locked safe or strongroom - £2,000. In locked receptacle,

			<p>other than a safe or strongroom - £500. On the premises in the custody of employees, or in transit to or from the bank, or in a bank night safe - £40,000. In the private residence of any employee - £500.</p>
Engineering	Boilers, lifts, machinery	"Damage" as defined in the policy	<p>Damage to own plant - £100,000. Damage to own surrounding property - £250,000.</p>

Casualty Risks

Risk	Event Insured Against	Limits
Employer's Liability	School held liable for injury to an employee	£25,000,000 any one event, inclusive of costs
Public Liability	School held liable for injury to a person (other than an employee) or for damage to a person's property	£20,000,000 any one event, plus costs.
Officials Indemnity	School held liable for the financial loss of a person (other than resulting from injury or damage to property) due to an accidental negligent error, omission or act committed by the employee or member	£1,000,000 all claims in the period of insurance, inclusive of costs.
Professional Indemnity	School held liable for injury to a person or for damage to property or for financial loss arising from a breach of professional duty by the employee or member	£1,000,000 all claims in the period of insurance, inclusive of costs.
Libel & Slander	School held liable for libels in any normal School publication	£500,000 all claims in the period of insurance, inclusive

or for slanders uttered during normal duties. of costs.

Miscellaneous Risks

Risk Event Insured Against Limits

Fidelity	Loss of money or goods due to dishonesty of employees	£5,000,000 all claims in the period of insurance.
Personal Accident	Bodily injury to employees, members or volunteers	See separate schedules of benefits.
School Journeys (also available for youth clubs)	Package cover for staff, pupils and adult helpers on educational trips	See separate schedule of benefits

Personal Accident Benefits Schedule

Category	Definition of Insured Persons							
A.	All Employees, Volunteers, and Canvassers and the like who undertake work on behalf of the School.							
B.	Persons involved in full time education, Teachers, Youth Club member and accompanying adults not over 65 years of age							
Benefits	1. Death	2. Loss of Limb(s)/ Eye(s)	3. Permanent Partial Disablement	4. Permanent Total Disablement	5. Temporary Total Disablement (per week)	6. Temporary Partial Disablement (per week)	Deferment Period	Benefit Period in respect of Benefit 5 & 6
A	£100,000	£100,000	£100,000	£100,000	£100	£50	None	104 weeks
B	£ 20,000	£ 20,000	£ 20,000	£ 20,000	£100	£50	None	104 weeks

Notes:

Benefit 1 Death is reduced to £3,500 in respect of Insured Persons under 18 years of age under Category B

- Benefit 5 Reduced to £5 in respect of Insured Persons under 18 years of age in full time education
- Benefit 6 Reduced to £4 in respect of Insured Persons under 18 years of age in full time education

Continental Scale – Category A Only

Item	<u>Amount Payable</u> The following percentage of the Capital Sum specified in the Schedule	
1. Death, total loss of use or total loss by physical severance of one or more hands or feet or total loss of sight in one or both eyes	100%	
2. Permanent total disablement (other than as stated in Item 1) from engaging in or giving attention to usual profession or occupation	100%	
3. Permanent partial disablement (not otherwise provided for above)		
(a) Total loss of hearing	60%	
(b) Total loss of hearing in one ear	15%	
(c) Complete loss of use of hip or knee or ankle	20%	
(d) Removal of the lower jaw by surgical operation	30%	
(e) Fractured leg or foot with established non-union	25%	
(f) Fractured knee cap with established non-union	20%	
(g) Shortening of a leg by at Least 3 centimetres	15%	
(h) Loss by amputation or complete loss of use of:	Right	Left
(i) one thumb	20%	17½%
(ii) one index finger	15%	12½%
(iii) any other finger	10%	7½%
(iv) one big toe	10%	10%
(v) any other toe	3%	3%
(i) Complete loss of use of shoulder or elbow	25%	20%
(j) Complete loss of use of wrist	20%	15%
4. Permanent facial disfigurement to an extent of not less than 5 square centimetres of scar tissue in the area from the hairline to and including the lower jaw and ears	10%	
5. Loss of or damage to teeth or dentures – the cost of dental treatment or repair or replacement of dentures up to a maximum of	2½%	
6. Temporary disablement (total or partial) from engaging in or giving attention to usual profession or occupation for a maximum period of 104 weeks from date of disablement A weekly sum	As specified in the Schedule	
7. Permanent Total Disablement from the Insured Person's usual occupation in the Business.		

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8. Temporary Total Disablement from usual occupation.
 9. Temporary Partial Disablement, ie. disablement from a substantial part of the usual occupation.
 10. Medical Expenses necessarily incurred in the treatment of the Insured Persons.

NB. Death benefit reduced to £5,000 in respect of minors.

School Journeys

Continental Scale (Category B)

If a claimant is entitled to a personal accident benefit under both the Personal Accident cover and the School Journey cover he/she will be able to claim under whichever provides the better benefit, but not under both covers.

1. Death
 1. Persons Insured aged 18 years and over £20,000
 2. Persons Insured under 18 years of age £ 3,500
2. Total loss of use of or total loss by physical severance of one or more hands or feet or total loss of sights in one or both eyes £20,000
3. Permanent partial disablement (not otherwise provided for above the sum set against the degree of disablement in the following table:
 1. Total loss of hearing in both ears £20,000
 2. Total loss of hearing in one ear £ 5,000
 3. Complete loss of use of hip or knee or ankle £ 5,000
 4. Removal of lower jaw by surgical operation £ 6,000
 5. Fractured leg or foot with established non-union £ 5,000
 6. Fractured knee cap with established non-union £ 4,000
 7. Shortening of leg at Last 3 centimetres £ 3,000
 8. Loss by amputation or complete loss of use of:
 1. one thumb £ 5,000
 2. one index finger £ 4,000
 3. any other finger £ 2,000
 4. one big toe £ 2,000
 5. any other toe £ 1,000
 9. Complete loss of use of shoulder or elbow £ 5,000
 10. Complete loss of use of wrist £ 4,000
 11. Permanent facial disfigure to an extent of not less than five square centimetres of scar tissue in the area from the hairline to and including the lower jaw and ears. £ 2,000
 12. Loss of or damage to teeth and dentures - the cost of dental treatment or repair or replacement of dentures £ 500
4. Permanent Total Disablement from the Insured Person's Usual Occupation £20,000
5. Temporary total disablement for a period not exceeding 104 weeks from engaging in or giving attention to:
 1. usual occupation for persons aged 18 and over £100 per week
 2. scholastic duties for persons aged under 18 years £ 5 per week

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- | | |
|--|--------------|
| 6. Temporary partial disablement, i.e. disablement from a substantial part of the usual occupation | |
| 1. usual occupation for persons aged 18 and over | £50 per week |
| 2. scholastic duties for persons aged under 18 years | £ 4 per week |

School Journeys (Other Benefits)

Medical and Emergency Travel Expenses	£2,000,000
Legal Expenses	£25,000
Cancellation, Curtailment and Change of Itinerary	£500
Personal Baggage	£1,000
Passport Indemnity	£500
Personal Money and Credit Cards	£500
Personal Liability	£2,000,000
Hijack – Maximum £10,000 per Person	£200 Per Day