



# Scheme for Financing Primary, Secondary and Special Schools

Effective from 1<sup>st</sup> April 2023

Children's Services, Financial Services

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# TORBAY COUNCIL

## Scheme for Financing Primary, Secondary and Special Schools

### CONTENTS

	<b>Page</b>
<b>1 INTRODUCTION – The Funding Framework</b>	<b>2</b>
<b>2A THE FUNDING FORMULA – How The Formula Works</b> Primary and Secondary Schools	<b>5</b>
<b>2B THE FUNDING FORMULA – How The Formula Works</b> Special Schools only	<b>15</b>
<b>3 FINANCIAL CONTROLS</b>	<b>19</b>
3.1 General Financial Conditions and Requirements	20
3.2 Conditions under which School Budgets may be charged by the Council	24
3.3 Income	26
3.4 Schools operating Local Payments	26
3.5 Finance and School Premises incl insurance, H&S and PFI	28
3.6 Schools Financial Value Standard (SFVS)	29
3.7 Notice of Concern	30
3.8 Withdrawal of Delegation	31
3.9 Council Monitoring of Schools' Performance	31
3.10 Disputes Resolution Protocol	31
3.11 Efficiency and value for money (replaces Best Value section)	31
3.12 Fraud	32
3.13 Financial Malpractice / Whistleblowing	32
3.14 Inventories and Stock	32
3.15 Community Facilities & Extended Services	33
<b>4 TORBAY COUNCIL'S FINANCIAL REGULATIONS FOR SCHOOLS</b>	<b>38</b>
<b>5 Torbay Council – Staff Contacts</b>	<b>65</b>
<b>6 APPENDICIES</b>	<b>from 66</b>
1 List of Maintained Schools	
2 List of Academies	
3i Special Schools ONLY - Operational Protocol for cross boarder working regarding Admission and Top Up between Devon, Plymouth and Torbay	
3ii Special Schools ONLY - Protocol for Commissioning places in Special Schools	
4 Schools Financial Value Standard (SFVS)	
5 Buildings: Categorisation of Capital and Revenue criteria	
6 Activity led funding SEN Statementing – Funding Model	
7i Specimen Statement of Internal Control - template	
7ii Statement of Internal Control – checklist for Governors	
7iii Financial Competencies needed by the School Governing Body	
8i Purchase Card advice & receipt confirmation	
8ii New cardholder approval	
9i Definitions – purchasing and contracts	
9ii Wavier Procedure – purchasing and contracts	
9iii Wavier Form – purchasing and contracts	

Amended Feb 2023

## Section 1

### Introduction – The Funding Framework

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

Under this legislation, local authorities determine for themselves the size of their schools budget and their non-schools education budget, although at a minimum an authority must appropriate its entire dedicated schools grant to its schools budget.

This Scheme is based on the DFE statutory guidance on “Schemes for Financing Local Authority Maintained Schools” – last updated 5 August 2020.

The categories of expenditure which fall within the 2 budgets are prescribed under regulations made by the Secretary of State, but included within the 2, taken together, is all expenditure, direct and indirect, on an authority’s maintained schools except for capital and certain miscellaneous items.

Authorities may deduct funds from their schools budget for purposes specified in regulations made by the Secretary of State under section 45A of the act (the centrally retained expenditure).

The amounts to be deducted for these purposes are decided by the authority concerned, subject to any limits or conditions, including gaining the approval of their schools forum or the Secretary of State in certain instances, as prescribed by the Secretary of State.

The balance of the schools budget left after deduction of the centrally retained expenditure is termed the individual schools budget (ISB). Expenditure items in the non-schools education budget must be retained centrally, although earmarked allocations may be made to schools.

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

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

The financial controls within which delegation works are set out in a scheme made by the authority in accordance with section 48 of the act and regulations made under that section.

All proposals to revise the scheme must be approved by the schools forum, though the authority may apply to the Secretary of State for approval in the event of the forum rejecting a proposal or approving it subject to modifications that are not acceptable to the authority.

Subject to any provision made by or under the scheme, governing bodies of schools may spend such amounts of their budget shares as they think fit for any purposes of their school and for any additional purposes prescribed by the Secretary of State in regulations made under section 50 of the Act.

Section 50 has been amended to provide that amounts spent by a governing body on providing community facilities or services under section 27 of the Education Act 2002 are treated as if they were amounts spent for the purposes of the school (section 50(3A) of the act).

An authority may suspend a school's right to a delegated budget if the provisions of the authority's financial scheme, or rules applied by the scheme, have been substantially or persistently breached, or if the budget share has not been managed satisfactorily.

A school's right to a delegated budget share may also be suspended for other reasons, under schedule 17 to the act.

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

The detailed publication requirements for financial statements are set out in directions issued by the Secretary of State.

A copy of each year's budget and outturn statement should be made easily accessible to all schools.

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

The School and Early Years Finance (England) Regulations 2020 ("the 2020 Regulations") provide for how local authorities are to set their education budgets (the non-schools education budget, the schools budget, the central expenditure and the individual schools budget) and set out how local authorities are to allocate funding from the individual schools budget (ISB) to maintained schools and private, voluntary and independent providers of free early years provision (relevant early years providers) through a locally determined formula.

To a large degree, the 2020 Regulations make the same provisions as in the School and Early Years Finance (England) Regulations 2018 ("the 2018 Regulations") but there are some substantive changes relating to the introduction of the national funding formulae for schools, high needs and central school services and how local authorities are to spend the schools, high needs, central school services and early years blocks of the Dedicated Schools Grant ("DSG"). In particular, local authorities will now have the ability to set a minimum per pupil funding level, and to choose the level of the minimum funding guarantee within a specified range. There are no substantive changes relating to early years funding.

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

This scheme sets out the financial relationship between the Council and the maintained schools, which it funds. It contains requirements relating to financial management and associated issues, which are binding on both the Authority and on the schools. The terms of this scheme will take precedence over other financial rules and guidance issued by the Council.

## **1.3 Application of the scheme to the Council and maintained schools**

This scheme applies to all maintained primary, secondary and special schools in Torbay (as listed in Annex 1). The scheme will also apply to any new maintained schools (including amalgamated schools) opening during the year.

## **1.4 Publication of the scheme**

A copy of the scheme will be available on Torbay's website and any approved revisions will be notified to each such school.

## 1.5 **Revision of the scheme**

Any proposed revisions, except for general updating, to the scheme will be the subject of consultation with all schools including the Schools Forum. The Director of Children's Services has delegated powers to approve changes to the School Funding Formula as described in Section 2A & 2B of the Scheme for Financing Primary, Secondary and Special Schools (How the formula works).

The power for approving fundamental changes to the Financial Regulations outlined in sections 3 and 4, rest with the Council.

## 1.6 **Delegation of powers to the Head teacher**

Each governing body is asked to consider the extent to which it wishes to delegate its powers to the Head teacher, and to record its decision (and any revisions) in the minutes of the governing body. The first formal budget plan of each financial year must be approved by the governing body.

Governing bodies should set limits on the delegated powers of Head teachers to enter into contractual commitments in any one financial year. The Council has no wish to impose uniformity on schools but recommends that the following limits strike a balance between practicality and financial control:

- Primary schools - £5,000
- Secondary and Special schools - £10,000

## 1.7 **Maintenance of schools**

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

## 1.8 **Notification of School Allocations**

Torbay will, not later than 28<sup>th</sup> February, of the preceding financial year:

- a) Issue budgets to maintained schools and
- b) give notice of that determination to the governing bodies of the schools they maintain.

## **Section 2 A – Primary & Secondary Schools**

### **The Funding Formula – How the Formula Works**

- 2.1 Introduction
- 2.2 Funds / DSG
- 2.3 The Formula
- 2.4 DfE Allowable Formula Factors
- 2.5 Age Weighted Pupil Unit (AWPU)
- 2.6 School Specific Lump Sum
- 2.7 Deprivation (Free School Meals, FSM – Ever 6 and IDACI)
- 2.8 Low Prior Attainment
- 2.9 Public Finance Initiative (PFI)
- 2.10 Nursery Funding
- 2.11 EYSFF – Methodology for PVI Sector
- 2.12 Split Sites
- 2.13 NNDR Business Rates
- 2.14 English as an Additional Language
- 2.15 Education, Health & Care Plans
- 2.16 Enhanced Provision
- 2.17 Pupil Numbers and other Formula data
- 2.18 Education Skills Funding Agency (ESFA) Post 16 Allocation
- 2.19 Budget Adjustments
- 2.20 Permanently Excluded Pupils
- 2.21 De-Delegations
- 2.22 Minimum per pupil funding
- 2.23 Pupil Premium
- 2.24 Mobility
- 2.25 Charging policy for provision other than mainstream schools

## 2.1 Introduction

School Forum on behalf of the Local Area have worked in partnership with the Local Authority to establish the formula to be used to allocate school allocations.

Under the current regulations the Local Area can continue to take local decisions on the allocation of school funding. The DfE has seen considerable movement in local formulae across the country towards the National Funding Formula. It is still the intention of the DfE to move towards a 'hard' National Funding Formula to determine every school's budget, but they have not provided a definitive date for this at present.

This section sets out to describe how the distribution formula works for the allocation of *delegated* funds to Primary and Secondary schools only.

The Council is required to have consulted with schools, the Schools Forum and other stakeholders about the operation of the formula. The descriptions in this document are also largely required as part of this published document. The council must also consult the Schools Forum about any proposed changes in relation to the factors and criteria taken into account, and the methods, principles adopted.

The formulae described below only apply to school delegated funds and not to funds retained centrally.

## 2.2 Funds / DSG

The DSG (before academy recoupment) is allocated in four blocks as listed below:

Schools Block	£97.736m
Central Schools Block	£859k
Early Years Block	£7.819m
High Needs Block	£26.650m
<b>Total</b>	<b>£133.064m</b>

The delegated funds are the responsibility of each school Governing Body to prioritise within budget setting and budget management.

The adopted allocation methods are required to be objective and fair and are regulated by DfE regulation. The majority of funds are also required to be allocated on a per pupil basis called the Age Weighted Pupil Unit (AWPU).

The funds distributed are established by school phase i.e. Primary & Secondary.

## 2.3 The Formula

The funding that is distributed is determined by the allowable factors set nationally by the DfE. These factors are listed below.

The largest element of funding within the Torbay formula is and will remain the Age Weighted Pupil Unit (AWPU) funding.

The DfE set a mandatory minimum per pupil level funding rate, these have been set at £4,405 for Primary and £5,715 for secondary.

The funding which you received in 22/23 as Schools Supplementary Grant has now been added into the DSG baseline for 23/24. This has been reflected in the increased unit values.

To provide a safety net for schools the Minimum Funding Guarantee (MFG) is set at 0.5%.

## 2.4 DfE Allowable Factors for Primary and Secondary schools

The formula for distributing funding to primary and secondary schools is listed below.

The factors are:

- a) Age Weighted Pupil Unit (AWPU) – there is a single unit for primary aged pupils and a single unit for each of Key Stage 3 and Key Stage 4;
- b) Deprivation, measured by Free School Meals (FSM), FSM – Ever 6 and Income Deprivation Affecting Children Index (IDACI). There are separate unit values for Primary and Secondary;
- c) Low Prior attainment - For Primary those not achieving the expected level of development at Early Years Foundation Stage (EYFS) and Secondary those at KS2 not achieving the expected level in one or more of reading, writing and Maths. There are separate unit values for Primary and Secondary;
- d) English as an additional language, for a maximum of 3 years after the pupil enters the statutory age school system. There are separate unit values for Primary and Secondary;
- e) Lump sum – same value for Primary & Secondary schools;
- f) Split sites –the allocations must be based on objective criteria, both for the definition of a split site and for how much is allocated.
- g) Rates – These are paid directly by ESFA to the Local Authority.
- h) Private finance initiative (PFI) contracts;
- i) Minimum level of per pupil funding – This enables a minimum level of funding per pupil. There are separate values for Primary and Secondary
- j) Mobility – Schools receive funding for all mobility eligible pupils above a threshold set at 6% of the NOR for both Primary & Secondary.

The following paragraphs provide more detail about each of the factors.

## 2.5 Age Weighted Pupil Unit (AWPU)

This funding is allocated using the Oct pupil census numbers and has a value per primary pupil and separate values for KS3 & KS4 pupils.

The current unit values

Primary	£3,394
Key Stage 3	£4,785
Key Stage 4	£5,393

This area of the formula allocates £32.411m for Primary and £40.271m for Secondary

## 2.6 School Specific Lump Sum

The requirement for school specific lump sums arises because some resourcing needs cannot be met through reliance on pupil number funding. Every school requires sufficient funds



guaranteed for particular purposes e.g. the employment of a Head teacher or a school administrative officer. The lump sums are £128,000 for Primary and Secondary.

This area of the formula allocates £3.968m for Primary and £1.024m for Secondary.

## 2.7 Deprivation (Free School Meals, FSM – Ever 6 and IDACI)

Free School Meal eligibility, FSM – Ever 6 and IDACI (with bandings) are the deprivation indicators used.

FSM – Eligible pupils from Oct census for (reception to yr 6) for Primary and (yr 7 to yr 11) for Secondary.

FSM (Ever 6) – Pupils who have been eligible for FSM at any time in the last six years.

The Income Deprivation Affecting Children Index (IDACI) is a relative measure of socio-economic deprivation: an IDACI 'score' is calculated for a lower super output area (LSOA, an area with typically 1,500 residents) based on the characteristics of households in that area. The IDACI score of a given area does not mean that every child living in that area has particular deprivation characteristics: it is a measure of the likelihood that a child is in a household experiencing relative socio-economic deprivation. LSOAs are ranked by score, from the most deprived LSOA, with the highest score, to the least deprived LSOA.

The six bands which attract IDACI funding are below, it uses a rank to define bands, e.g. Band A comprises the most deprived 2.5% of LSOAs.

IDACI data is matched to pupils' home postcode data recorded in the Oct 2019 census in order to find their LSOA, and hence the IDACI band for each pupil in the school.

The current unit values are:

<b>Bandings</b>	<b>Primary £</b>	<b>Secondary £</b>
Free School Meals (FSM)	480	480
Free School Meals (FSM) – Ever 6	705	1,030
IDACI - Band F	230	335
IDACI - Band E	280	445
IDACI - Band D	440	620
IDACI - Band C	480	680
IDACI - Band B	510	730
IDACI - Band A	670	930

The FSM element of the formula allocates £1.389m for Primary and £868k for Secondary.

The FSM – Ever 6 element of the formula allocates £2.105m for Primary and £2.152m for Secondary.

The IDACI element of the formula allocates £2.294m for Primary and £2.301m for Secondary.

## 2.8 Low Prior Attainment

- a) for primary schools, funding is targeted at all pupils who did not achieve the expected level of development at Early Years Foundation Stage (EYFS); and
- b) for secondary schools, pupils who did not achieve the expected standard in KS2 in one or more of reading, writing and maths.

The unit values are £1,155 for Primary and £1,750 for Secondary.

This area of the formula allocates £3.148m for Primary and £2.470m for Secondary.

## 2.9 Public Finance Initiative (PFI)

PFI schools receive a share of what was premises funding via the AWPU. To avoid double funding, the amount of funding that PFI schools receive via the AWPU has been used as a baseline to which the balance of the governor's contribution to PFI costs is added. The current level of funding for costs outside the PFI agreement was taken into account when determining the baseline. The initial PFI allocation (including vandalism) has been reduced to reflect funding received through AWPU. This is so the PFI schools do not receive double funding as per DfE regulations. The baseline was established using October 2012 pupil census data. A transfer of funding in connection with historic PFI commitments has happened from Central Schools Block into Schools Block for 23/24 after discussions with ESFA.

This area of the formula allocates £138k for Primary and £701k for Secondary.

## 2.10 Nursery Funding

An indicative allocation for the whole financial year is provided based upon forecast data supplied by schools. This data is used to form the initial Nursery Funding.

Termly budget adjustments will then need to be made based on the actual number of hours provided per child. This is actioned as a funding adjustment letter.

**E.g.** A school has 11,940 hours in the Summer Term, 9,464 in the Autumn Term and 9,456 in the Spring Term, totalling 30,860 hours.

### **The school's initial allocation would be:**

Base Funding 30,860 hrs x £4.40 per hour = **£135,784**

Deprivation IDACI Nos. 54 x £203.72 per eligible pupil = **£11,001**

Total Indicative Funding **£146,785**

### **Indicative base funding (hours supplied by school) of £111,454 is split over 38 weeks as follows:**

Summer Term (12 Weeks) 11,940 hours x £4.40 per hour = £52,536

Autumn Term (14 Weeks) 9,464 hours x £4.40 per hour = £41,642

Spring Term (12 Weeks) 9,456 hours x £4.40 per hour = £41,606

Total 38 Weeks (30,860 hours x £4.40 per hour = **£135,784**)

### **Example of potential budget adjustments**

Summer Term (using data received from Schools in May) 11,720 hours x £4.40 per hour = **£51,568** therefore adjustment is £51,568 (actual) - £52,536 (indicative) = negative adjustment of **£968 in summer term allocation.**

Autumn Term (using data received from Schools in Oct) 9,920 hours x £4.40 per hour = **£43,648** therefore adjustment is £43,648 (actual) - £41,642 (indicative) = positive adjustment of **£2,006 in autumn term allocation.**

Spring Term (using data received from Schools in Jan) 9,750 hours x £4.40 per hour = **£42,900** therefore adjustment is £42,900 (actual) - £41,606 (indicative) = positive adjustment of **£1,294 in spring term allocation.**

Total 38 Weeks (Revised allocation **£138,116** (total adjustments in year would be negative £968 Summer, positive £2,006 Autumn and positive £1,294 Spring = Total adjustment **£2,332**).

This area of the formula allocates £2.284m.

### **2.11 EYSFF- Methodology for PVI Sector**

The majority of nursery education funding for PVI settings will be allocated on the same basis as it is at present. There will be three termly “headcounts” during the year (these take place at the same time as the schools count) where funding will be allocated based on the number of hours children attend at the setting.

As with the maintained sector, each setting will receive deprivation funding once a year based on the number of children attending from disadvantaged communities. IDACI data will be used, please refer to para 2.7 of this section of the scheme for more details. This payment will be made once a year and will be based on the children attending each setting on the January headcount day.

### **2.12 Split Sites**

A lump sum for those Secondary Schools whose playing fields are more than 1 kilometre from the school gates and incur extra costs connected with this.

For Primaries; all those schools which have an off-site games facility more than 100 metres from the school access gate receive an allocation to provide additional staffing to walk children to the off-site area. For Primary the amount per pupil is £23.60

The allocation is for one additional Learning Support Assistant per class of 30 pupils for 1.5 hours. This funding is for 28 weeks to take account of holidays and inclement weather.

In recognition of secondary schools operating on split sites which may incur additional costs. A lump sum is allocated to fund these additional costs. The criteria for split sites are:

- a) secondary - schools operating on more than one site which are more than 1.5 kilometres apart measured from the main entrance.

This area of the formula allocates £50k for Primary and £250k for Secondary.

### **2.13 NNDR Business Rates**

Rates are now paid directly by ESFA to the Local Authority, schools do not receive this funding.

### **2.14 English as an Additional Language**

This funding is distributed via the number of registered English as an additional language (EAL) pupils in schools.

This is calculated using those pupils recorded on the census as having entered education during the last 3 years, whose first language is not English. The DfE have provided data for pupils who have been in the system for up to 1 year, 2 years or 3 years, and have separated the data into primary and secondary pupils.

The unit values are £580 for Primary and £1,565 for Secondary.

This area of the formula allocates £193k for Primary and £116k for Secondary.

### **2.15 Education, Health and Care Plans**

Schools have always received an element of SEN funding in their delegated formula funding which enables schools to provide individual support for pupils with low level high incidence special educational needs. Please see Annex 6 for the SEN activity-led funding model

In addition to this delegated formula funding for SEN, some pupils are assessed as having a higher special educational need and linked to this a statement of special educational need. Currently many of these pupils also receive an additional sum of funding to support their needs.

It is expected individual schools will provide for the first £10,000 of SEN funding for individual pupils from within their delegated budgets. Broadly the £10,000 is comprised of £4,000 element 1 and £6,000 element 2 of delegated SEN funding. It is only individual allocations of over £6,000 which will qualify for individually assigned 'top up' funding over the £6,000 threshold.

The allocation for the £10k element mentioned above is allocated across AWPU, eligible free school meal pupils, IDACI and attainment. This is not separately identifiable as EHCP funding.

This area of the formula allocates £2.257m for Primary and £1.032m for Secondary.

## 2.16 Enhanced Provision

This funding is allocated at £10k per un-occupied place commissioned and £6k for every occupied place (if the place is occupied as at Oct, then the other £4k is allocated through AWPU as the pupil forms part of the pupil census).

In addition schools receive specific pupil top up funding for each Enhanced Provision unit.

The number of places funded in each setting is determined by Torbay Council in liaison with Educational Psychology Service, the SEN Advisory Teams, the Governing Body and Head teacher of each school. Enhanced Provision is funded at the following Schools:

St Margaret's Academy	(8 Places)	(Hearing Impaired)
Preston Primary	(16 Places)	(Autism)
Barton Hill Academy	(10 Places)	(Speech & Language)
The Spires College	(8 Places)	(Hearing Impaired)
The Spires College	(16 Places)	(Autism)
Brixham Academy	(22 Places)	(Autism)
Paignton Community & Sports Academy	(12 Places)	(SEMH)

This area of the formula (excluding AWPU element) allocates £349k for Primary and £612k for Secondary.

## 2.17 Pupil Numbers and other Formula data

All the pupil numbers and other data such as FSM, EAL, attainment, IDACI, 'Ever 6' are taken from the Oct pupil census and are provided to us directly from the ESFA. We then use this information to calculate the school allocations.

## 2.18 Education Skills Funding Agency (EFA) Post 16 Allocation

The ESFA provides funding for post 16 pupils. This is based on their criteria and allocation methodology that links funding to qualifications being undertaken and various other factors. Allocations are calculated on the basis of Learner numbers and additional funding is allocated on the level of qualification that these pupils are studying for. This funding has to be provided to Torbay Council by 31<sup>st</sup> March each year. As we issue allocations usually in early February, this information is not known and therefore not included within schools allocations.

## 2.19 Budget Adjustments

In-year budget adjustments to school funding are not permitted, apart from the areas listed below:

- Permanently Excluded Pupils
- Education, Health & Care Plans above £6k (monthly adjustments, when required).
- Nursery Funding (termly adjustments, when required)
- Enhanced provision (monthly adjustments, when required).
- Pupil Premium (adjusted when final ESFA 'Ever 6' are provided).

## 2.20 Permanently Excluded Pupils

Pupils who are permanently excluded from schools will result in that school being charged for the remaining weeks of the financial year. The charge is calculated as follows:-

The unit value for Minimum per pupil funding, Deprivation (FSM & Ever 6 element), Attainment, English as an Additional Language (EAL) and Pupil Premium per relevant key stage are used and divided by 52 weeks. This value is then multiplied by the remaining weeks in the financial year.

## 2.21 De-Delegations

Maintained schools if they wish are able to de-delegate some elements of funding and return it to the authority to fund a range of services centrally. The de-delegations are agreed at the Schools Forum, the services which the Schools Forum has agreed to de-delegate are listed below.

### **Free School Meal Eligibility**

This covers the cost of determining, processing and checking parental applications for pupils free school meals eligibility.

### **Insurance**

This covers the costs of insurance for maintained schools in Torbay.

### **English as an Additional Language / Travellers Education**

This funding covers the support for minority ethnic pupils/ English as an additional language (EAL) advisory service and gypsy/Roma support service.

This area of the formula retains £34k from Primary and £45k from Secondary to meet these costs centrally.

## 2.22 Minimum per pupil level

The purpose of this factor is to provide a minimum per pupil funding level within the formula. The top-up calculation (where appropriate) is based on the schools total formula allocation divided by its pupil number, this determines whether a top-up to minimum per pupil level funding is required. The minimum values are £4,405 for Primary and £5,715 for Secondary.

This area of the formula allocates £275k for Primary and £688k for Secondary.

## 2.23 Pupil Premium

The allocation is based on FSM 'Ever 6' numbers as at October census.

The ESFA have confirmed the amounts are as follows:-

£1,455 per primary pupil who is/ever was eligible for free school meals in the last 6 years.

£1,035 per secondary pupil who is/ever was eligible for free school meals in the last 6 years.

£2,530 per pupil for those children who have been adopted from care or left care under a special guardianship or residence order. Eligible adopted pupils will need to have been registered on the school census to attract the funding.

£335 per pupil for those from Service (armed forces) families.

£2,530 per pupil for those children who have been looked after for one day or more. This funding is managed by the Head of the Virtual School and will be allocated termly.

This area of the formula allocates £4.563m for Primary and £2.340m for Secondary.

## 2.24 Mobility

The mobility factor allocates funding to schools with a high proportion of pupils who first join on a non-typical date.

These are pupils whose school census record at their current school in the last 3 years indicates an entry date which is not typical. For year groups 1 to 11, 'typical' means that the first census on which the pupil is recorded as attending the school is the October census. So, 'not typical' means that the first census a pupil is recorded as attending the school is a January or May census. For the reception year, 'typical' means the first census is October or January.

To be eligible for mobility funding, the proportion of mobile pupils a school has must be above the threshold of 6%.

The unit values are £945 for Primary and £1,360 for Secondary.

This area of the formula allocates £83k for Primary and £20k for Secondary.

## 2.25 Charging policy for provision other than mainstream schools

**Behaviour Assessment Places** – If places are available at Burton Academy or the Mayfield (Chestnut) Centre, they may be applied for via the Pupil Referral Panel. Each referral will be a 12 week place which will be charged at £6,500 for each 12 week block. Places will be charged termly in arrears.

**Medical Tuition Service** – Provision arranged by the Local Authority is charged at the same rate under section 19 regardless of the provision. The charge is £6,000 / 38 weeks a year = £157.89 a week. The service will be charged for termly in arrears. It is charged pro rata to allow schools to maintain places and in the expectation that schools will continue to provide SEN and safeguarding support for the student and plan for reintegration as soon as possible.

**Elective Home Education** - The local authority will use the Elective Home Education register to calculate the number of weeks to be charged. Charges will only be raised where a child moves to EHE and needs specialist support such as education psychology to prepare for the next appropriate setting. Charging will not exceed the costs incurred in making this provision. This

register is maintained using EHE visit records and the 'Additions and Deletions from School Roll' submissions provided by schools.

The register will be deemed an accurate record.

As such it is incumbent on schools to inform the Student Services team as soon as they add or delete a child from roll or become aware that a child has left the local area.

An example of the charge is listed below, schools will only be charged for the elements of funding which apply to the pupil:

	Primary	Secondary
Minimum per pupil funding	£4,405	£5,715
EAL	£580	£1,565
FSM	£480	£480
FSM – Ever 6	£705	£1,030
Low Attainment	£1,155	£1,750
Pupil Premium	£1,455	£1,035
<b>Total</b>	<b>£8,780</b>	<b>£11,575</b>
Divided by 38 week	£231.05	£304.61

E.g. If Primary pupil was eligible for FSM / Ever 6 and Pupil Premium, but not EAL & Low Attainment, the charge would be MPPF £4,405, FSM £480, Ever 6 £705 & PP £1,455 = £7,045 divided by 38 weeks = £185.39 per week. Therefore the charge for the Summer Term would be 12 weeks x £185.39 per week = £2,224.68

This service will be charged for termly in arrears.

Students moving to Elective Home Education who have an agreed offer of a place at another school (that the Local Authority have been notified of at the time of removal from roll) will not be charged.

## **Section 2 B (Special Schools only)**

### **The Funding Formula – How the Formula Works**

- 2.1 Introduction
- 2.2 Funds
- 2.3 The Formula
- 2.4 Pupil Numbers
- 2.5 Pupil Premium



## 2.1 Introduction

- 2.1.1 This section sets out to describe how the distribution formula works for the allocation of *delegated* funds to special schools.
- 2.1.2 The Council is required to have consulted with schools, the Schools Forum and others about the operation of the formula. The council must also consult the Schools Forum about any proposed changes in relation to the factors and criteria taken into account, and the methods, principles and rolls adopted.
- 2.1.3 The formulae described below, only apply to school delegated funds and not to funds held centrally and classified as "schools related expenditure".

## 2.2 Funds

- 2.2.1 The delegated funds are the funds established by the Council for delegation to schools. The formula is only concerned with the distribution of these funds. Other funds are distributed in addition to these delegated funds e.g. Education, Health and Care Plans, Additional funding for specific pupils, Outreach and Devolved Formula Capital.
- 2.2.2 The delegated funds are the responsibility of each school Governing Body to prioritise within budget setting and budget management.
- 2.2.3 The allocation methods are required to be objective and fair and are regulated by DfE regulation.
- 2.2.4 The majority of funds are allocated on a place led basis.

## 2.3 The Formula

- 2.3.1 The formula is made up of 4 elements:-
  - a) A flat rate of £10,000 per place commissioned in each special school.
  - b) A flat rate of £660, funding was previously paid as a grant for Teachers Pay & Pensions.
  - c) A per pupil top up rate that is allocated to the school for each individual pupil attending the school.
  - d) A 3.4% increase across place and pupil top-up funding to mirror the increase in mainstream schools additional grant in 23/24, as instructed by ESFA.
- 2.3.2 This top up recognises the differences in sizes and circumstances of the special schools and the different categories of pupils within the schools.
- 2.3.3 All schools will receive £10k per place but there will be different top up funding allocations for the same category of pupil attending different schools because of the differences between schools. So for example same category of pupil e.g., BESD will receive different levels of top up according to which school they attend. Whilst the same assumptions were made when the ALR methodology was in existence about the needs of the pupils the top up is different as the individual schools top up also impacts upon the overall cost of the placement. This is because the top up reflects the different circumstances and costs of the three schools such as size and site.
- 2.3.4 The LA is the 'commissioner' of places in the special schools and therefore an audit of the numbers and categories of places purchased will need to be completed annually with the schools using the agreed protocol as described in Appendix 3ii.
- 2.3.5 Schools will receive the £10k per commissioned place funding in their allocation but the per pupil top up will be allocated according to the number on roll so any unfilled spaces will result in the school not receiving the per pupil top up funding.

- 2.3.6 The Minimum Funding Guarantee (MFG) has been set at 0.5% based on comparative year on year per pupil funding. The MFG compares levels of per pupil funding from one year to the next.
- 2.3.7 Special schools initial funding allocation will be based upon the number of places commissioned multiplied by £10k and then the numbers of individual pupil top up funding according to the actual number of pupils on roll. As pupils join or leave the school during the school year appropriate allocations of additional pro rata individual per pupil top ups will be allocated to the schools funding allocation or deducted from it.
- 2.3.8 Below is the per pupil top-up by type of pupil and by school;

<b>Type of Pupil</b>	<b>Combe Pafford £</b>	<b>Mayfield &amp; Chestnut £</b>	<b>Brunel / Burton £</b>
Autism	8,757		
Behaviour, Emotional & Social Difficulties	9,708	15,423	
SEMH			18,075
Alternative Provision			13,206
Hearing Impaired	9,288		
Mild Learning Difficulties 1	940		
Mild Learning Difficulties 2	2,392		
Mild Learning Difficulties 3	4,330		
Physical Disability	8,757		
Specific Learn Difficulties	4,226		
Severe Learn Difficulties	9,498	9,393	
Severe Learn & Cognitive Difficulties	8,476		
Visual Impaired	14,556		
Physical & Medical Difficulties		17,538	

## 2.4 Pupil numbers

The pupil numbers are calculated as the actual number on roll as recorded in the January pupil count however, in line with DfE regulations there will be in-year per pupil top up adjustments to reflect pupil movements. These pupil numbers are provided directly from the schools on the 15<sup>th</sup> of each month.

## 2.5 Pupil Premium

The allocation is based on FSM 'Ever 6' numbers as at October census

The ESFA have confirmed the amounts are as follows:-

£1,455 per primary pupil who is/ever was eligible for free school meals in the last 6 years.

£1,035 per secondary pupil who is/ever was eligible for free school meals in the last 6 years.

£2,530 per pupil for those children who have been adopted from care or left care under a special guardianship or residence order. Eligible adopted pupils will need to have been registered on the school census to attract the £.

£335 per pupil for those from Service (armed forces) families.

£2,530 per pupil for those children who have been looked after for one day or more. This funding is managed by the Head of the Virtual School and will be allocated termly.

## **Section 3 – The School and Early Years Finance (England) Regulations 2020**

- 3.1 General Requirements and Financial Conditions.
- 3.2 Conditions under which School Budgets may be charged by the Council
- 3.3 Income
- 3.4 Schools operating Local Payments
- 3.5 Finance and School Premises (incl insurance, H&S and PFI)
- 3.6 Schools Financial Value Standard (SFVS)
- 3.7 Notice of Concern
- 3.8 Withdrawal of Delegation
- 3.9 Council Monitoring of Schools' Performance
- 3.10 Disputes Resolution Protocol
- 3.11 Efficiency and value for money (replaces Best Value section)
- 3.12 Fraud (new)
- 3.13 Financial Malpractice / Whistleblowing
- 3.14 Inventories and Stock
- 3.15 Community Facilities and Extended Services

### **3. FINANCIAL CONTROLS AND GENERAL REQUIREMENTS**

#### **3.1.1 Financial Regulations and Standing Orders**

The Council wishes to achieve a reasoned balance between freedom of local management and the need for financial probity. This is reflected in the Council's Standing Orders and Financial Regulations. These take account of DfE guidance on funding arrangements and the specific requirements of the Schools Standards and Framework Act (SSFA) 1998 and other relevant enactments, in particular The School and Early Years Finance (England) Regulations 2020.

#### **3.1.2 Limit of Governing Bodies' Powers to Deploy Delegated Funding**

- a) Governing Bodies are empowered to manage and spend the school's budget share, as they think fit "for the purposes of the school". However, they are constrained from deploying funding in any way, which cannot directly be related to the purposes of the school, and to the benefit of its pupils.
- b) School Governing Bodies are corporate bodies, and under the terms of s.50 (7) of the School Standards and Framework Act 1988, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget provided they act in good faith.
- c) Torbay Council shall arrange for appropriate insurance cover to be provided to insure Torbay Council and governing bodies against liability for negligence in the discharge of their functions in respect of schools. Governors who provide advice to schools in their professional capacity are not insured by the Council's professional indemnity insurance policy.
- d) The Governing Body of a maintained school with a delegated budget may draw up a scheme for making expenses payments to members of the Governing Body. Schools may not make payment of any other allowances.
- e) Governing Bodies shall allow Torbay Council (as the LA) access to all accounting records, financial or other information and documents which might reasonably be required to enable Torbay Council to satisfy itself as to the management of the school's delegated budget or other funding made available to the school

#### **3.1.3 Provision of Financial Monitoring Information to Torbay Council**

The overall responsibility for monitoring the spending of resources applied to schools and education services rests jointly with the Director of Children's Services and the Section 151 Officer.

In order that the responsibility may be discharged satisfactorily, schools are required to provide three financial statements in respect of each financial year to the S151 Officer. These are:

- a) A three-year budget plan and outturn balances statement by 31<sup>st</sup> May in the financial year, approved by the full Governing Body. Where budget plans have been substantially revised in year the revised plan should be submitted within one month of the Governor's approved change.
- b) a budget monitoring statement by 31<sup>st</sup> October in the financial year adopted by the Governing Body or its Finance Committee;
- c) an outturn statement by 30<sup>th</sup> June to confirm the year end position and the outturn balances reported with the budget plan in paragraph 3.1.3a above.

The format of these statements and the timing of submissions may vary from year to year according to the accounting systems in use by schools and the reporting timetable of Torbay Council.

The Council will require schools to submit a budget forecast covering each year of a multi-year period.

#### **3.1.4 Carry Forward Provisions**

Subject to section 3.1.5 below schools will carry forward from one financial year to the next any surplus or deficit on their budget shares for the year plus or minus any balance brought forward from the previous year. Balances held by the Council on behalf of schools will not attract interest.

#### **3.1.5 Managing surplus balances**

- a) Governing Bodies must consider annually, as part of the budget-setting process, the level of surplus balances they intend to carry forward at the year-end.
- b) Surplus budget share balances held by schools are permitted under this scheme. The mechanism is focused on only those schools which have built up excessive uncommitted balances.
- c) The Council will calculate by 31 May each year the surplus balance, if any, held by each school at the preceding 31 March. For this purpose the balance will be recurrent balance category as defined in the Consistent Financial Reporting Framework, i.e. this will include delegated budget share balance.
- d) As a guide; Governing Bodies may want to consider that any balance should not exceed the percentage threshold for each phase. Which is 5% of the current year's budget share for secondary schools, or 8% for primary and special schools, or £10,000 (where that is greater than either percentage threshold). But it is the annual increase in surplus balances without a specific purpose that should be avoided.

#### **3.1.6 Dealing with deficit balances**

- a) Schools may not plan for a deficit budget, except with the express approval of the Director of Children's Services and the Section 151 Officer as provided for in Section 3.1.7 of the scheme.
- b) If a school has a deficit balance at the end of a financial year, such a deficit balance must be carried forward and treated as a charge against the following year's budget share. Schools may not plan to end any financial year with a cumulative deficit, except with the express approval of the Director of Children's Services and the Section 151 Officer as provided for in Section 3.1.7 of the scheme.
- c) Torbay Council may not write off the deficit balance of any school.

#### **3.1.7 Licensed deficits**

- a) Torbay Council will make provision for an arrangement whereby, in exceptional circumstances, schools are allowed to plan for a deficit budget, with the purpose and maximum size of deficit clearly identified, in any financial year. Schools must submit a recovery plan to the local authority when their revenue deficit rises above 5% at 31 March of any year.
- b) Governing Bodies of schools with deficits shall agree with the Director of Children's Services and the Section 151 Officer the extent of the recovery of the deficit in each financial year until full recovery. Such agreements shall not cover more than three financial years in total and shall be reviewed annually by the Director of Children's Services and the Section 151 Officer. Such agreements will also specify the reporting necessary to the LA to monitor the deficit recovery plan. Unless there are exceptional circumstances requiring more frequent review, schools operating licensed deficits will be expected to provide financial monitoring reports on a termly basis to the Council.

- c) Agreements under section 3.1.7 (b) shall include the staffing levels to be funded in each academic year covered by the agreement.
- d) Such deficits will be normally funded by the collective surplus of school balances held by the council on behalf of schools.

### **3.1.8 Loan scheme for multi-year project funding – School Advances**

- a) Subject to prior approval by the Director of Children’s Services and the Section 151 Officer and in the light of the overall spending plans of Torbay Council, schools may incur exceptional expenditure on approved developmental projects in a financial year and fund it over a period usually not exceeding three years (this period can be extended) including the year in which the expenditure is initially incurred.
- b) Projects which will be considered for approval will generally be those which seek to make physical improvements or changes to school buildings (e.g. the creation of a library or resources area) or which involve the procurement of information and communications technology equipment. Schools will be required to submit project plans and to demonstrate that repayment of the loan can be made from their delegated budgets.
- c) Loan interest will be charged on an agreed basis in each financial year for which the loan is granted. Schools will not normally be permitted to apply for loans, which in total exceed 10% of their budget share for the year of the advance.
- d) Such loan arrangements shall be funded by the collective surplus of school balances held by Torbay Council (excludes LPS school balances), together with licensed deficits agreed under section 3.1.7. Such funding shall not exceed 40% of the collective balances.

### **3.1.9 Right of attendance for the Section 151 Officer**

- a) Under Section 151 of the Local Government Act 1972, the Section 151 Officer is responsible for the probity and regularity of all the Council's financial activities.
- b) The Section 151 Officer or his/her representative, shall have the right to attend meetings of Governing Bodies for specific agenda items only under which he/she may give advice and report on major financial matters in respect of his/her responsibilities under s151 of the Local Government Act 1972. The Section 151 Officer will determine which particular financial issues must be reported to a Governing Body.

### **3.1.10 Data Protection**

- a) A Governing Body shall ensure that schools have full data protection registration, and that appropriate procedures are in place to ensure compliance with all the relevant principles and provisions set out in legislation and regulations.
- b) Schools shall ensure that there is appropriate control of access to computer data, back-up arrangements and contingency planning in accordance with advice and guidance issued by Torbay Council from time to time.

### **3.1.11 Provision for pupils with special educational needs**

Schools shall use their best endeavours in spending their delegated funds to ensure that adequate provision is secured for pupils with special educational needs, within a whole school policy for Inclusion, whether or not they are covered by a statement of special educational need.

### **3.1.12 Whistleblowing**

Torbay Council has set procedures to be followed by persons working at a school or school

governors who wish to complain about financial management or financial propriety at the school.

### **3.1.13 Child Protection**

Schools are expected to release relevant staff to attend child protection case conferences and other related events and provide funding where appropriate from the delegated budget to support the development of child protection policies and associated children's support service arrangements.

### **3.1.15 Borrowing by schools**

Governing bodies may only borrow funds on the open market, other than from Torbay Council, with the written permission of the Secretary of State.

The Secretary of State's general position is that schools will only be granted permission for borrowing in exceptional circumstances. From time to time, however, the Secretary of State may introduce limited schemes in order to meet broader policy objectives.

Schools can use any scheme that the Secretary of State has said is available to schools without specific approval, which is designed to support energy saving.

Schools are not permitted to use interest bearing credit cards and overdrafts, which are regarded as borrowing. However, the use of procurement cards by schools is encouraged, as these cards can be a useful means of facilitating electronic purchase.

The restrictions do not apply to Trustees and Foundations, whose borrowing, as private bodies, makes no impact on government accounts. These debts may not be serviced directly from the delegated budget, but schools are free to agree a charge for a service which the trustees or foundation are able to provide as a consequence of their own borrowing.

Governing bodies do not act as agents of the authority when repaying loans.

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

### **3.1.17 Accounting policies**

- a. The accounting policies for all schools, including the procedures to be followed at the year-end will be set out in the Financial Regulations for Schools.
- b. Schools shall account to the Council for all income and expenditure on an accruals basis as defined in Financial Regulations for Schools.

### **3.1.18 Writing off debts**

Governing Bodies shall be authorised to write off debts in accordance with the procedures from time to time agreed by the Section 151 Officer which will be set out in the Financial Regulations for Schools

### **3.1.19 Virements (Budget Movements)**

- a) Governing Bodies have the power, to vire freely between the budget heads in their annual budget plan, except where budgeted expenditure relates to earmarked items outside the school's budget share.
- b) Governing bodies may delegate this power in whole or part to their finance committee or to the Head teacher.



### 3.1.20 Balances of closing schools

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

### 3.1.21 Construction Industry Scheme (CIS)

Schools shall comply with the requirements of the Financial Regulations for Schools in respect of the accounting for CIS (see Section 4 for details)

### 3.1.22 Value Added Tax

Schools shall comply with the requirements of the Financial Regulations for Schools in respect of the accounting for VAT (see Section 4 for details)

### 3.1.23 New/Amalgamated/Restructured Schools

Torbay Council will ensure that the financial arrangements for new or amalgamating schools are subject to separate consultation, as appropriate, with interested parties. The Council will act to ensure that financial arrangements are fair and reasonable, take due account of the effective date of the delegation of the formula budget and have due regard to any one off start-up costs, where appropriate.

Where necessary transitional funding will be budgeted for as a school related contingency.

## 3.2 ***CONDITIONS UNDER WHICH SCHOOL BUDGETS MAY BE CHARGED BY THE COUNCIL***

### 3.2.1 **General provision for the charging of school budget shares**

- a) In some rare circumstances Schools' budget shares may be charged by Torbay Council without the express agreement of the Governing Body. Torbay Council will consult schools when it is intend to so charge, and shall notify schools when such a charge is made.
- b) Torbay Council may not act unreasonably in the exercise of any power implied by this section of the scheme, or it may be the subject of a direction under s.496 of the Education Act 1996. In each circumstance, except that covered by section 3.2.2 (d), Torbay Council would need to demonstrate that the expenditure now charged to the budget share had necessarily been incurred by Torbay Council.
- c) In respect of charges to be made under section 2.2 (e) and (f), Torbay Council shall establish a procedure for arbitration of disputes over such proposed charges to which Governing Bodies may have an automatic right of recourse. The procedure will be known as the Disputes Resolution Protocol.

### 3.2.2 **Charges to school allocations.**

Torbay Council may seek to protect its financial position from liabilities caused by the action or inaction of a Governing Body by making a charge to schools' delegated allocation without the consent of the Governing Body, equal to the costs incurred by Torbay Council, where:

- a) premature retirement costs have been incurred by the Governing Body without the prior written agreement of Torbay Council to bear such costs (the amount chargeable being only the excess over any amount agreed by Torbay Council).
- b) Torbay Council has incurred other expenditure to secure resignations and the school had not sought advice and guidance, or followed advice and guidance given by Torbay Council.

- c) court or out of court settlements and/or Employment Tribunals have made awards against Torbay Council as a result of a Governing Body not having sought advice and guidance, or not having complied with Risk Management and Health and Safety policies or not having followed advice and guidance given by Torbay Council.
- d) legal costs are incurred by Torbay Council because the Governing Body did not seek advice, or comply with the policies of or follow the advice of Torbay Council.
- e) Torbay Council has incurred revenue or capital expenditure in carrying out inspections and ensuing health and safety work for which Torbay Council is liable, where funds have been delegated to the Governing Body for such work, but the Governing Body has failed to carry out the required work or the work has not been carried out to the required standard;
- f) Torbay Council has incurred revenue or capital expenditure in making good defects in building work funded by capital spending from schools' budget shares, where the premises are owned by Torbay Council or the school has voluntary controlled status;
- g) expenditure has been incurred by Torbay Council in insuring its own interests in a school where funding for insurance has been delegated but the school has failed to arrange cover as good as that which would have been arranged by Torbay Council;
- h) a dispute over the monies due from a school for services provided to the school by Torbay Council has been referred to a disputes procedure set out in a service level agreement with Torbay Council and has been resolved in favour of Torbay Council.
- i) penalties and/or interest have been imposed on Torbay Council by the Board of Inland Revenue, the Contributions Agency, the Teacher's Pensions or HM Customs and Excise as a result of negligence by the school;
- j) Torbay Council is rectifying errors made in calculating charges to a school's budget share which it is entitled to make and where it can demonstrate to the school that errors were made;
- k) the school has failed to notify Torbay Council of changes to the length of the school day, or the normal opening days of the school and additional or unnecessary transport costs have been incurred by Torbay Council;
- l) Torbay Council meets costs or pays compensation as a consequence of a school defaulting on a payment or entering into a contract beyond its powers.

Torbay Council may also make charges to schools' delegated budgets, where:

1. there is a pre-agreed charge as a result of a loan arrangement provided for by the scheme;
2. there is a pre-agreed charge as a result of a contractual or service level agreement made between the school and Torbay Council;
3. there is a pre-agreed arrangement for the deduction of an individual schools allocated funds e.g. in the case of a centrally procured group arrangements.

### **3.2.3 Basis of charging costs**

Without exception, costs will be charged against schools' budgets according to actual cost.

### **3.3 INCOME**

#### **3.3.1 General Conditions**

- a) In order to provide an incentive to obtain funding for education from a range of different sources, schools will be free to raise income from fund raising and other activities, except in the limited cases where these are subject to statutory control.
- b) The Section 151 Officer is responsible for the general control and supervision of administrative arrangements for the collection and recording of all monies due to the Council and schools shall comply with the provisions of Torbay's Financial Regulations in this matter.
- c) Income retained by schools may only be spent for the purposes of the school.

#### **3.3.2 Income from lettings**

- a) Schools may retain income from lettings of school premises which would otherwise accrue to Torbay Council as permitted under SSF Act 1998 for various categories of schools, unless subject to alternative provisions made with the Community Education Service, or in respect of any joint use or PFI agreements.
- b) Schools may cross-subsidise lettings for community and voluntary use with income from other lettings, provided there is no net cost to a school's delegated budget.
- c) Schools are required to have regard to directions issued from time to time by Torbay Council in respect of use of school premises and shall be required to comply with Torbay Council's guidance in respect of the provision of community education as outlined in Section 3.5.

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

- a) Schools may retain income from fund-raising activities.
- b) Income raised through such activities for specific purposes may only be spent in respect of those purposes and must be accounted for in compliance with normal accounting conventions.

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

Schools shall retain the proceeds of sale of assets in accordance with Torbay's Financial Regulations, except in cases where the asset was purchased with non-delegated funds, or the where the asset concerned is land or buildings forming part of the school premises and is owned by Torbay Council.

### **3.4 SCHOOLS OPERATING LOCAL PAYMENTS**

#### **3.4.1 General Financial and Banking arrangements**

- a) Torbay Council is required to make available to schools a Scheme (the Local Payments Scheme) whereby Schools may have a local chequebook facility. All maintained schools may, with the approval of the Section 151 Officer, have external bank accounts into which instalments of their budget share are paid. Where schools have such accounts, they shall be permitted to retain all interest payable on the account.
- b) New bank account arrangements may normally only be made with effect from the beginning of each financial year. Application should normally be made to the Section 151 Officer before the end of November before the beginning of the financial year but must be made by the end of January preceding the financial year. Applications may only be made by schools which do not have deficit balances at the time of application.

- c) Schools operating local payments will be required to submit financial returns to the Council in the prescribed format to enable the recovery of VAT and meet the requirements of the Construction Industry Scheme.
- d) Schools operating local payments will be required, in the prescribed format, to provide the Council with an estimated Outturn and cash flow forecast for the financial year and bank reconciliation statements, quarterly and on request.

#### **3.4.2 Bank and Building Society Accounts**

- a) All banking arrangements must be made with the approval of the Section 151 Officer and may choose to operate a bank account with any institution approved by the Section 151 Officer.
- b) Schools may operate bank accounts for budget share purposes that are in the name of the school rather than Torbay Council, but accounts must include the name of the Council. If the school operates an external account for community facility purposes, the account mandate should not imply that Torbay Council is the owner of the funds in the account except insofar as Torbay Council has provided those funds itself.
- c) Money paid by Torbay Council and held in such accounts remains Council property until spent as provided for by s.49 (5) of the Act.
- d) The conditions and requirements governing schools maintaining bank accounts are set out in Torbay's Financial Regulations and are binding on all schools in the scheme. The Section 151 Officer reserves the right to withdraw the local payments facility from a school either on a permanent or temporary basis if the school fails to meet the requirements or prevents the Section 151 Officer from carrying out his/her statutory responsibilities.

#### **3.4.3 Instalments of budget share payable to schools maintaining external bank accounts and associate issues**

- a) Where schools operate chequebook management Torbay Council shall make the total of their budget share available in 12 equal instalments, monthly in arrears for both pay and non-pay elements.
- b) For schools that are not registered with Her Majesty's Revenue and Customs as employers, salary costs will be deducted from the advance monthly in arrears.
- c) Interest will not be deducted from monthly advances in arrears, as no cash flow advantage has been gained. However, under circumstances where a school requires a supplementary cash advance in addition to the normal monthly arrangements, interest will be payable at an agreed rate, subject to the advice and guidance of Torbay's Treasury Management Team, and with due regard to prevailing investment conditions.

### 3.5 FINANCE AND SCHOOL PREMISES (incl. insurance, H&S and PFI)

#### 3.5.1 Repairs and maintenance

Schools and responsible bodies receive condition funding for their school buildings through different routes depending on their size and type.

Local Authorities, large MATs and larger VA school bodies receive condition funding to invest in priorities across the schools for which they are responsible. The main priorities for investment include tackling poor building condition, energy efficiency and health and safety issues. All work undertaken by the Local Authority is subject to a de-minimus limit, set according to the floor area of the school. The Council's thresholds for funding are as follows:-

Floor Area (m2)	Min. Cost
<b>Primary &amp; Special</b>	
< 500	6,000
501 – 1,000	7,000
1,001 – 1,500	8,000
1,501 – 2,000	9,000
2,001 +	10,000
<b>Secondary</b>	
< 8,000	14,000
8,001 – 9,000	16,000
9,001 – 10,000	18,000
10,001 +	20,000

The operation of this threshold will relate to all identified priorities of need outlined within the Schools Condition Survey.

All works under the de-minimus including day to day repairs of premises and facilities including operational plant and machinery are the direct responsibility of the school.

Annex 3 indicates the buildings and plan element split, which would qualify for central capital programme funding within this arrangement.

#### 3.5.2 Insurance (maintained schools)

- a) Except where the responsibility for the insurance of the buildings lies with the Governing Body, Torbay Council centrally provides insurance cover for the risks set out in the Insurance Schedule provided by the Council, either by way of external insurance or an internal insurance fund. Schools should be aware that uninsured excesses on claims may be recharged to schools where there has been a disregard to the Council's risk management and health and safety policies or a failure to obtain and/or follow advice and guidance given by the Council.
- b) Schools are free to arrange and fund from their delegated budgets additional insurance cover beyond that set out in the Insurance Schedule.
- c) Schools may request that funding for insurance forms part of their delegated budget. Such a request should normally be made before the 30 June preceding the financial year for which delegation is being requested, but must be made before the end of September preceding the financial year. For the purposes of this paragraph, the year begins at the renewal date of the Insurances which is 1st December. However, it should be noted that the Authority's insurances are purchased utilising long term agreements with Insurance providers to gain the most

advantage terms and provide for stability of costs where possible, so for schools looking to leave the Authority's insurance scheme, this will mean at the expiring of the current long term agreement in place. Please refer to the Insurance section for confirmation of the relevant expiry period applicable.

- d) When funding for insurance is delegated to any school, the school shall demonstrate to the satisfaction of the Section 151 Officer, at the time that application for delegation of funding, that cover relevant to an Council's insurable interests, under a policy to be arranged by the Governing Body, is as good as the relevant minimum cover arranged by Torbay Council and is sufficient to protect Torbay.

A maintained school is able to join the Secretary of State's Risk Protection Arrangement (RPA) for risks that are covered by the RPA when any insurance contract of which they are part expires.

### **3.5.3 Health and Safety**

- a) In expending schools' delegated budgets, Governing Bodies to shall have due regard to duties placed on Torbay Council in relation to health and safety.
- b) Governing Bodies are required to adopt Torbay Council's policy on Health and Safety, as set out in Torbay Council's Health & Safety policy and statement of arrangements for schools, and where that policy does not cover all circumstances fully, Governing Bodies shall establish local policies consistent with the Council's approach to managing Health & Safety.
- c) Governing Bodies are required to ensure that their statements of safety policy adequately cover the responsibilities of Governors.

### **3.5.4 Private Finance Initiative (PFI) Public / Private Partnership**

The funding of premises related costs as part of a PFI arrangement are included in Schools' allocations as a specific allocation that reflects the actual costs charged by the PFI provider in managing and maintaining the premises.

### **3.5.5 Capital spending from budget shares**

- a) Governing bodies may use their budget shares to meet the cost of capital expenditure on the school premises. This includes expenditure by the Governing Body of a voluntary aided school on work that is their responsibility under paragraph 3 of Schedule 3 of the SSAF Act.
- b) Governing bodies will be required to seek the consent of the Council to proposed capital works to be met from schools' delegated budgets, where the Council owns the premises or the school has voluntary controlled status.
- c) Governing bodies will be required to notify the Council when they determine to devote any part of their delegated budget to capital expenditure.
- d) Governing bodies may continue to submit bids in the manner prescribed by the Council for approval for capital expenditure on works to school premises, which would be made by the Council outside the school's delegated budget.
- e) Accounting for Devolved Capital will be managed centrally on behalf of schools but can be made available upon request to those schools operating local payments accounts. Expenditure is restricted to categories of capital expenditure prescribed by Government and will be subject to approval and scrutiny by the LA.

### **3.6 Schools Financial Value Standard (SFVS)**

The schools financial value standard helps to provide schools with assurance that they are meeting the basic standards necessary to achieve a good level of financial health and resource

management.

All local authority maintained schools (including nursery schools and Pupil Referral Units (PRUs) that have a delegated budget) must demonstrate compliance with the Schools Financial Value Standard (SFVS) and complete the assessment form on an annual basis. It is for the school to determine at what time in the year they wish to complete the form.

Governors must demonstrate compliance through the submission of the SFVS assessment form signed by the Chair of Governors. The important thing is that they should be in a position to feel confident about their answers. The DfE website includes advice and tools for governing bodies in relation to each question, which they can use if they wish to. The advice and tools provide clarification of what the question implies, examples of good practice, and access to materials which will assist action on that issue where it is necessary.

The tool can be used to identify possible areas for change to ensure that resources are being used to support high-quality teaching and the best education outcomes for pupils. The tool is in two parts:

1. A checklist, which asks a number of questions of governing bodies in six areas of resource management to provide assurance that the school is managing its resources effectively.
2. A dashboard, which shows how a school's data compares to thresholds on a range of statistics that have been identified as indicators for good resource management and outcomes.

The governing body may wish to delegate the consideration of the questions to a Finance Committee or similar; but the chair of governors must sign the completed form. There should be at least a minuted report to the full governing body.

Each question requires an answer of Yes, In Part, or No. Where the answer is In Part or No, the column for comments, evidence and proposed actions should be used to enter a brief summary of the position and proposed remedial action. Where the answer is yes, the column should be used to indicate the main evidence on which the governing body based its conclusions. At the foot of the list of questions is a section which requires a summary of remedial actions.

A copy must be sent to the local authority's finance department, where it will be used to inform the programme of financial assessment and audit. Local authority and other auditors will have access to it, and when they conduct an audit will be able to check whether the self-assessment is in line with their own judgement. They should make the governing body and the local authority aware of any discrepancies in judgement.

The questions which form the standard are divided into seven sections. These are laid out in Annex 4 in this document.

### **3.7 Notice of Concern**

The Council may issue a notice of concern to the governing body of any schools it maintains where, in the opinion of the Section 151 Officer and the Director for Children's Services, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of the Council or the school.

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

These may include:

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

- Insisting that an appropriately trained/qualified person chairs the finance committee of the governing body;
  - Placing more stringent restrictions or conditions on the day to day financial management of a school than the scheme requires for all schools – such as the provision of monthly accounts to the Council;
  - Insisting on regular financial monitoring meetings at the school attended by Council officers;
  - Requiring a governing body to buy into the Council’s financial management systems;
- and
- Imposing restrictions or limitations on the manner in which a school manages extended school activity funded from within its delegated budget share – for example by requiring a school to submit income projections and/or financial monitoring reports on such activities.

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

### 3.8 **Withdrawal of Delegation**

Section 117 of the 1996 Education Act allows the Council to withdraw the powers of delegation from a Governing body where the Council has concluded that the Governors are mismanaging their budget. This might involve the persistent failure of the governing body to comply with the requirements of the approved Scheme of Delegation or not managing the resources available for the purposes of the school in a satisfactory manner.

### 3.9 **Council Monitoring of Schools' Performance**

The Council will monitor and evaluate schools' performance, consistent with the Schools / LA Code of Practice, in order to ensure high quality educational opportunities for all and inform the Children’s Service’s strategy formulation and policy making.

### 3.10 **Disputes Resolution Protocol**

The Council operate a disputes resolution protocol which will be the subject of review and consultation from time to time. This protocol will be operated as a binding process on all parties. The following table sets out the process steps:

<b>PROCESS STEP</b>	<b>ACTION TIMESCALE</b>
Initial written communication of the issue with the Director of Children’s Services.	Director to resolve within 10 working days.
With resolution not agreed to the satisfaction of the school escalation to the Cabinet Member for Children	Cabinet Member to resolve within 10 working days.
With resolution not achieved at stage 2. Escalation to the Chief Executive of the Council.	Chief Executive to resolve in 10 Working days.
With failure to broker resolution at Stage 3 school to consider other stakeholder processes.	

### 3.11 **Efficiency and value for money (replaces 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.

### **3.12 Fraud**

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

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

### **3.13 Financial Malpractice / Whistleblowing**

The Council's Internal Audit Service provided by the Devon Audit Partnership must be notified immediately of any circumstances that suggest the possible existence of any irregularities with a financial implication. The Head of the Devon Audit Partnership will then decide, in consultation with the appropriate officers of the Council, the manner in which the irregularity is to be investigated. This may include a decision to inform the Police.

### **3.14 Inventories and Stock**

- 3.14.1 It is a requirement of the insurance cover for property that inventories must be prepared and maintained up to date. The record should include for each item; information relating to the date of purchase, serial numbers, cost and location. Pre-printed inventory books are available from the LA for this purpose.
- 3.14.2 Inventories should record all items of equipment that cost over £100 to purchase. Items must bear a visible security marking to deter potential theft. Where there are vulnerable items these should be recorded in inventories irrespective of price.
- 3.14.3 Headteachers must arrange for inventories to be checked and certified as correct annually against the physical assets, and sign the record of checks once they are satisfied that the checks have been satisfactorily completed. Missing items should be reported to the Governing Body.
- 3.14.4 The school must maintain a record of equipment removed from the premises identifying the date, the member of staff and the date returned. A record should also be maintained of equipment permanently allocated to staff and held off site. Staff removing such items should sign to confirm they have assumed responsibility for the item. Equipment should only be removed for purposes in connection with the ordinary course of business.
- 3.14.5 Headteachers are responsible for the safe custody and physical control of any stocks and stores and should ensure that only reasonable quantities are held. Any significant surpluses or deficiencies revealed by stock checks must be reported to the Governing Body.
- 3.14.6 Where any irregularity is suspected in the custody or use of equipment or stores, this shall be treated as a financial irregularity and reported to the Internal Audit Section for action by the Devon Audit Partnership.

## 3.15 COMMUNITY FACILITIES AND EXTENDED SERVICES

### 3.15.1 Introduction

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.

### 3.15.2 Consultation with the LA – Financial Aspects

There is a statutory requirement to consult and to have regard to advice given by the LA before exercising the power to provide community facilities.

Schools should set out in their proposals:

- a) the community activity they intend to support
- b) the anticipated beneficiaries
- c) proposed funding agreements with third parties
- d) school accommodation and resources to be used by the facility either during or after the school day
- e) a budget plan setting out anticipated expenditure and income for three years

The consultation should also include information the governing body has considered to satisfy itself that the provision of the community facilities will not to a significant extent interfere with their statutory duty to promote high standards of educational achievement or any other

### 3.15.3 Advice from the LA

The LA will respond to the consultation and give advice on the proposals within six weeks of receipt. Advice given in response to consultation will be free of charge. Schools must notify the Authority of action they have taken following advice within a reasonable period of time. Free advice could be limited to a recommendation to purchase support from professional services (finance, legal, personnel, IT, etc.) where these services have been delegated. Fees for these

services would have to be met from the community facilities account and not the school's delegated budget. Services would not have to be purchased from the Authority but schools should satisfy themselves that providers are in a position to offer sound advice without a conflict of interest.

#### **3.15.4 Other consultation**

Schools are reminded that section 28(4) of the Education Act 2002 also requires consultation with staff, parents, pupils (where appropriate) and other interested parties. Consultation with these groups is not covered by this scheme.

#### **3.15.5 Funding Agreements – Third Party Agreements - LA Powers**

Proposed agreements with third parties (i.e. other than with the Authority) must be submitted to the Director of Children's Services for comment before being signed. Comments would be provided within three weeks. The Authority cannot veto or require that it countersign third party agreements.

Where the third party requires LA consent for an agreement to proceed would be a matter for the third party and not this scheme.

#### **3.15.6 Suspension of delegation**

Schools are reminded that an agreement concluded against the Authority's wishes expressed in its comments, or concluded without informing the Authority, which in the view of the Authority is seriously prejudicial to the interests of the school or the Authority, may constitute grounds for suspension of the school's delegated budget.

#### **3.15.7 Agreements with the LA**

The LA may enter into funding agreements with schools for the provision of community facilities.

#### **3.15.8 Other prohibitions, Restrictions and limitations – Limited Companies**

Section 11(1) of the Education Act 2002 enables governing bodies to form, or participate in forming, limited companies. The liabilities of companies can be limited by share or guarantee.

The Authority can require a school to form a limited company to provide community facilities where it has serious concerns about the financial viability of a proposal with a significant proportion of income derived from usage charges. The concerns must have been expressed in its response to consultation and not adequately addressed by the school.

#### **3.15.9 Indemnity insurance**

The Authority can require a school to take out indemnity insurance where it has serious concerns about funding agreements with third parties. These concerns must have been expressed in its comments on the proposed agreement and not adequately addressed by the school or the third party.

#### **3.15.10 Use of surplus accommodation**

The Authority may prohibit the use surplus accommodation for community facilities where it is identified as necessary to deliver the School Organisation Plan or Asset Management Plan or where it would result in an unacceptable increase (or the risk of an unacceptable increase) on the LAs revenue or capital budgets.

### 3.15.11 Pupil welfare

The Authority may prohibit a community facility where there are serious concerns about pupil welfare. The concerns must have been expressed in its response to consultation and not adequately addressed by the school.

### 3.15.12 Supply of Financial Information

#### **a) Initial budget plan**

Schools should supply a budget plan showing estimated expenditure and income for the community facility for three years as part of consultation with the Authority. The plan would identify expenditure according to the standard headings used for delegated budgets e.g. staff, premises, etc. and sources of income.

#### **b) Actual income and expenditure statements and subsequent plans**

Schools are required to submit a statement, in the prescribed format of actual expenditure and income after six months and a revised plan for the following six months. If this is satisfactory future returns will be part of the normal arrangements under the Consistent Financial Reporting (CFR) framework.

#### **c) Unsatisfactory statements**

If the authority is not satisfied with financial submissions and has concerns about the financial management of the community facility it can give the school notice that it requires a statement every three months. Three monthly statements would continue until the Authority is satisfied with the financial management of the facility. Schools showing a deficit on the community facility may be required to submit and agree a recovery plan.

### 3.15.13 Audit

Schools must grant access to their records for the community facility in order to facilitate internal and external audit of relevant income and expenditure.

Funding agreements should include a clause allowing the Authority's auditors to have access to the records and property of third parties relating to the community facility either held on school sites or elsewhere in order to satisfy itself as to the propriety of expenditure on the facilities.

Schools will not be charged for the audit of community facilities.

### 3.15.14 Treatment of Income and Surpluses

#### **a) Retention of income and surpluses**

Schools will retain all surplus income over expenditure from the community facility unless funding agreements provide for a sharing arrangement. Surplus income earned on community facilities should be kept separate from the school's delegated budget and carried forward within the community facilities account.

#### **b) Transfer of surpluses to the delegated budget**

Surplus income can be paid into the school's delegated budget following agreement with the LA. In these circumstances the Authority will require that a reasonable surplus be retained within the community facilities account to offset potential future deficits.

#### **c) Treatment of surpluses for closing schools**

Surplus income on facilities run by community or community special schools will revert to the Authority if it ceases to maintain the school unless otherwise provided for in funding agreements. Surplus income for other categories of school will remain the property of the governing body if the Authority ceases to maintain the school.

#### **d) Deficits**

The LA would meet outstanding liabilities on community facilities where there are insufficient surplus funds within the community facilities account. Such deficits would not be charged to the school's delegated budget unless a charge is appropriate under the terms of section 2 of the financial scheme e.g. recovery of penalties.

A school wishing to continue with a community facility following a deficit financed by the LA would have to resubmit proposals for consultation.

### **3.15.15 Health and Safety**

Governing bodies must have due regard to health and safety including compliance with the Authority's policy on health and safety matters when managing community facilities. The Authority may issue directions to the governing body of community, community special or voluntary controlled schools on health and safety matters for the community facility

### **3.15.16 Police checks**

Governing bodies must secure Disclosure and Barring Service clearance for any adults involved in community activities during the school day. The costs of checks should be charged to the community facilities account and not the school's delegated budget.

### **3.15.17 Insurance**

Governing bodies are responsible for ensuring adequate insurance cover for community facilities. Schools should seek professional advice where necessary. The cost of additional premiums and advice should be charged to the community facilities account and not the school's delegated budget.

Schools must notify the Authority of insurance arrangements they have made for community facilities. The Authority can make its own assessment and if cover is inadequate make appropriate arrangements. The cost of such arrangements can be charged to the school and should be charged to the community facilities account and not the school's delegated budget.

### **3.15.18 Taxation and Employment**

#### **a) Value Added Tax (VAT)**

Schools cannot reclaim VAT on expenditure on community facilities financed from third part funding agreements. VAT can be reclaimed on other expenditure and should be charged on the use of facilities and repaid to HM Customs and Excise. The Authority will provide VAT forms. Schools should seek advice from the LA and the local VAT office on issues relating to the community facility. Any penalties imposed by HM Customs and Excise can be charged to the school. If there are insufficient surplus funds in the community facilities account, penalties could be charged to the school's delegated budget in accordance with section 6.2.8 of the main financial scheme.

#### **b) Construction Industry Scheme**

Schools must follow LA advice in relation to the Construction Industry Scheme where relevant to community facilities.

#### **c) Employment**

Staff employed in community, community special, and voluntary controlled schools for community facilities would be LA employees, unless the facilities are provided by a limited company. Staff employed in foundation and voluntary aided schools would be employees of the governing body. In either case schools would be responsible for ensuring deductions are made for income tax, National Insurance and other statutory deductions and returns.

Penalties imposed by the Board of Inland Revenue, the Contributions Agency, and Teacher Pensions Agency can be charged to the school. If there are insufficient surplus funds in the community facilities account, penalties could be charged to the school's delegated budget in accordance with section 6.2.8 of the main financial scheme.

The LA would meet the cost of redundancy in the same way as staff funded from the delegated budget. In cases where expenditure can be charged to schools by virtue of Section 57 of the School Standards and Framework Act 1998 this would be charged to the community facilities account and not the school's delegated budget.

### **3.15.19 Banking**

Schools should maintain a separate bank account for income and expenditure on community facilities from the delegated budget and the voluntary fund. If the same account is used the school must ensure that suitable accounting controls are in place to make separate returns.

The Authority can require a separate bank account or revised accounting controls if an audit reveals an unsatisfactory segregation. The same arrangements regarding the choice of bank, name of accounts and signatories as detailed in section 3.5.1 would apply. Funding partners cannot be signatories to an account for community facilities.

### **3.15.20 Borrowing**

School cannot borrow money for community facilities without the written consent of the Secretary of State. This does not extend to money provided by the LA through the loan scheme described in section 3.1.15 of the main financial scheme.

## **Section 4 – Torbay Council’s Financial Regulations for Schools**

- 4.1 Introduction
- 4.2 Financial Organisation and Responsibility
- 4.3 Business Ethics
- 4.4 Audit
- 4.5 Revenue Expenditure
- 4.6 Capital Expenditure
- 4.7 Purchasing and Contracts
- 4.8 Leasing Arrangements
- 4.9 Payment of Accounts
- 4.10 Salaries and Wages / Payroll
- 4.11 Banking
- 4.12 Income
- 4.13 Insurance
- 4.14 Petty Cash Imprest Accounts
- 4.15 Travel and Subsistence
- 4.16 Taxation
- 4.17 Information Technology / Data Protection
- 4.18 Unofficial Funds
- 4.19 Lettings
- 4.20 Credit / Debit / Purchase Card Protocol

## 4.1 Introduction

4.1.1 The purpose of these Financial Regulations is to:

- a) identify in a helpful way the principles of good financial control and best practice for Governors, Headteachers and staff as required by the Scheme for Financing Schools.
- b) enable Governors to exercise their responsibility for making arrangements for the proper management of the school's finances.
- c) ensure that the highest standards are achieved in the stewardship of public funds along with compliance with all accounting and auditing standards and codes of practice.
- d) encompass the statutory duties required of officers of the Council by Section 1.1(1) of the School Standards and Framework Act 1998, the 1972 and 1988 Local Government Acts relating to the proper administration of the Council's financial affairs and the maintenance of an adequate and effective internal audit, and the 1989 Local Government and Housing Act which defines the role of the Monitoring Officer in establishing the legality of actions.
- e) contributes to the achievement of best value principles.

4.1.2 These Financial Regulations are supplemented by operational and procedural advice from the LA on aspects of financial administration and the use of Torbay Council financial systems e.g. Retention of Documents, Contract Conditions, Payroll, Internal Trading and the Costing and Financial Management system.

### Compliance

4.1.3 Failure by individual employees to comply with Financial Regulations, or the instructions issued under them will constitute misconduct.

4.1.4 Review bodies, such as Internal Audit, will evaluate the procedures put into place by schools to establish whether the requirements of these Regulations are being observed.

## 4.2 Financial Organisation and Responsibility

4.2.1 The Scheme for Financing Schools allows Governors to delegate their powers to the Headteacher. The full Governing Body may also delegate responsibilities to any committees, which it has created. This is achieved by approving Terms of Reference relating to a Scheme of Delegation within the school.

4.2.2 Terms of Reference will include a Finance Policy that identifies which members of staff are empowered to take responsibility for functions within the powers delegated to the Headteacher by the Governors. The individuals exercising this responsibility may have financial limits on the extent of their actions.

4.2.3 Headteachers must ensure that the responsibilities of staff concerned with finance are, as far as practicable, distributed to provide an adequate separation of duties so that effective control is maintained. The following principles should be observed in the allocation of accounting duties:

- a) Responsibility for providing details of, calculating, checking and recording of sums due to, or payable by, the school shall be separated as completely as possible from responsibility for collecting income or authorising expenditure.
- b) Employees responsible for examining or checking records of cash transactions shall not themselves be engaged in any of those transactions.

4.2.4 Headteachers will be responsible for maintaining a current record of members of staff who are authorised to sign documents and have access to computerised financial systems. The record must also include levels of authority and limitations. If the school uses systems provided by the



LA, copies of the approved authority forms submitted to the LA for this purpose are sufficient to create the record.

- 4.2.5 Headteachers must consult with the LA to ensure that proposals to amend financial systems and procedures do not lead to the weakening of controls or duplication of existing accounting systems.
- 4.2.6 Headteachers must ensure that records and systems are properly maintained and arrange for regular independent internal audit to ensure compliance.
- 4.2.7 There are particular requirements for the retention of financial records that include, in particular, special arrangements for VAT, contracts and payroll records. These are included in the procedural advice issued to schools. These arrangements may differ for schools operating local payments.

### 4.3 **Business Ethics**

- 4.3.1 It is important that Governors and staff not only act impartially, but are also seen to act impartially.
- 4.3.2 The Nolan Committee report on standards in public life (May 1996) identified seven principles that should be applied. These are:
  - selflessness,
  - integrity,
  - objectivity,
  - accountability,
  - openness,
  - honesty and
  - Leadership.

One important way in which a school can demonstrate that it is applying these principles is by maintaining a register of business interests, which must be open to inspection by Governors, staff and parents.

- 4.3.3 The Governing Body of each school should ensure therefore that all Governors and any staff responsible for incurring expenditure must submit details of all their business interests such as directorships, share holdings and other appointments with any business or organisation which may have dealings with the school. The details must include business interests of relatives or other individuals who may be in a position to exert influence. Nil returns are required. There is a need to publish the governors register of business interests on the school website.

For further information please refer to page 10 of the current guidance –

[www.gov.uk/government/publications/constitution-of-governing-bodies-of-maintained-schools](http://www.gov.uk/government/publications/constitution-of-governing-bodies-of-maintained-schools)

- 4.3.4 There is a responsibility on the individual to notify the school when any changes occur to their business interests. In addition, annually, the school should seek confirmation that the information held is up to date.

### **Gifts and Hospitality**

- 4.3.5 All governors and staff responsible for incurring expenditure must record all offers of gifts and hospitality offered in connection with their links with the school and whether the offers were accepted. This will avoid bringing discredit on the school or Torbay Council.
  - a) Gifts can only be accepted when they are low cost, functional items suitable for business use, rather than personal use e.g. diaries, calendars, pens or small value gifts received by Teachers from pupils. Other gifts that may be received from outside contractors or

organisations should be returned with a suitable official letter.

- b) Normally visits to exhibitions, demonstrations, conferences, business meals and social functions in connection with their official duties shall be at the School's or Council's expense. In certain circumstances it may benefit the school to accept the hospitality of an outside agency. This will be a decision for the Chair of Governors and Headteacher. However, the event and the decision must be recorded.
- c) On no account should an employee accept either secondary employment or a financial payment from any person, body or organisation with which the school is involved.
- d) Any promotional offers received must remain the property of the school and must be used for the benefit of pupils.

4.3.6 Schools should ensure that all staff receive a Code of Conduct which clearly sets out the standards of financial conduct and behaviour expected of them.

#### **4.4 Audit**

4.4.1 Schools will be subject to regular internal audit provided by the Devon Audit Partnership acting on behalf of the Chief Finance Officer under S151 of the Local Government Act 1972 and the Accounts and Audit Regulations 2003 (as amended 2006), in accordance with Torbay Council's published annual Internal Audit Plan.

4.4.2 The Governing Body of each school will be required to ensure that schools co-operate with all reasonable requirements of internal and external auditors, and allow the Chief Finance Officer access at all times for the purposes of audit.

4.4.3 Torbay LA will publish an Audit Code of Practice informing schools of their responsibilities in respect of the requirements of Internal Audit.

4.4.4 The Governing Body of each school may authorise expenditure in their annual budget plan to obtain external audit certification of their accounts, separate from any LA internal or external audit process.

4.4.5 The Governing Body of each school shall make arrangements for internal audit reports to be considered by the relevant committee dealing with finance, which shall bring any relevant recommendation to the attention of the Full Governing Body.

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

The Governing Body of each school shall ensure that annual audit certificates are obtained, in a format prescribed by the LA, for voluntary and private funds held by the school and of the accounts of any trading organisations controlled by the school and that such certificates are sent to the LA as soon as the Audit is complete.

#### **4.5 Revenue Expenditure**

##### **Revenue Budget Preparation**

4.5.1 Once approved by the Governing Body, the budget must be submitted in the required form to the Section 151 officer, signed by the Chair of Governors, by the 31st of May each year. The budget should make clear references to items in the School's Improvement Plan.

4.5.2 It is good practice for the Governing Body to approve and set the budget for the forthcoming year by 31<sup>st</sup> March.

## Revenue Budget Monitoring

4.5.3 Schools must submit a statement of expenditure to the Governing Body or finance committee at least once each term during each financial year in accordance with Section 1.3 of the Scheme. These must be signed by the Chair of the meeting after approval for inclusion in the minutes, and retained with the minutes.

4.5.4 Transfer of funds (virement) is not permitted between delegated funds and other devolved allocations associated with the school. Examples are:

- a) Specific capital allocations
- b) School Meals Income (if not delegated)

Schools will be required to create commitments in the financial management system for expenditure which has been incurred, e.g. by the issue of an order, but for which payment has not been made.

4.5.5 At the end of the accounting year, schools' accounts must accrue items of income and expenditure, excluding petty cash, for goods or services which have been delivered or received. Advice on this area will be issued annually by the Children's Services Finance Manager.

4.5.6 As soon as possible after the end of the financial year in line with the Council's statutory requirements, the Governing Body must consider a report on actual expenditure and income compared to the approved budget for the preceding year.

## 4.6 Capital Expenditure

4.6.1 The CIPFA Code of Practice on local authority accounting defines capital expenditure as follows:

- a) the acquisition of land, buildings, plant, apparatus and vehicles;
- b) the construction of roads and buildings;
- c) the enhancement of land, roads and buildings.

"Enhancement" involves either a substantial increase in the asset's value, or a substantial lengthening of its useful life, or a substantial increase in the extent to which it can be used by the school. It excludes repairs. For example, re-roofing a building would normally count as capital expenditure, but replacing missing tiles would not.

4.6.2 Schools must inform the LA of any proposals to finance capital works from their delegated funds. This information is required to ensure that the expenditure is properly identified in the LA's accounts.

4.6.3 If schools are allocated funds by the LA for capital expenditure, the Governing Body shall work with the LA to provide quarterly reports which contain:

- a) the latest estimation of costs and phasing of expenditure,
- b) explanations of variations in total forecast cost above or below the approved cost and revisions to phasing of expenditure over each financial year,
- c) proposals for containing any additional costs within the resources available.

This detail is required to allow the Council to monitor the capital programme. Notwithstanding the specific reporting requirements of any individual capital scheme, schools can set their own de-minimis level for capital works, but it cannot be **higher** than the level set in Torbay's Financial Regulations.

4.6.4 Certain Leasing arrangements are defined as capital expenditure.

## 4.7 **Purchasing And Contracts**

### **General Information**

#### **Extent and Application of Contract Standing Orders**

4.7.1 These Standing Orders apply to all Contracts for goods, services and works for and on behalf of the School, including ad-hoc one-off requirements and they will be applied by any Governor or staff of the School undertaking any purchasing or procurement activity on behalf of the School.

These Standing Orders will also apply in respect of the Award of any grant funding for which some form of application or bidding process is undertaken.

These Standing Orders apply to all expenditure by the School irrespective of the funding source (except where specific terms and conditions attached to a third party funding source determines the method in which the Contract is to be let) and includes expenditure that has been devolved in any way.

These Standing Orders set out minimum standards and compliance is vital in:

- a. Meeting legislative requirements;
- b. Demonstrating probity in the procurement process;
- c. Delivering economy, efficiency and effectiveness through competition; and
- d. Avoiding practices that may restrict, distort or prevent competition.

Any non-compliance or breach of these Standing Orders can seriously impact upon the legal standing of the Contract and can increase the ability of unsuccessful Economic Operators to seek redress through the courts.

#### **Exemptions from the Application of Contract Standing Orders**

4.7.2 An exemption or Waiver from Contract Standing Orders may only be applied where the Governing Body records in its minutes prior approval, whenever possible, to waive compliance which can be only in one of the following circumstances:

- i the contract is urgently required and delay would cause loss, injury or damage, The urgency must be brought about by events that were unforeseeable by and not attributable to the School and which will result in loss or damage to the School if the suspension or exemption is not allowed; and / or
- ii the contract is of such a special nature that no advantage would be gained by inviting competitive tenders or
- iii there is no effective competition because payment is fixed under statutory authority or the item is a patented or proprietary article or is available from only one source.

The appropriate due diligence checks must be undertaken on the Economic Operator (where the request relates to the Award of a new Contract, as opposed to extending an existing arrangement) prior to awarding the Contract.

The following must be considered before applying for a Waiver:

- a. lack of planning and / or internal process delays will not constitute special, exceptional or emergency circumstances;
- b. exemptions from these Standing Orders must not be applied for retrospectively;
- c. exemptions from these Standing Orders must not be applied for where the value of the Contract will exceed the relevant public procurement spend threshold.

## **Appointment of Management Consultants and Agents**

- 4.7.3 Any consultant or advisor appointed to act on behalf of the School must be procured in accordance with these Standing Orders.

It is a condition of appointment that any consultant or advisor appointed to act on behalf of the School in relation to any procurement process or management of Contracts will:

- a. Comply in full with the requirements of the Public Contract Regulations, Contract Standing Orders, all relevant legislation and all School policies;
- b. Have a Contract condition that ensures that copyright in respect of anything created or completed by that external agent in relation to the appointment will be the property of the School.
- c. Sign a Confidentiality Agreement and declare any conflict of interest that may arise prior to starting any procurement process and again prior to completing the Tender evaluations. Where a significant conflict of interest arises the consultant must not be part of the Tender evaluation process.

No consultant shall make a decision on whether to Award a Tender or whom to Award it to.

## **Procurement Planning**

### **Conflicts of Interest**

- 4.7.4 In order to avoid any distortion of competition and ensure equal treatment of Economic Operators, the School is legally required to take all appropriate measures to effectively identify, remedy and prevent any conflicts of interest that may arise during the course of a procurement process.

### **Confidentiality**

- 4.7.5 The School must not disclose information which has been provided by an Economic Operator and designated as being confidential by that Economic Operator, this includes but is not limited to technical or trade secrets and the confidential aspects of Tenders unless it is required to do so under the Freedom of Information Act.

The School must not disclose to prospective bidders the procurement documentation or information that will be used within the procurement documentation prior to the tender being issued, saved for that information which may be shared as part of any preliminary market consultation and only where that market consultation has been undertaken in a fair and transparent manner.

Where procurement procedure requires the sharing of confidential information with Economic Operators, such as details relating to the transfer of staff, this must not be disclosed unless the Economic Operator has signed and submitted an appropriate Confidentiality Agreement.

### **Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE), as amended**

- 4.7.6 TUPE Regulations may apply when a service Contract is transferred from one external Economic Operator to another or where Council staff are being outsourced. Under both TUPE and Public Contract Regulations there is a requirement for the School to share anonymous information relating to the staff who may be eligible to transfer.

### **Market Research and Consultation**

- 4.7.7 Preliminary Market Consultation

Pre-procurement market research and consultation can be conducted with a view to:

- a. preparing the procurement; and
- b. informing Economic Operators of the procurement plans and requirements.

All activities must be conducted in a non-discriminatory and transparent manner and without distorting competition.

#### 4.7.8 Prior Involvement of Economic Operators

Where an Economic Operator has advised the Council or been involved in preparing the procurement procedure Officers take appropriate measures to ensure that competition is not distorted by the Economic Operator bidding for the Contract and those measures must be documented.

### **Procurement Development**

#### 4.7.9 Estimated Value of the Procurement

The calculation of the estimated value of a procurement shall be based on the total amount payable including any Contract extension options. Account shall be made of the total estimated value for the School.

The Contract shall not be sub divided, nor should the choice of the method used to calculate the estimated value be made with the intention of avoiding the application of these Standing Orders, nor shall it be sub divided

Where a Contract is proposed to be Awarded in the form of lots, account shall be taken of the total estimated value of all the lots.

The estimated value of the Procurement for goods and services is calculated by taking:

- a. The value of the total amount payable for the full term of the Contract, including extensions and is for 48 months or less; or
- b. The value of the total amount payable for each month multiplied by 48 if the term of the Contract, including extensions, is for more than 48 months, or over an indefinite period

Or, where there is

- c. A requirement over a period of time for goods, or services that are for the same type or have similar characteristics and for that purpose a series or Contracts are entered into, or a Contract with renewable terms is being used, the value shall be calculated by taking the spend from the previous 12 months, taking into account any expected changes in the next 12 months.

The estimated value of the procurement for works shall take account of both the cost of the works and the total estimated value of the supplies and services that are made available to the Contractor by the Council which are necessary for executing the works.

### **Public Procurement Spend Thresholds**

- 4.7.10 Where an estimated value of a procurement is equal to or exceeds the public procurement spend threshold values, then the Public Contracts Regulations 2015 apply to the procurement process. However there are exceptions whereby the Public Contracts Regulations 2015 also apply in certain aspects to a procurement which has been estimated at below the public procurement spend thresholds.

## Procurement Process

4.7.11 The procurement process selected must be in accordance with the table below:

<b>Goods/Works/Services</b> <b>Estimated Value of the Procurement</b>	<b>Procurement Process</b>
<b>Up to £10,000</b>	Head teacher or authorised deputies to arrange directly. Obtain one written quotation. To ensure best value, good practice is to obtain more than one quote. All spend in excess of £4,000 to be reported to either the Governing Body or Finance Committee.
<b>£10,001 to £25,000</b>	Where award of the Contract will be based purely on price request written quotes either by post or email from minimum of three preselected economic operators. Retain written evidence to demonstrate the economic operator selected offers best value. Where award of the Contract will be based on a combination of quality and price use the process defined under for spend £25,001 to £50,000. Such expenditure to be reported to either the Governing Body or Finance Committee.
<b>£25,001 to £50,000</b>	Offer the opportunity to a minimum of three preselected economic operators through formal written quotations, taking into account both quality and price. Documentation must be held on file. Expenditure to be authorised by the Governing Body or Finance Committee.
<b>£50,001 to Public Procurement Spend Threshold</b>	Advertised invitation to Tender. Process to be run electronically, giving potential suppliers' free and unrestricted access to the tender documents. Procurement process to be run in accordance with the Public Contracts Regulations 2015 in certain aspects. Documentation must be held on file. Expenditure to be authorised by the Governing Body or Finance Committee.
<b>Public Procurement Spend Threshold and Above</b>	Advertised invitation to Tender. Process to be run electronically, giving potential suppliers' free and unrestricted access to the tender documents. Procurement process to be run in accordance with the Public Contracts Regulations 2015. Documentation must be held on file. Expenditure to be authorised by Governing Body or Finance Committee. The opportunity must be advertised on the government Find a Tender service portal.

## **Below Public Procurement Spend Threshold Procurements**

4.7.12 The Public Contract Regulations stipulate that the following applies to below public procurement spend threshold procurement processes:

- a. Restricted Procedure is not permitted
- b. Selection Criteria used to assess the meeting of minimum standards or Criteria must be relevant to the subject matter of the procurement and proportionate
- c. Selection Criteria used to assess the meeting of minimum standards or Criteria must be in accordance with guidance issued by the Cabinet Office.

## **Collaborative Arrangements**

4.7.13 Where it is of benefit to the School, opportunities to collaborate with other Public Bodies on procurement processes should be sought.

Where a collaborative procurement process occurs, it is the Standing Orders of the Public Body leading the procurement which will apply unless the lead body specifically agrees otherwise.

## **Other Contracting Options**

4.7.14 Schools may be able to use Contracts put in place by the Council, other Public Bodies or Public Buying Organisations. These options include purchasing from Approved Lists and Framework Agreements.

Utilising other Contracts, Approved Lists and Framework Agreements enable direct purchasing and avoid the administrative costs and time involved in sourcing and purchasing goods and services with individual suppliers. The administrative costs and time taken can negate any savings on goods or services that can sometimes be found cheaper elsewhere.

Schools should satisfy themselves that the bodies arranging these contracts have operated under competition requirements which comply with the requirements of these standing orders and Public Contracts Regulations 2015. Regular checks should be carried out to ensure that prices advertised by these bodies are competitive. If they are not, the supply should be subjected to the requirements of these standing orders.

## **Tender Preparation**

### **Tender Documentation**

4.7.15 Appropriate tender documentation must be used for advertised opportunities. These documents must include as a minimum:

- I. Suitable instructions for the Applicants
- II. A specification of your requirements
- III. Procurement Information and Evaluation Criteria
- IV. Pricing requirements
- V. Tender submission requirements
- VI. Contract Terms and Conditions

### **Evaluation Criteria**

4.7.16 Contracts must be awarded on the basis of the evaluation criteria laid out within the Tender, which consists of the following:-

- a. Selection Criteria
  - a. Mandatory Exclusions



- b. Discretionary Exclusions
- c. Economic and Financial Standing
- d. Technical and Professional Ability
- e. Insurance
- f. Compliance with Equality Legislation
- g. Environmental Management
- h. Health and Safety

b. Award Criteria

- a. Pricing requirements
- b. Technical Questions/Method Statements
- c. Presentations
- d. Interviews
- e. Site Visits

Selection and Award Criteria must be treated separately. All Criteria, Sub-Criteria and weightings must be clearly detailed within the Tender documents.

### **Contract Terms and Conditions**

It is recommended that Schools seek advice in relation to the application of the most appropriate Contract Terms and Conditions, which must be included as part of the Tender Documents. Call Off Contracts.

### **Procurement Process**

#### **Advertising**

- 4.7.18 All procurement processes over the £50,000 and up to the public procurement spend threshold must be advertised appropriately by a form of public notice and out for at least ten working days. For example School website, newspapers or journals. The length of notice must be appropriate and proportionate to the nature and complexity of the Contract to allow sufficient time for Economic Operators to submit a suitable and compliant Tender.

For above public procurement spend threshold procurements, all Tender documents must be offered unrestricted and with full direct access via an Electronic Tendering System from the date the notice is published on Find a Tender There are exceptions regarding Procurement Documents which are confidential in nature. Email is not a suitable electronic means as this does not offer direct access and requires the Economic Operator to request information.

#### **Conducting the Tender Process**

- 4.7.19 All procurement processes over the £50,000 and up to the public procurement spend threshold must be conducted in a manner which enables all communication and information exchange to be provided by electronic means to ensure the process is conducted in a fair and transparent manner, ideally using an Electronic Tendering System. Where communication is via email, the anonymity of all Economic Operators must be maintained.

For above public procurement spend threshold procurements, the process must be conducted using an Electronic Tendering System.

#### **Submission, Receipt and Opening of Tenders**

- 4.7.20 Tenders must be submitted in accordance with the requirements set out in the Tender documents.

All Tenders over the £50,000 and up to the public procurement spend threshold must be submitted in a way that enables them to be opened at the same time after the closing time and date for submission. The two options are an Electronic Tendering System or postal submission.

#### **4.7.21 Electronic Tendering System Submission**

- a. The Electronic Tendering System is set up to electronically seal Tenders above £50,000. Verifiers are set up in the system, which are Officers who are able to electronically unseal Tenders. Verification may only be undertaken by an authorised Verifier who has duly been approved by the Chair of Governors.
- b. All Tenders shall be electronically unsealed at the same time, in the presence of the Chair of Governors or a nominated Governor, and the Headteacher or Deputy Headteacher and the Verifier, after the prescribed submission date and time.
- c. The Electronic Tendering System keeps an electronic record of the Tenders opened and automatically classifies Tenders which have been received late, as in after the prescribed date and time.

#### **4.7.22 Postal Submission**

- a. Every Tender advertisement must state that no tender will be accepted unless it is in an envelope which bears no external mark, e.g franking marks, which will indicate the sender. The envelope must bear the word TENDER, the Tender reference and the address to which it is to be delivered.
- b. Envelopes returned must remain sealed and be endorsed with the date and time of receipt by the receiving officer at the point of receipt. They should be held in a secure place by a nominated senior employee until the opening date.
- c. Tenders must be opened, after the closing time and date for submission, in the presence of the Chair of Governors or a nominated Governor, and the Headteacher or Deputy Headteacher. A list of tenders opened (tender register) must be prepared recording the details of the proposed purchase, the date and time of opening, the name of the person tendering and the price tendered.

For above public procurement spend threshold procurements, only 4.7.20 will apply as postal submissions are not acceptable. In this case the verifier must be independent of the procurement process.

#### **Receiving Late, Irregular or Incomplete Tenders**

4.7.23 A Tender submission can be rejected for the following reasons, which must be laid out within the Tender document instructions:

- a. It is incomplete or vague;
- b. Is submitted later than the prescribed date and time;
- c. Not in accordance with the approved format;
- d. Is in breach of any condition contained within it.

Where there are errors or discrepancies in the Tender response, the Economic Operator must be given the details, via post Tender clarification, in order to confirm or withdraw the submission. A correction of an error or omission can be accepted within an appropriate timescale if it is determined that the Economic Operator has gained no unfair advantage.

## **Abnormally Low Tenders**

- 4.7.24 Where a price has been assessed as being abnormally low the Economic Operator is required to explain the price proposed and a decision on whether to accept the price should be based upon the evidence provided.

## **Tender Evaluation**

- 4.7.25 All Tender submissions received must be evaluated in accordance with the pre determined evaluation Criteria, set out in the invitation to Tender documents issued. Criteria, sub Criteria, Weightings and the attributed breakdown must not be changed from what was published in the Tender documents and must be applied consistently for all Tender submissions.

Tender evaluation processes must be recorded on a suitable evaluation matrix. All Criteria, sub Criteria and scoring must be detailed for each Tender submission to enable a complete assessment of what scores are attributed to each Criteria set. Reasons for scores allocated must be recorded which provides an appropriate justification and is used to complete the Tender outcome letter.

An evaluation process for every compliant Tender received must be fully completed. It must not be stopped part way through because it has been assessed that they won't be successful. Economic Operators are entitled to a full assessment of the submission, which must be provided in their Tender outcome letter and available to facilitate a de brief if requested.

## **Post Tender Clarification**

- 4.7.26 Post Tender clarification means clarification with the Economic Operators after the Tender has been submitted and only for the purpose of clarifying or supplementing the content of their Tenders, providing this does not involve discrimination.

## **Approval to Award the Tender**

- 4.7.27 The decision to approve the tender award to the highest scoring bidder must be taken and recorded by the Governing Body. Where approval isn't given no contract award can be made.

## **Tender Outcome Notifications**

- 4.7.28 All successful and unsuccessful Economic Operators must be notified of the Tender Award decision at the same time via a suitable tender award decision letter, including where a decision is not to award.
- 4.7.29 Where the tender is for a contract with a value above the relevant public procurement threshold the outcome notification letters must be issued in accordance with the requirements set out in the Public Contracts Regulations 2015 with regard to content and the need to observe a standstill period prior to formal award of the contract.

## **Contracts**

- 4.7.30 Where a procurement process was undertaken, the Contract terms and conditions must be those that were issued within the Tender documents.

Terms and conditions that must be included in contract documentation are contained in operational and procedural advice. Except where contracts are the responsibility of the Governing Body of Voluntary Aided Schools, Governing Bodies entering into contracts must do so on behalf of, and in the name of the Council.

Every contract which does not exceed £10,000 in value must be signed by the Headteacher. Every contract which exceeds £10,000 in value must be signed by the Chair of Governors or nominated Governor and reported to the Finance Committee.

Prior to issuing a Contract Officers must obtain from the Economic Operator evidence of compliance with any Contractual requirements, such as insurances, disclosure and barring service checks and policies and procedures.

An Economic Operator shall not be allowed to commence performing the Contract prior to the formal Contract documents being signed.

In the case of Framework Agreements an Economic Operator shall not be permitted to participate in any call-off from the Framework until such time as their agreement has been duly signed.

## **Contract Management**

### **Contract Monitoring and Performance Management**

- 4.7.31 Contracts Awarded must be monitored and managed throughout the Contract term to ensure delivery of the Contracted goods, services or works in accordance with the Contract requirements and performance standards.

Contract monitoring and management arrangements must be proportionate to complexity, value and risk associated with the Contract.

### **Orders for Work, Goods and Services**

- 4.7.32 Official orders must be issued to Economic Operators, which must identify that Torbay Council has issued the order, except where

- a) formal agreements have been executed
- b) a statutory duty exists e.g. water and sewerage rates
- c) purchases have been made from imprest accounts
- d) written Variation Orders relating to a formal contract have been issued.
- e) orders are placed on line to Devon Purchasing or other purchasing consortia.

For the purposes of commitment accounting, schools may find it convenient to prepare an order in all cases but retain the supplier's copy with internal copies on file where despatch of the order would be inappropriate.

When orders are printed locally, Torbay Council will supply appropriate stationery detailing the Torbay's payment terms and conditions. Headteachers will be responsible for ensuring that the issue of orders is properly controlled and each order is properly authorised.

Orders must only be signed by persons who are specifically authorised to do so. When deciding who is authorised to sign, schools should take the following into account:

- a) the status of the employee within the school's management structure and the school's internal financial procedures.
- b) the principle of separation of duties requires that an employee authorised to sign orders must not be authorised to certify invoices for payment. This must be applied whenever possible.
- c) employees must sign in their own name.
- d) facsimile signatures must not be used.
- e) when signing an order, employees must ensure that the purchase relates to the school and that there is provision for the expenditure in the budget.

In emergencies, an employee who can authorise an order may approve a verbal order. However, this practice should be kept to a minimum and a confirmation order should be written out and authorised and despatched either the same or next working day. Where suppliers require payment with an order, schools can draw a cheque in advance and collect the invoice when goods are supplied.

A final certificate of payment under any contract shall not be issued, except upon the requirements of a particular contract, by the authorised person acting as supervising officer until:-

- a) A detailed statement of account has been made available, together with such vouchers, documents and information as may be required;
- b) A certificate of completion of the work has been supplied; and
- c) The amount to be certified has been agreed by the Authorised Officer or nominated deputy concerned.

### **Definitions**

4.7.33 Please see appendix 9i

### **Land, Buildings and Leases/Tenancies / Licences**

- 4.7.34 Schools are not empowered to enter into any contract for the sale of any land or interest in land, or for the granting or taking of any lease, tenancy or licence on respect of land or building which is owned by the LA.
- 4.7.35 Schools may purchase additional land and erect buildings, grant leases, tenancies or licences in respect of that land or buildings, and sell that land. Schools must consult the LA if they are proposing to take such action.
- 4.7.36 If a school proposes to lease land the LA must be consulted. Leases of land for periods of ten years or more are not permitted because the ongoing liability will affect the capital funds available to the LA.

### **4.8 Leasing Arrangements**

- 4.8.1 Leasing is a convenient means of acquiring the use of assets and spreading the cost over their life in return for a charge that includes the cost of the finance. There are two types of lease, finance leases and operating leases. It is sometimes not easy to distinguish between the two. Finance leases count towards Torbay Council's approved allocation of capital expenditure. As this allocation is limited, schools must consult with the Director of Children's Services and the Section 151 Officer before they enter into any leasing arrangement. This includes any proposal to take out a Hire Purchase agreement.

### **4.9 Payment of Accounts**

- 4.9.1 Each Headteacher is responsible for arranging for the certification and submission of accounts for payment. Payments will be made on behalf of schools by the Section 151 Officer except for disbursements from petty cash imprests and payments by schools that operate local payments.
- 4.9.2 Payments should be made promptly in order to ensure compliance with the Late Payment of Commercial Debts Act and avoid interest claims. Each Headteacher must ensure that every invoice received is examined, compared to the order, verified and certified. Within the payment process, it is important that the duties of checking the detail of invoices are properly recorded and separated from that of certifying the invoice. Particular care must be taken over payments covered by the Construction Industry Scheme (See paragraphs 4.17.1 to 4.17.3). The details must be evidenced and recorded on the invoice as set out in 9.3 below. (See paragraph 4.7.10 for separation of duties between authorising orders and certifying invoices)
- 4.9.3 Before an invoice is certified, the certifying officer must be satisfied that a member of staff has initialled the invoice to show that:
  - a) that the goods/services have been received, examined and approved as to quality and quantity, or that services rendered or work done have been performed satisfactorily;
  - b) that they conform to the order;

- c) that the price is in accordance with the quotation, contract or current market rate, whichever is applicable or is otherwise reasonable;
- d) that the arithmetic accuracy of the invoice is correct and that all trade and cash discounts, other proper allowances and other credits due have been deducted;
- e) that the expenditure has been properly incurred has been duly authorised and is within available budgeted resources;
- f) that the cost allocations are correct;
- g) that the invoice has not previously been passed for payment and is a proper liability of the Council;
- h) that where items of moveable property are purchased costing more than £100, an entry has been made in the appropriate Inventory;
- i) that where the purchase is over £10,000 for a single item, an appropriate entry has been made in the Asset Register;
- j) that appropriate entries have been made in any goods received and/or stores records which are required to be kept.

The use of a grid stamp is often convenient to record this detail.

- 4.9.4 Schools should be aware that periodically attempts are made to defraud organisations by persons who despatch unsolicited invoices. Additionally employees in Schools may be subjected to pressure selling methods. Headteachers should ensure that invoices are not processed for payment unless the goods or services were properly ordered and supplied. It is an offence under the Unsolicited Goods and Services Act 1971 to demand payment for unsolicited goods that have been delivered. Trading Standards and/or Internal Audit can advise on the action to be taken in such cases.
- 4.9.5 All invoices shall be processed promptly and uploaded to the payments team to enable the Council to meet the BVPI on late payment of invoices.

#### **Direct Debits for Local Payment Schools Only**

- 4.9.6 Schools are permitted to enter into direct debit agreements to pay recurring charges such as those for mobile telephones. The charges must be set up against the school's IMPREST bank account or school's bank account for those who operate local payments. Schools should liaise with the LA to arrange an appropriate imprest level to meet these commitments.
- 4.9.7 Direct Debit authorisations must only be signed by a member of staff who is authorised to certify invoices for payment. If the proposed payment is a leasing agreement, the Section 151 Officer must be advised.
- 4.9.8 Once the agreement is established, the actual payments must be monitored for accuracy and processed with the next petty cash claim for imprest accounts, or entered in the bank account for schools that operate local payments. Care must be taken to ensure that VAT is properly recorded and supported by a tax invoice.

#### **Taxes Management Act**

- 4.9.9 If schools are not using the central payments system, arrangements must be put in place to supply to the Inland Revenue annually the name, address and creditors reference code of every creditor together with details of the gross amount paid to the creditor and a description of the service received.

## 4.10 Salaries & Wages / Payroll

### General

- 4.10.1 The Headteacher is responsible for the integrity of payroll arrangements ensuring compliance with the current version of the Council's Pay Policies. All payments to employees, including casual employees, must be processed in such a manner so as to ensure that they are subject to the correct treatment for income tax and national insurance deductions unless the school has notification, in writing from the tax office responsible for the school as an employer, that:
- a) payment can be made without deduction of income tax and national insurance;
  - b) payment can be made without deduction of tax but with national insurance deducted.
- 4.10.2 If the school is making its own arrangements for payroll processing, the Headteacher must ensure that it is registered as an employer with the Inland Revenue and complies in all respects with the Inland Revenue's requirements.

### Staff Appointment and Changes

- 4.10.3 The Governing body should consider the extent to which authority for approving appointments and changes to remuneration for all members of staff is delegated (see paragraph 2.1). However, it is a basic principle that a member of staff must not be able to approve a change to their own conditions and remuneration.
- 4.10.4 Headteachers must ensure that appointments of new staff are only made after the checks required by the Council's Human Resources Department have been made. A checklist should be held on personnel files as evidence that these checks have been carried out and should be supported by certified copies of identity, right to work and, in the case of non-teaching staff, qualifications pertinent to the appointment.

### Payroll Administration

- 4.10.5 Authority for advising the payroll provider, or school staff responsible for payroll processing, of changes to information about remuneration should normally rest with the Headteacher. This authority can be delegated to other senior members of staff with the approval of the Governing Body. A member of staff must not be able to advise the payroll provider of changes to their own conditions and remuneration. Any amendment affecting the Headteacher should be countersigned by the Chair of Governors.
- 4.10.6 The Headteacher can approve an appropriate level of delegation for communication of changes to information to the payroll provider, or school staff responsible for payroll processing, which do not affect gross pay or conditions e.g. tax code changes.
- 4.10.7 Communication of information to the payroll provider, or school staff responsible for payroll processing, must be in a controlled manner by the use of pre-numbered stationery, requiring an authorised signature, or automated processes which are password protected for authorisation and despatch. Additions to normal pay, e.g. overtime, must be supported by written claims submitted and signed by the employee giving details of the date, times and hours worked and certified by an authorised member of staff. Whenever possible overtime working should be authorised in advance.
- 4.10.8 The school must ensure that it, or the payroll provider, retains records for the following length of time:
- a) gross pay and superannuation deductions - ten financial years;
  - b) income tax and national insurance - six financial years.

- 4.10.9 Schools should check at least termly that employees receiving payment are properly employed and that their gross pay agrees with their contracts of employment.

Where appropriate Torbay Council's Executive Head of Human Resources shall be provided with information, in an agreed format, to maintain and control records relating to:

- a) Service
- b) Superannuation
- c) PAYE
- d) National Insurance
- e) Statutory Sick Pay
- f) Statutory Maternity Pay
- g) Trade Union Deductions
- h) Inland Revenue requirements related to P11D forms
- i) Any other regular additions or deductions relating to pay

Appointment of all employees shall be made in accordance with the establishment and/or rates of remuneration approved by the Torbay Council. The Head of Human Resources shall be consulted in connection with any proposal to seek approval to any appointment outside the approved rates of remuneration.

#### 4.11 **Banking**

- 4.11.1 Schools have the choice of managing their own local payments account or making use of the Council's banking arrangements. In this latter case the school will also operate an Imprest bank account for small value transactions (see Para 4.15). All bank accounts must be opened and closed, and signatories amended by the Section 151 Officer.

##### **Schools which operate Local Payments.**

##### **Choice of Bank**

- 4.11.2 Schools that opt for local payments must only make their banking arrangements with a banking institution approved by the Council. The name of the account must include the name of the Council. The selection of the bank and the banking arrangements must then be approved by the Governing Body. Schools will be required to notify their chosen bank in writing that Torbay Council has an interest in the banking arrangements and the Section 151 Officer has been given a letter signed by two cheque signatories allowing access to the records.

- 4.11.3 The approved banking institutions will be reviewed from time to time.

##### **Signatories**

- 4.11.4 It is recommended that there should be at least three school signatories in primary and special schools and four in secondary schools. These are to include the Headteacher and other senior staff, e.g. Deputy Headteacher and Bursar, as approved by the Governing Body. With the approval of the full Governing Body individual Governors may, where appropriate, be authorised signatories. The circumstances under which a Governor becomes an authorised signatory should be recorded and on a recurring basis it should usually be for the purposes of authorising travel and expenses payments for the Headteacher, or on an exceptional basis for entering into significant financial contractual commitments. The mandate must specify that cheque and any other documents authorising payment must be signed by two signatories.

##### **Being Overdrawn**

- 4.11.5 In no circumstances must a school account be overdrawn or the school enter into an overdraft arrangement or borrow funds without the written permission of the Secretary of State (Section



1.15 of the Scheme). If a school is experiencing cash flow difficulties, it must seek immediate advice from the LA.

### **Automated Payments**

- 4.11.6 If payments are to be made by BACS transfer, the school must ensure that the details of the receiving bank account are correct and that there are controls in place to guarantee the accuracy and authenticity of transactions.

### **Other Payments**

- 4.11.7 Schools cannot make private payments relating to unofficial funds through their bank account or make advance payments to contractors or suppliers.

### **Bank Charges**

- 4.11.8 Schools will be responsible for any bank charges arising from their transactions.

### **VAT Repayments**

- 4.11.9 VAT repayments will be made to schools that operate local payments one month in arrears.

### **Investments**

- 4.11.10 Schools operating local payments can only make investments with named institutions and must carry no risk to the capital sum. Arrangements must not be made through intermediaries.

## **4.12 Income**

### **Form of Records**

- 4.12.1 The form of all records relating to income maintained by each school shall be agreed with the Internal Audit Section. All official receipt books, tickets and any other form acknowledging receipt of income will be ordered, controlled and issued by the Financial Services Section. Receipts for all money received on behalf of the Torbay Council must be on the official form properly recorded and acknowledged.
- 4.12.2 All invoices raised must be in the joint name of the school and Torbay Council. They should be raised as soon as possible after the goods or services were provided. Schools which issue their own invoices must take particular care to ensure that, when a charge is subject to VAT, a proper tax invoice is issued indicating the Council's VAT registration number, date of supply, the date of the invoice (tax point), the charge excluding VAT, the rate of VAT and the VAT charged and a total charge inclusive of VAT.

### **Security**

- 4.12.3 All monies received (including cash equivalents such as vouchers, cheque books etc.) must be held securely, normally in a safe or locked receptacle. Employees must ensure that keys entrusted to their custody are held at all times under their personal control. Nominated substitute key holders should be available in the absence of the principal holder.
- 4.12.4 Whenever cash is transferred from one employee to another, the employee handing over the cash must receive a signed acknowledgement, from the person receiving it, indicating the date and the amount received. These acknowledgements must be retained in accordance with the guidance on retention of documents.

## **Banking**

- 4.12.5 Income shall be promptly receipted and banked in full, in compliance with the Accounts and Audit regulations in force at the time. Such banking shall be made daily or in any case where cash and cheques exceed the insurance level of the respective safe or facility used for holding the income weekly. Payment in must be direct to the Council's bank account. Where the school manages its own cash, payment in must be direct to the school's bank account except for monies collected on behalf of the LA e.g. school meals income, which must be paid in to the Council's bank account. All banking must be intact to include all monies received in the banking period.
- 4.12.6 All cash surpluses shall be paid in and reported to the Headteacher.
- 4.12.7 Personal cheques must not be cashed out of income. Income must not be used to make disbursements or refunds. These should be paid from the imprest or creditors system. Third party cheques should not be accepted.
- 4.12.8 Employees preparing banking documentation must enter on the paying-in slip, and on the counterfoil or duplicate paying-in slip, the total cash analysed by denomination and the total of the cheques. Cheques should be listed showing the amount and some reference to the drawer, debtor or receipt issued which will connect the payment to the debt being discharged.
- 4.12.9 When transporting cash for banking, particular regard must be given to the safety of employees.

## **Sale / Disposal of Surplus Assets**

- 4.12.10 Surplus portable assets financed from funding delegated to the school can be disposed of following written authorisation by the Headteacher that such items are no longer required. Items may be sold and the income retained by the school. Individual items expected to realise income of up to £100 can be sold following advertisement to parents or employees on notice boards. Individual items expected to realise income between £100 and £10,000 should be offered for sale, with priority given to other schools or sections within the Council. Bids should be required in sealed envelopes. Disposal of individual items expected to realise in excess of £10,000 should be approved by the Chair of Governors or other nominated Governor, and should follow the procedures in section 7.24.
- 4.12.11 Surplus portable assets with no second hand value can be disposed of or recycled as appropriate. The school's inventory must be updated as appropriate.
- 4.12.12 Surplus assets funded from non-delegated LA funds should be offered to the LA for relocation. If these items are sold the income must be refunded to the LA. Schools must seek advice on any proposal to sell an asset which was financed from the former Standards Fund Grant.

## **Recovery of Unpaid Debts**

- 4.12.13 Ideally schools should attempt to ensure that income is received in advance. However, as this is not always possible, the Governing Body should agree a policy for debt collection. This should require that
- a) persons who do not pay receive a follow up demand within twenty-one days of the issue of the invoice and a further follow up after a further ten days
  - b) if the service is of a continuing nature, it is withdrawn until payment is received
  - c) If payment is still not forthcoming, the school should consider legal action or the use of a debt collection agency, depending on the sum and cost involved.

## **Write Offs**

- 4.12.14 All unpaid debts more than one year old must be written back to the school's budget if the amount has been accrued. However, attempts to collect should continue.
- 4.12.15 Governing Bodies or a subcommittee of the Governors are authorised to write off individual amounts owed to the school up to £1,000 following consideration of a report from the Headteacher. The decision must be minuted. The LA must be advised of the individual amounts and the LA debtors system invoice number if relevant. A summary of sums written off should be provided to the LA on an annual basis. Governing Bodies are not permitted to write off income relating to the LA e.g. non-delegated school meals income. Amounts above £1,000 can only be written off by the Section 151 Officer.

## **Charging and remission of fees for school activities**

- 4.12.16 Governing Bodies should ensure that a policy regarding the charging and remission of fees for school activities is adopted.

### **4.13 Insurances**

- 4.13.1 Except where the responsibility for the insurance of the buildings lies with the Governing Body, Torbay Council centrally provides insurance cover for the risks set out in the Insurance Schedule provided by the Council, either by way of external insurance or an internal insurance fund. Head teachers should inform the LA of:

- a) all new risks requiring to be insured;
- b) any alterations affecting existing policies;
- c) any event likely to add to a claim.

- 4.13.2 Where schools have opted for delegation of the insurance budget or have arranged additional cover, policies must be in the joint name of the Council and the school. Headteachers must provide the LA with documentary evidence of the initial cover arranged, renewals and amendments so that compliance with the minimum cover required by the LA can be monitored.

- 4.13.3 Schools should ensure that organisations hiring the premises hold adequate and current Public Liability Insurance.

### **4.14 Petty Cash Imprest Accounts**

- 4.14.1 All schools which do not operate local payments will be offered the use of a petty cash Imprest account. The Imprest will be held in a bank account. Schools must not overdraw their bank accounts, overdrawing will result in bank charges and interest which will be chargeable to the school's budget.

- 4.14.2 The value of the Imprest and any subsequent amendments will be agreed with the LA, who will arrange for adjustments to be processed. Income received must not be paid into an Imprest bank account or used to make disbursements but must be banked in accordance with section 12.5.

- 4.14.3 Imprest accounts may be used for minor items of expenditure when the use of the creditors' payments system is not appropriate. The maximum amount payable for one transaction is £200. This limit has been established to give schools some flexibility but in general it is expected that disbursements will be for sums up to £30 in value. Governing Bodies may determine a different level of allowed disbursements providing this is documented in the agreed Finance Policy of the school. Imprest accounts must not be used to make payments subject to the Construction Industry Taxation Scheme (see section 17.4).

- 4.14.4 Personal cheques must not be cashed in imprest accounts and money must not be borrowed from Imprests.

#### 4.14.5 Employees administering an Imprest must:

- a) obtain and retain vouchers to support each payment. This will include a VAT invoice where this tax is charged.
- b) hold all cash, cheque books and vouchers in a secure, locked place, preferably a safe.
- c) liaise with the LA concerning amendments to cheque signatories.
- d) advise the appropriate branch of the bank used, of those employees who are authorised to draw cash together with specimen signatures. Such notification should be on School letter headed paper, and signed by a cheque signatory.
- e) reconcile the account each time that a bank statement is received and a claim for reimbursement is made.
- f) claim reimbursement when the Imprest is approximately two thirds spent to avoid overdrawing.
- g) retain and file all documentation supporting reimbursement claims in accordance with the instructions on document retention included in the procedural guidance issued by the LA.

4.14.6 The Headteacher must periodically check that the imprest is being properly reconciled by re-performing the reconciliation. This responsibility can be delegated to a nominated senior employee who has no involvement in the administration of the Imprest.

4.14.7 At the 31st of March annually the school must submit a reconciliation of the Imprest, certified by the Headteacher, to the LA.

#### 4.15 **Travel and Subsistence**

4.15.1 The Governing Body should establish levels of approved expenditure for travelling and subsistence. In doing this, it may wish to consider rates approved by the LA.

4.15.2 All claims for travelling and subsistence must be made in writing identifying the reason for the claim and the amount claimed. The claim must be signed by the employee and certified by a senior member of staff. Individuals must not certify their own claim.

4.15.3 All payments for travelling must comply with the Inland Revenue's requirements on the expenses of commuting and declaration of taxable benefits. This makes it desirable that these payments are processed through the payroll.

4.15.4 The Governing Body may draw up a scheme for making expenses payments to members of the Governing Body. In doing this it may wish to consider rates approved by the LA.

#### 4.16 **Taxation**

4.16.1 Schools are affected by taxation in a number of ways from the retention of documents to having a responsibility to observe the requirements of the collecting agencies as contained in statutes, regulations and case law. Schools will need to be aware of the requirements in the following areas:

- Construction Industry Scheme
- Income Tax and National Insurance
- Taxes Management Act
- Value Added Tax

4.16.2 As a general principle, Schools must ensure that they account for tax on all relevant transactions and that, if there is some doubt about the taxable status of a transaction, advice must be sought.

There are particular requirements for retention of documents where tax is involved. These are covered by procedural and operational guidance issued by the LA.

### **Construction Industry Scheme**

- 4.16.3 The scheme requires payments to contractors by schools do not now fall within the scope of the new scheme. However, this is only the case when a contractor is commissioned by the school to do work at the school. If schools are managing a Council funded capital scheme at the school and paying the contractor directly, they must seek advice from the Payments Section to ensure compliance.

### **Income Tax and National Insurance**

- 4.16.4 All persons employed by Schools must have their earnings processed in such a manner that correct deductions are made for income tax and national insurance. Inevitably this means that the payments must be processed through the payroll so that accurate cumulative earnings and deductions are reported to the Inland Revenue at the end of the tax year. This arrangement must include all casual employees. Schools must not make payments of earning from imprest accounts or unofficial funds.
- 4.16.5 The Inland Revenue will hold the school liable to pay any tax not deducted. This can only be recovered from the employee if it relates to the then current tax year.
- 4.16.6 There is clear guidance available to establish whether the role is on an employed or self-employed basis. HMRC guidance is available at: <https://www.gov.uk/guidance/check-employment-status-for-tax>. Government legislation puts the onus on public sector bodies to decide if Tax and/or National Insurance contributions should be deducted on payments made to workers. Payment needs to be made through the payroll processes if the assessment determines that the role is employed. Contact HR Support for advise on the process to follow. Should the result of the assessment be undetermined or self-employed complete the supplier details form and email this together with the HMRC assessment to Payments before engaging the worker.
- 4.16.7 In addition to pay, individuals may receive allowances which can either be paid in cash or received in kind. Examples are mileage allowances and uniform issues. These may create a taxable benefit which has to be reported to the Inland Revenue. This report has to be made on a form P11D, or P9D for employees earning less than £8,500 per annum, with a copy being sent to the employee by the 6th of July following the relevant tax year. The employee uses the form to complete their self-assessment tax return.
- 4.16.8 It is important that the information on forms P11D and P9D is correct and complete as there are penalties which the Inland Revenue can impose on the employer for non-compliance and non submission. Therefore, Schools must ensure that any payment to employees is correctly treated for tax purposes and recorded for inclusion on forms P11D and P9D if necessary.
- 4.16.9 The Inland Revenue has agreed that a number of allowances paid by the LA do not create a taxable benefit and have granted dispensations so that the detail does not have to be reported on forms P11D and P9D. However, there are conditions attached to a number of these dispensations. Details of the dispensations will form part of the operational guidance issued by the LA.

### **Value Added Tax**

- 4.16.10 Schools are responsible for providing information to enable the LA to maintain proper VAT records and to ensure that returns are made to HM Revenue and Customs in accordance with the prescribed regulations. Further details about VAT are available in operational guidance issued by the LA. HM Revenue and Customs have powers to impose penalties and interest where bodies do not properly account for VAT.

- 4.16.11 Schools who decide to make their own accounting arrangements cannot be separately registered for VAT. This means that:
- a) information must be passed to the LA in compliance with the LA's accounting period end dates;
  - d) information must be submitted within one week of the period end date;
  - b) documentation must be in a form approved by the HM Revenue and Customs and retained for at least six years;
  - c) VAT claims must be supported by documents relevant to the period;
  - d) the school's accounting system and probably feeder systems, e.g. creditor payments, debtors and payroll, will require approval by HM Revenue and Customs.

### **Input Tax**

- 4.16.12 This relates to payments made. With the exception of off-street parking charges and reimbursement of telephone call costs, and VAT exempt supplies, VAT can only be reclaimed if the following conditions are satisfied:
- a) a full tax invoice is held that shows all the following details:-
    - a unique identifying number;
    - the name, address and VAT registration number of the supplier;
    - the name and address of the school;
    - the time of the supply – the tax point, often the same as the date of the issue of the invoice
    - a description sufficient to identify the goods or services supplied;
    - for each item the rate of VAT and the amount payable' excluding VAT, in any currency;
    - the unit price – if appropriate;
    - the gross amount payable, excluding, VAT, in any currency;
    - the rate of any cash discount offered;
    - the total amount of VAT chargeable expressed in sterling.
  - b) where the supplier is a retailer and the purchase does not exceed £250 a 'lesser detailed tax invoice' also known as a 'retailer's invoice' is acceptable. It must show the following details: -
    - the name, address and VAT registration number of the retailer;
    - the time of the supply – the tax point, often the same as the date of the issue of the invoice;
    - a description sufficient to identify the goods or services supplied;
    - the total amount payable including VAT; and
    - for each rate of VAT chargeable, the gross amount payable including VAT and the VAT rate applicable.
  - c) for construction industry payments, an authenticated receipt will be obtained, or;
  - d) for payment made in advance of a tax invoice being received, a tax receipt is obtained from the supplier to allow an adjustment to be made to the VAT claim;
  - e) the VAT is identified correctly in the payments system;
  - f) the processing of VAT invoices is not delayed.

### **Output Tax**

- 4.16.13 This relates to income received. Schools must ensure that:
- a) invoices issued are valid tax invoices in accordance with HM Revenue and Customs regulations (See section 12.2).
  - b) invoices are raised promptly.

c) income received is correctly analysed for VAT purposes.

#### **4.17 Information Technology / Data Protection**

- 4.17.1 The Governing Body is responsible for ensuring that the school is fully registered under the Data Protection Act.
- 4.17.2 The school should establish a Computer Security Policy and Internet and Email Code of Conduct
- 4.17.3 Headteachers must ensure that only authorised staff have access to computers. This access must be password protected. Passwords must be changed regularly and not disclosed.
- 4.17.4 Schools must only permit authorised software to be loaded to computers to prevent the importation of viruses. A record of all software loaded must be maintained.
- 4.17.5 Computer systems must be backed up on a regular basis so that data can be recovered in the event of a hazard affecting the equipment. The backups must be stored in a fireproof location, preferably off site. Regular tests should be undertaken to ensure that data can be recovered from the back up.
- 4.17.6 Schools should ensure that they comply with the advice issued by the LA concerning the rotation of discs in the back up process and the cleaning of heads.
- 4.17.7 Schools may dispose of surplus IT assets purchased from delegated funds but must ensure that all software and data is removed prior to disposal. Disposals shall be in accordance with section 12.10 of these regulations.

#### **4.18 Unofficial Funds**

- 4.18.1 Unofficial funds are those funds, which the school raises and spends through activities, which do not relate to the delegated funds received from the LA. In some instances the funds will be registered as Charities, because their general purposes have a direct long-term public benefit to current and future students and under such circumstances Trustees will be expected to comply with the financial requirements of the 2006 Charities Act. Unofficial funds in the context of this document refer to those single purpose and/or short life funds that :-
  - a) are not consolidated within an existing Charity Registered general fund
  - b) cannot be described as having a wider long term "public benefit" which would make them subject to Charity Registration.
  - c) are under the control of the Governing Body (as opposed, for example, to a Friends Group)
- 4.18.2 Schools are encouraged to apply similar standards to the control and custody of unofficial funds as they are required to apply to their delegated funds. Full guidance will be found in the LA's guidance document "Voluntary Unofficial Funds in Schools and Colleges" (updated Sept 09). In particular, schools should ensure that:
  - a) bank mandates require two signatures on cheques and instructions to transfer funds between bank accounts;
  - b) expenditure is relevant to the activities and purposes of the fund;
  - c) income is properly recorded and receipted;
  - d) bank statements are reconciled on receipt to the accounting records;
  - e) staff activities are self-financing;

4.18.3 Subject to annual income thresholds, these funds must be independently examined or audited each year by a person who has no responsibility for deciding how the funds are spent or for the financial administration of the school. An independent examiner's statement or audit certificate signed by the examiner/auditor and Headteacher must be submitted within 3 months of the preceding year end and presented to the Governing Body and the LA, accompanied by the Accounts. The accounts should also be made available for inspection by parents and staff.

#### 4.19 **Lettings**

A Lettings Policy should be agreed by the Governing Body detailing charges, delegation to staff to amend charges and use of hire forms.

#### 4.20 **Purchase Cards, Debit Cards or Cheque Guarantee Cards.**

Schools may enter into arrangements with providers of Debit Cards or Cheque Guarantee Cards.

A copy of a purchase application and accompanying notes on how to manage it are at the back of this document at Annex 6.

All applications for such cards should be made in the first instance to the Payments Team 01803 207261. The operation of such cards will be with the express approval of the LA and subject to the agreed protocol relating to the use of such cards given below:

##### **Debit / Purchase Card Protocol**

- a) This protocol must be complied with in all cases where such a card is requested.
- b) The protocol also applies where a debit card or purchase card is used.
- c) The Governing Body must approve any application for a corporate credit card including who should use the card and any credit limit. Such approval must be minuted and cannot be delegated to the Headteacher.
- d) Credit Card accounts must be in the name of the school and the Council.
- e) The Governing Body must consult with the LA and obtain approval for the opening of any credit card account.
- f) Credit cards should only be used by the Headteacher or nominated staff and must be kept securely in the safe at all times, and signed out if taken off site.
- g) It is not intended that in general cardholders will be able to use their cards for travel, accommodation, hospitality and subsistence but travel and accommodation can be booked with the card where appropriate for employees involved in School/Council business as long as the cardholder is not the recipient of the service (i.e. the booking is made by the school administrator on behalf of the staff making the trip).
- h) Any purchases made outside of the approved scheme would lay the cardholder open to tax liabilities and may be required to reimburse the Council for such expenditure.
- i) Credit cards must not be used for personal use or for withdrawing cash without the express approval of the LA.
- j) It is for the Governing Body to decide the maximum credit limit allowed on any credit card account, but an upper limit of £6,000 is reasonable.
- k) Statements must be received at the School and checked by a senior member of staff other than the staff member issued with the card. In the case of cards issued to the Headteacher, statements must be approved by the Chair of Finance or other nominated governor.



- l) Cardholders or the administrator must check that:-
- All items detailed on the card statement have been received
  - There are no incorrect entries
  - The entry amounts match the invoices
  - Each transaction is coded to the correct financial ledger code
  - Disputed items have been credited and a credit transaction voucher is requested so that the transaction log can be updated
  - That you have a valid VAT invoice, you cannot claim VAT until you have received this.
- m) Staff issued with credit cards must sign to accept this protocol and any breach of this code will be considered misconduct.

## **Section 5 – Torbay Council – Staff Contacts**

### **Finance Helpline**

**T: 01803 208935**  
**E: Financial.Services@torbay.gov.uk**

### **Rob Parr, Principal Accountant**

**T: 01803 208273**  
**E: Rob.Parr@torbay.gov.uk**

(For queries in connection with Section 2 of the Scheme - How the Formula Works and final allocations)

### **Devon Audit Partnership - Schools Team**

**T: 01392 382586**  
**E: edaudit@devon.gov.uk (LA Maintained Schools)**  
(For queries relating to general Financial Conditions and Financial Regulations)

**LIST OF MAINTAINED SCHOOLS TO WHICH SECTIONS 3 AND 4 APPLY  
AS AT 1 APRIL 2023**

**Primary Schools**

<b><u>DfE No</u></b>	<b><u>Status</u></b>	
2455	C	HOMELANDS PRIMARY
2469	C	SHERWELL VALLEY PRIMARY
2460	C	WATCOMBE PRIMARY
2439	F	WHITE ROCK PRIMARY

**Secondary Schools**

<b><u>DfE No</u></b>	<b><u>Status</u></b>	
4601	VA	ST CUTHBERT MAYNE JC & C OF E SCHOOL
4117	F	THE SPIRES COLLEGE

**Special Schools**

<b><u>DfE No</u></b>	<b><u>Status</u></b>	
7042	C	MAYFIELD SCHOOL

C = Community; F = Foundation; V =Voluntary Aided; VC = Voluntary Controlled

### LIST OF ACADEMIES AS AT 1 APRIL 2023 (for information only)

#### **Primary Academies**

ALL SAINTS BABBACOMBE C OF E PRIMARY  
BARTON HILL ACADEMY  
BRIXHAM PRIMARY  
COCKINGTON PRIMARY  
COLLATON ST MARY C OF E PRIMARY  
CURLIDGE STREET ACADEMY  
EDEN PARK PRIMARY ACADEMY  
ELLACOMBE ACADEMY  
FURZEHAM PRIMARY  
GALMPTON C OF E PRIMARY  
HAYES SCHOOL  
ILSHAM ACADEMY  
KINGS ASH ACADEMY  
OLDWAY PRIMARY  
OUR LADY OF THE ANGELS PRIMARY  
PRESTON PRIMARY  
PRIORY PRIMARY  
ROSELANDS PRIMARY  
SACRED HEART PRIMARY  
SHIPHAY LEARNING ACADEMY  
ST MARGARET CLITHEROW PRIMARY  
ST MARGARETS ACADEMY  
ST MARYCHURCH C OF E PRIMARY  
ST MICHAEL'S C OF E ACADEMY  
TORRE C OF E PRIMARY  
UPTON ST JAMES C OF E PRIMARY  
WARBERRY C OF E PRIMARY

#### **Secondary Academies**

BRIXHAM ACADEMY  
CHURSTON FERRERS ACADEMY  
PAIGNTON COMMUNITY & SPORTS ACADEMY  
TORQUAY ACADEMY  
TORQUAY BOYS' ACADEMY  
TORQUAY GRAMMAR SCHOOL FOR GIRLS

#### **Special Academies**

BURTON & BRUNEL  
COMBE PAFFORD ACADEMY

**Operational Protocol for Cross Border working regarding Admissions and Top-Up between Devon, Plymouth and Torbay**

**Principles:**

- Transparent
  - Fair
  - Reduction in administration
1. Any request for a Special School place will be made to the appropriate Local Authority's SEN Panel. Special Education Teams will not approach other LA schools direct.
  2. The cost of a Special School place to another LA will be the same as that paid to the school by its own LA. The 'band/level' will be allocated by the school's own LA SEN panel.
  3. If an enhanced level of funding is required this will be determined following a conversation between the two LAs as part of the consultation process.
  4. If a Special School is not full, another LA buying a place will pay the top-up rate determined by the school's LA.
  5. If a special school is full but could accommodate another pupil the internal policy for buying additional places used by the school's LA will be used to determine the cost of a place for another LA.
  6. Funding will be paid for the whole month if a child joins the school by the 15<sup>th</sup> of the month.
  7. Funding will start from the 1<sup>st</sup> of the next month if a child joins the school after 15<sup>th</sup> of the month.
  8. The same principle (6&7) will apply to ending funding.
  9. Inter LA funding will be paid on a termly basis.
  10. This year Post 16 charges to other LAs will reflect the place led cost as is currently the case. This will be reviewed as required.
  11. Mainstream charges will work in the same way as Special Schools. Cases will be taken to the LA SEN panel where top-up will be decided and the school's LA will then consult with the school.
  12. LAs using The Protocol will share information on their banding details and place costs.
  13. There will be an annual meeting of all the LAs using The Protocol to monitor effectiveness and make changes as required.

**PROTOCOL FOR COMMISSIONING PLACES IN SPECIAL SCHOOLS/  
ENHANCED PROVISIONS**

The agreement for placing pupils in both special schools and enhanced provisions is described below;

The review of commissioned places in Torbay Special Schools is undertaken annually.

1. Places in special schools & EP's will be monitored via the monthly returns made by schools on the 15<sup>th</sup> of each month.
2. The annual review of places commissioned in schools will take place in September to inform budget setting in December.
3. The commissioning meeting will review the pattern of schools' NOR over the past two years, waiting lists, referral lists, likely levels of transfer / starting school information and information from other agencies.
4. The commissioning meeting will review pupil allocations to designated SEN categories for school funding.
5. If a school has more than 5% vacancy rates over the past financial year, and there is no clear evidence from the discussion and information outlined at point 3, then the commissioned places for the next financial year will be reduced by 5%.
6. If a school has more than 10% vacancy rates over the financial year then, unless there is clear evidence arising from the discussion outlined at point 3, the places commissioned in the following financial year will be reduced by 7.5%.
7. If a school is required to admit more pupils than places commissioned in a financial year, then the school will receive the additional place funding and individual pupil top up pro rata from when the pupil attended the school. If a pupil starts at a school after the 16<sup>th</sup> of the month they will be funded from the start of the following month.
8. Higher than commissioned numbers will form part of the annual discussion to inform the following year commissioned numbers.

## SCHOOLS FINANCIAL VALUE STANDARD (SFVS) – CHECKLIST

		Answer	Comments, evidence and proposed actions
<b>A. Governance</b>			
1	In the view of the governing body and senior staff, does the governing body have adequate and up-to-date financial skills among its members to fulfil its role of challenge and support in the field of budget management and value for money? Is there a plan in place to address any gaps?	<a href="#">Q1 guidance</a>	Choose an item.
2	Does the governing body have a finance committee, or equivalent, with clear terms of reference and a knowledgeable and experienced chair?	<a href="#">Q2 guidance</a>	Choose an item.
3	Does the governing body receive clear and concise monitoring reports of the school's budget position at least 6 times a year?	<a href="#">Q3 guidance</a>	Choose an item.
4	Are business interests of governing body members and staff properly registered and taken into account so as to avoid conflicts of interest?	<a href="#">Q4 guidance</a>	Choose an item.
5	Does the school have access to an adequate level of financial expertise, including when specialist finance staff are absent, for example, on sick leave?	<a href="#">Q5 guidance</a>	Choose an item.
<b>B. School Strategy</b>			
6	Does the school have a realistic, sustainable and flexible financial strategy in place for at least 3 years, based on realistic assumptions about future funding, pupil numbers and pressures?	<a href="#">Q6 guidance</a>	Choose an item.
7	Is the financial strategy integrated with the school's strategy for raising standards and attainment, through integrated curriculum and financial planning?	<a href="#">Q7 guidance</a>	Choose an item.
8	Does the school have an appropriate business continuity or disaster recovery plan, including an up-to-date asset register and adequate insurance?	<a href="#">Q8 guidance</a>	Choose an item.
<b>C. Setting the annual budget</b>			
9	Does the school set a well-informed and balanced 3-year budget and has this been submitted to the local authority?	<a href="#">Q9 guidance</a>	Choose an item.

10	Does the budget setting process allow sufficient time for the governing body to scrutinise and challenge the information provided?	<a href="#">Q10 guidance</a>	Choose an item.	
11	Is the school realistic in its pupil number projections and can it move quickly to recast the budget if the projections and the reality are materially different?	<a href="#">Q11 guidance</a>	Choose an item.	
12	Is end year outturn in line with budget projections, or if not, is the governing body alerted to significant variations in a timely manner, and do they result from explicitly planned changes or from genuinely unforeseeable circumstances?	<a href="#">Q12 guidance</a>	Choose an item.	
13	Are balances at a reasonable level and does the school have a clear plan for using the money it plans to hold in balance at the end of each year?	<a href="#">Q13 guidance</a>	Choose an item.	
<b>D. Staffing</b>				
14	Does the school review its staffing structure regularly to ensure it is the best structure to meet the needs of the school whilst maintaining financial integrity?	<a href="#">Q14 guidance</a>	Choose an item.	
15	Has the use of professional independent advice informed part of the pay decision process in relation to the head teacher and is it tightly correlated to strong educational outcomes and sound financial management?	<a href="#">Q15 guidance</a>	Choose an item.	
16	Has the school published on its website the number of employees (if any) whose gross salary exceeded £100k?	<a href="#">Q16 guidance</a>	Choose an item.	
17	Does the school benchmark the size of its senior leadership team annually against that of similar schools?	<a href="#">Q17 guidance</a>	Choose an item.	
<b>E. Value for money</b>				
18	Does the school benchmark its income and expenditure and investigate further where any category appears to be out of line?	<a href="#">Q18 guidance</a>	Choose an item.	
19	Has the school leadership team considered the results of the self-assessment dashboard or other DfE benchmarking tools?	<a href="#">Q19 guidance</a>	Choose an item.	
20	Does the school have procedures for purchasing goods and services that both meet legal requirements and secure value for money?	<a href="#">Q20 guidance</a>	Choose an item.	
21	Is the governing body given the opportunity to challenge the school's plans for replacing contracts for goods and services that are due	<a href="#">Q21 guidance</a>	Choose an item.	



	to expire shortly?				
22	Does the school consider collaboration with others, for example, on sharing staff or joint purchasing, where that would improve value for money?	<a href="#">Q22 guidance</a>	Choose an item.		
23	Do you compare your non-staff expenditure against the DfE recommended national approved frameworks to ensure you are achieving best value?	<a href="#">Q23 guidance</a>	Choose an item.		
24	Does the school maintain its premises and other assets to an adequate standard and make best use of capital monies for this purpose?	<a href="#">Q24 guidance</a>	Choose an item.		
<b>F. Protecting public money</b>					
25	Is the governing body sure that there are no outstanding matters from audit reports or from previous consideration of weaknesses by the governing body?	<a href="#">Q25 guidance</a>	Choose an item.		
26	Are there adequate arrangements in place to manage related party transactions and has a complete list of related party transactions been appended to the checklist document (see template for recording related party transactions)?	<a href="#">Q26 guidance</a>	Choose an item.		
27	Are there adequate arrangements in place to guard against fraud and theft by staff, contractors and suppliers?	<a href="#">Q27 guidance</a>	Choose an item.		
28	Are all staff aware of the school's whistleblowing arrangements and to whom they should report concerns?	<a href="#">Q28 guidance</a>	Choose an item.		
29	Does the school have an accounting system that is adequate and properly run and delivers accurate reports, including the consistent financial reporting return?	<a href="#">Q29 guidance</a>	Choose an item.		
30	Does the school have adequate arrangements for audit of voluntary funds?	<a href="#">Q30 guidance</a>	Choose an item.		

The Schools financial value standard (SFVS) documents:

<https://www.gov.uk/government/publications/schools-financial-value-standard-sfvs>

## BUILDINGS: CATEGORISATION OF CAPITAL AND REVENUE CRITERIA

### ILLUSTRATIVE EXAMPLE (NOT DEFINITIVE):

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

		roof
	Insulation. Replacement /repair of substantially all. Improve insulation to current standards	
	Roof finish in a new building/extension, replacement of all/substantially all on existing roof	Replace missing/ damaged
	Bargeboards/ Fascias in a new building/extension, replacement of all/substantially all on existing roof	Repairs/ replacement/ Repainting
	Drainage in a new building/extension	Clearing out gutters and downpipes. Replacement/repairs of individual pipes/gutters
	Drainage. Replacement of all/substantially all on existing roof	
	Other e.g. Flashings, Roof windows in a new building/extension, replacement of all/substantially all on existing roof	Repair/ Replacement Cleaning
<b>Other</b>	Provide new covered link etc. between existing buildings	Minor repairs, maintenance to existing covered link
	Rebuild or substantially repair structure of existing covered link	
	Add porch etc. to existing building	Minor repairs, maintenance to existing
	Rebuild or substantially repair structure of existing porch	
<b><u>Floors</u></b>		
<b>Ground Floor</b>	Structure and dpc in new building	Repair/replacement of small parts of an existing structure
	Structure and dpc - Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure	
	Screed and finish in new build, replacement of all/substantially all on existing floor - e.g. replacement of most carpets/ tiles in a room	Replacement and repair of screed and finishes/ Replacement of mats/ matwells. Maintenance e.g. revarnishing wooden floors.
<b>Upper Floor</b>	Structure - as ground floor	As ground floor
	Screed and Finish - as ground floor	Repairs of finishes/ Replacement - as ground floor
<b><u>Ceilings</u></b>		

<b>Top/ only storey</b>	Suspension	Repair/ replacement incl. From water damage, & necessary decoration
	Membrane	
	Fixed	Repair/ replacement inc. from water damage
<b>Lower storeys</b>	Access panels	Repair/ replacement
	Suspension	Repair/ replacement
	Membrane	
<b>All</b>	Fixed	Repair/ replacement
	Specialist removal/ replacement of damaged/ disturbed Asbestos based materials, planned or emergency	Inspection/ air testing Applying sealant coats to asbestos surfaces for protection
<b><u>External walls</u></b>		
<b>Masonry/ cladding</b>	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 build where needed to prevent imminent or correct actual major failure of the structure. e.g. repointing/recladding work affecting most of a building /replacement build	
<b>Windows and Doors</b>	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 Improved 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.
<b>Masonry chimneys</b>	Structure	
	Jointing including expansion and mortar joints/ pointing/ DPC	Repair/ re-pointing
<b><u>Internal walls</u></b>		
<b>Solid</b>	Complete including various internal finishes, linings and decorations	Repairs and redecoration to internal plaster/ linings tiles, pin boards etc.
	Refurbishment and alterations	Minor alterations
<b>Partitions</b>	Complete structure including linings, framing, glazing, decoration etc.	Repairs and redecoration.
	Refurbishment and alterations	Minor alterations
<b>Doors &amp; Screens</b>	Framing/ Screens/ Doors to new buildings including glazing, ironmongery, jointing and internal decorations	Internal maintenance and redecoration. Repair/ replacement of defective doors and screens
<b>All</b>	Glazing to meet statutory Health & Safety requirements	Replacement of broken glass
<b><u>Sanitary Services</u></b>		
<b>Lavatories</b>	In new buildings provision of all toilet fittings, waste plumbing and internal drainage.	Repair/ replacement of damaged sanitary ware, fittings, waste plumbing etc.
	Large scale toilet refurbishment	Small areas of refurbishment
	Provision of disabled facilities, and specialist facilities related to pupils with statements	Repair/ replacement of damaged fittings, waste plumbing etc.
<b>Kitchens</b>	Kitchens in new buildings complete with fittings, equipment, waste plumbing and internal drainage. Internal finishes and decorations.	Maintain kitchen to requirements of LA Cleaning out drainage systems
	General refurbishment	Redecoration Repairs
	Large and costly items of equipment	Repairs/ replacement parts
<b><u>Mechanical services</u></b>		
<b>Heating/ hot</b>	Complete heating and hot water	General maintenance of all boiler

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

etc.,

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

Repair/ replacement/ maintenance, including all door access systems

### **External Works**

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

APPENDIX 6			Plan Writer		Moderator	
<b>SPECIAL EDUCATIONAL NEEDS ACTIVITY LED FUNDING MODEL FOR ELEMENT 3 / HIGHER NEEDS (FINAL)</b>			Date Written:		Moderator date:	GH , SD, MW, KL 26/02/21
<b>TORBAY COUNCIL</b>			Total Points	←enter name	Total Points	←enter name
<b>ALF CALCULATION:</b>			£0.00		£0.00	
<b>Element 2 (subtracted from ALF Calculation)</b>			£0.00		£0.00	
<b>Element 3:</b>			£0.00		£0.00	
<b>Meal Time Allowance to be included? - if yes please enter "Y" in D6 →</b>			n	£0.00		£0.00
<b>Total Top Up Requested:</b>			<b>£0.00</b>		<b>£0.00</b>	
Ref	Provision to be made by schools as identified in the child's statement of SEN	Notes on allocated points	Funding Units	Allocated Units	Funding Units	Allocated Units
<b>COGNITION AND LEARNING</b>						
1	Access to a broad, balanced and differentiated curriculum, including (b) the Foundation Stage curriculum leading to (c) the National Curriculum (d) an alternative Key Stage 4 curriculum (e) a suitable 14 -19 years curriculum (f) delivered (g) through a developmental approach (h) at an appropriate pace and depth where teaching styles and strategies, learning tasks and materials are modified according to the level of need		0 - 30		0 - 30	
2	Approaches and strategies which take account of #'s preferred pace and style of learning, areas of strength and interests and which enable HIM'HER to make progress, achieve and participate by developing skills, confidence and self-esteem		0 -5		0 -5	
3	Consideration of how the curriculum will be differentiated both in content and delivery to take account of #'s (b) learning difficulties (c) communication difficulties (d) the rate at which HE'SHE can learn (e) how # records HIS'HER work (f) the procedures relating to the end of Key Stage tests and external examinations		0 -5		0 -5	
4	Access to a wide range of experiences to promote early learning skills through (a) play based activities (b) sensory activities		0 -5		0 -5	
5	Personalised programmes to develop early learning skills including (eg concentration and task completion, learning from observation and imitation, establishing basic concepts of size, shape, colour, number, developing understanding of verbal concepts and classification)		0 -5		0 -5	



6	a) A daily personalised literacy programme b) daily support (c) to develop reading, comprehension, spelling and recording skills (d) using multi-sensory approaches (e) including support and strategies to (f) develop phonic skills (g) develop a basic sight vocabulary (h) improve reading accuracy and comprehension (i) including (j) with daily opportunities to read a range of materials to an adult (k) a precision teaching approach		0-10			0-10	
7	Support in managing areas of the curriculum where there is a high literacy demand particularly to help with (a) reading (b) understanding (c) recording (d) planning; this will be determined by the school and detailed in #'s Individual Education Plan		0-5			0-5	
8	A structured learning environment with clear routines and predictability		0-5			0-5	
9	Learning activities will be presented using a small steps approach, with frequent opportunities for practice and over-learning, in order to develop key skills and achieve success		0-5			0-5	
10	A daily personalised numeracy programme ( b) daily support (c) to improve mathematical concepts (d) using concrete apparatus ( <i>eg numicon, addacus</i> ) (e) visual resources ( <i>eg own number line, number square</i> ) (f) opportunities to apply knowledge and skills using money, time, weights and measures in a practical or 'real life' context		0-10			0-10	
11	Resources to develop independent writing skills ( <i>eg cloze, writing frames, word banks, alphabet strips, sentence starters/strips</i> )		0-2			0-2	
12	Structured approaches and regular opportunities to practice handwriting skills		0-2			0-2	
13	A structured training programme to develop keyboard skills to assist with independent recording with regular opportunities to practice and consolidate these skills		0-2			0-2	
14	Enhanced access to the school's resources of alternative methods of recording including information communication technology, use of diagrams, pictures, grids, audiotape and oral presentation		0-2			0-2	

15	Approaches and strategies to increase understanding and develop thinking skills (a) including problem solving skills (b) including: (c) extra time to process information (d) additional explanations (e) instructions/explanations presented in clear, concise language and repeated and rephrased as necessary (f) instructions broken down into small chunks (g) the use of visual cues (h) the use of apparatus eg planning board (i) opportunities to generalise knowledge and skills across the curriculum and in a range of contexts		0-5		0-5	
16	Activities to develop ***'s ability to:  (a) remember what HE'SHE hears (eg circle games, lists to remember, note taking) (b) remember what HE'SHE sees (eg mind mapping) (c) sequencing skills		0-4		0-4	
17	Strategies to increase (a) attention (b) concentration (eg pre-learning lesson vocabulary, breaking down tasks into small units, relating learning to known interests and aims, giving learning breaks, use of an individual work station		0-4		0-4	
18	Support to develop strategies to improve active listening and information recall (eg mind mapping, memory/speaking and listening games, use of question, note taking templates in class)		0-4		0-4	
19	A structured programme to develop (a) planning and organisation skills (b) independent work skills (eg visual timetables, pre-planning, additional time, planning templates, writing frames) (c) independent work skills		0-4		0-4	
20	Personalised approaches to improve HIS'HER ability to learn about topics not of HIS'HER choosing which provide a high level of positive reinforcement		0-4		0-4	
21	Teaching strategies which incorporate a visual approach (eg written instructions are used to support verbal instructions, visual timetables, photos, visual prompt sheets, use of timers, games, objects of reference		0-4		0-4	
22	Access to a learning environment where distractions are reduced as far as possible		0-2		0-2	
23	Activities incorporated into HIS'HER daily programme to help organise, calm and prepare HIM'HER for learning (eg physical activity to prepare for a period of sedentary work) (68)		0-2		0-2	

COMMUNICATION & INTERACTION							
24	<p>(a) A personalised learning programme ( b) daily support ( c) to improve communication skills which will include the development of:</p> <p>(d) the understanding of spoken language            (e) the use of spoken language in a range of contexts for a variety of audiences            (f) vocabulary            (g) social language skills            (h) listening skills            (i) speaking skills (specify whether intelligibility, clarity of speech, phonology, speech sound system)            (j) non-verbal communication n skills            (k) ***'s ability to understand body language, personal space and turn taking</p>		0-10			0-10	
25	<p>This programme will be provided by the Speech &amp; Language Therapist and delivered by the school as follows:</p> <p>(a) through approaches across the day, using strategies and activities as advised by the Speech &amp; Language Therapist, which should be incorporated into teaching activities and social activities inside and outside the classroom            (b) on an individual/small group basis with a teaching assistant on a frequency recommended by the Speech &amp; Language Therapist (specify according to S &amp; L advice)            (c) using visual cues including pictures/photographs and symbols to support HIS'HER understanding            (d) using strategies and approaches which recognise HIS'HER difficulties with literal language            (e) with opportunities to pre-learn new vocabulary            (f) through the use of an alternative communication system (eg PECS)            (g) through a total communication approach            (h) and will be monitored and reviewed by the Therapist at least (specify according to S &amp; L advice)            (i) Staff will need training in (specify according to S &amp; L advice)</p>		0-10			0-10	
26	Support to access appropriately differentiated whole class activities in order to develop language skills		0-4			0-4	
27	Instructions and explanations to be broken down and presented in clear, simple language with visual cues and modelling to aid understanding, with re-phrasing and repetition of instructions as necessary		0-4			0-4	

28	Programmes and support to develop: (a) signing (b) lip reading skills (c) vocabulary (specify according to professionals) eg word finding, teaching new vocabulary (d) other eg British Sign Language ,Makaton , Braille (specify according to S & L advice)		0-10		0-10	
<b>BEHAVIOUR, EMOTIONAL &amp; SOCIAL DEVELOPMENT</b>						
29	Encouragement and guidance to develop appropriate behaviour by providing: (a) a learning environment where explicit boundaries and expectations for appropriate behaviour are clearly communicated and consistently applied by all staff (b) a personalised system of rewards and sanctions which includes praise and positive reinforcement of appropriate Behaviour (c) appropriate interventions to support positive behaviour out of the classroom particularly in (specify according to need e.g. lunchtimes, breaks etc)		0-10		0-10	
30	A personalised programme to develop emotional wellbeing which will provide: (a) a minimum of weekly a) small group b) individual activities focusing on managing anger, emotions and social skills (b) daily support, if necessary, to enable HIM'HER to make appropriate choices about HIS'HER behaviour and develop a sense of responsibility for HIS'HER actions (e.g by discussing situations which went well or were not as successful ) (c) a minimum of weekly (d) small group work e) individual activities to enable HIM'HER to be able to recognise and respond to others' emotions and to be able to express HIS'HER emotions in acceptable way (eg using SEAL, THRIVE materials) (d) support to develop skills to resolve conflict appropriately and avoid confrontation (e) mentoring by school staff who will also liaise with staff and parents (f) a tailored timetable (as appropriate)		0-10		0-10	
31	Strategies and support to develop the ability to adapt to the routines and expectations of the school. This will include complying with reasonable instructions from adults, completing appropriate tasks and working co-operatively with others		0-5		0-5	
32	Specific interventions to develop social skills including (a) at least weekly access to individual/paired or small group activities (such as circle of friends and social stories) to improve listening, turn-taking and sharing skills (b) buddy systems (c) at least weekly play-based practical activities to encourage interaction and the building of friendships (For KS1 only) (d) the development of (e) social understanding (f) co-operative play skills (g) co-operative work skills		0-5		0-5	

33	Daily opportunities, if necessary, for small group and individual activities to develop social skills (a) including understanding of social cues/situations and empathy (eg using approaches such as modelling, social stories, role play, rehearsal techniques and explicit teaching of rules or specify)		0-5		0-5	
34	Support and guidance to develop imaginative and interactive play skills (eg role play, use of symbolic objects)		0-4		0-4	
35	Access to pastoral support, when necessary, to help HIM'HER to respond appropriately in a variety of social situations (81)		0-4		0-4	
36	Opportunities to meet with a named adult on a regular basis to form a positive relationship and deal with issues and concerns as they arise		0-2		0-2	
37	Strategies to support the development of HIS'HER personal organisation skills (eg reminders, visual checklist specify as appropriate)		0-2		0-2	
38	Appropriate support to provide (a) clear routines (b) the use of visual prompts to support instructions (c) preparation in advance for changes of activity and transitions (84)		0-4		0-4	
39	Support to develop strategies to reduce anxiety levels including (a) regular opportunities to talk to a named adult about any problems (b) access to an agreed safe space (c) improving HIS/HER ability to cope with change		0-4		0-4	
40	The setting of achievable targets, high levels of encouragement and praise which highlights personal and curriculum strengths		0-4		0-4	
41	Strategies to reduce repetitive and obsessive behaviours		0-2		0-2	
42	Monitoring of attendance and appropriate action taken in conjunction with relevant professionals and parents		0-2		0-2	

43	Strategies to develop self-care skills devised in consultation with the home to ensure a consistent approach		0-2		0-2	
44	Structured opportunities to improve (a) life skills (b) personal independence (c) and prepare for adult life		0-4		0-4	
45	Guidance to improve awareness of consequences of actions particularly in relation to health and safety (a) so that HE'SHE can participate safely under normal supervision arrangements		0-2		0-2	
46	Enhanced access to pastoral support in order to reduce self-injurious behaviours (criteria specific to case). This may include advice from other agencies (a) a risk assessment and additional support in lessons where there is a health and safety issue may be necessary.		0-10		0-10	
<b>SENSORY, PHYSICAL AND / OR MEDICAL</b>						
47	Appropriate measures taken to develop (a) coordination(b) mobility skills		0-4		0-4	
48	Appropriate measures in maintaining the best quality of posture and movement (case specific according to advice eg specialist seating)		0-2		0-2	
49	A range of activities to develop (a) body skills (b) finger skills (c) body and finger skills (specify according to advice from professionals		0-4		0-4	
50	Regular and frequent orientation and mobility training (VI – specify frequency)		0-4		0-4	
51	Appropriate measures to ensure safe access around the school and on offsite activities ( PD/VI –specify according to professionals)		0-5		0-5	
52	Support to encourage increasing responsibility for the management of HIS'HER (a) medical condition (b) visual difficulties © hearing difficulties(d) at an age appropriate level (e) in line with HIS'HER ability		0-4		0-4	

53	The school needs to take appropriate measures and precautions with regard to HIS'HER (a) hearing impairment (specify) (b) visual impairment (specify) (c) epilepsy (specify) (d) physical difficulties (specify) (d) medical condition (specify) (f) sensory sensitivities (specify) (g) diabetes (specify) (h) levels of fatigue (e) (specify)		0-5			0-5	
	Other provision specified in the statement of SEN		0-25			0-25	
	<b>SUB TOTAL OF UNITS:</b>				0		0
	<i>Multiplied by 39</i>				0		0
	The school will be responsible for ensuring that the teaching and support staff are aware of the implications of his/her needs (a) and have received appropriate training				80		80
	TOTAL UNITS =						
	<b>TOTAL ALF (Total Units in E67 * 39) + 80) * £4.4075</b>				£0.00		£0.00

## A Specimen Statement of Internal Control For Schools      APPENDIX 7i

This statement relates to the Consistent Financial Reporting (CFR) Return for the (*Insert Name .....*) school for the year ended 31<sup>st</sup> March 20(X). The governing body is responsible for ensuring that the school:

- keeps proper accounting records during the year which will disclose, with reasonable accuracy and at any time, the financial position of the school, have been drawn up in accordance with the DCSF' (CFR) guidelines, and will enable it to prepare an annual income and expenditure statement that complies with DCSF guidelines
- maintains and operates an effective system of internal control to safeguard all the resources delegated, granted or otherwise entrusted to the school and ensure they are used cost effectively

The system of internal control has been developed and is co-ordinated by the Head teacher. It aims to provide as much assurance as is reasonably possible (not absolute assurance) that assets are safeguarded, transactions are properly authorised and recorded and that material errors or irregularities are either prevented or can be detected promptly

3      Our review of the effectiveness of the systems of internal control is informed by:

- our regular scrutiny of financial and other performance monitoring data
- regular reports from the Head teacher and other managers to the governing body
- the most recent report of the school's internal auditor dated (*insert date of last report*)
- our most recent self-evaluation of the internal controls undertaken (*insert date*)

4      We are, therefore, satisfied that the internal control systems in operation at the school during the year were adequate and effective (*except for:*

- *List any notable weaknesses here i.e. those rated as requiring remedial action as a high priority*)

5      We propose over the coming year to take the following steps to address the weaknesses noted above. (*This paragraph should provide either brief details of the action taken, or proposed, to rectify weaknesses in the system of internal control, or a short explanation of why corrective action has not been considered necessary.*)

By order of the Governing Body of (Name) School

(Signed) \_\_\_\_\_ Dated \_\_\_\_\_  
(Head teacher)

(Signed) \_\_\_\_\_ Dated \_\_\_\_\_  
(Chair of Governing Body)

(Signed) \_\_\_\_\_ Dated \_\_\_\_\_  
(Chair of Finance Committee of the Governing Body)

**Note:** The sections in brackets and (*italics*) need tailoring to reflect the schools particular circumstances



**Statement of Internal Control - Pre-Certification Checklist for Governors**

The Statement of Internal Control (SIC) is designed to accompany the Consistent Financial Reporting (CFR) Return and Financial Summary, and so relates to the same completed financial year. The internal controls it refers to are those required as best practice by the Schools Financial Value Standard (SFVS).

The issues for governors and the Head teacher to consider before authorising their representatives to sign the SIC fall into two categories:-

- Specific actions and more general control processes that should have occurred during the financial year in question; and
- Specific actions needed after the year end when the CFR Return is available.

The questions are split into these two categories for ease of consideration. That consideration is probably best achieved as a group, perhaps at the finance committee meeting that approves the CFR Return, and needs to be formally recorded. The questions are structured so that:-

- A "yes" answer to every question would allow the SIC to be signed without any amendment; and
- A "no" answer to any question will require either further action or explanation in the SIC.

<b>Controls that should have operated during the financial year</b>		
<b>Question</b>	<b>Agreed Yes or No</b>	<b>Implication of the Answer</b>
Did we set the school budget in line with the priorities detailed in the school development plan either before the beginning of the financial year (1 <sup>st</sup> April) or as soon as possible thereafter?		If yes, no action.  If no, paragraph 4 should disclose this weakness. Paragraph 5 should explain the steps being taken to ensure next year's budget is set on time and reflects the school's priorities.
Did we see regular reports on the school's financial position during the year, did the Head teacher and bursar answer all the questions raised with them and were we satisfied that materially accurate records have been maintained throughout the year? (Regular in this context would refer to termly reports as a minimum and possibly more frequent in larger schools.)		If yes, no action.  If no, paragraph 4 should disclose the inadequate base financial records as a weakness. Paragraph 5 should explain the steps being taken to rectify the position.
Did we take appropriate action on all significant matters raised in reports from the internal auditor?		If yes, no action.  If no, ensure this decision is justified. If, after reflection, it is considered that some action needs to be taken, describe this briefly in paragraph 5.

<p><i>Did we review a risk assessment and taken appropriate steps to manage the risks identified including the introduction of internal controls and/or external insurance cover where required?</i></p>		<p><i>If yes, no action.</i></p> <p><i>If no, the need to conduct a comprehensive risk assessment should be noted in paragraph 4. Paragraph 5 should explain the steps being taken.</i></p>
<p><b>Question</b></p>	<p><b>Agreed Yes or No</b></p>	<p><b>Implication of the Answer</b></p>
<p><b><i>Control activities required after the end of the financial year</i></b></p>		
<p><i>Has the Head teacher confirmed that he/she has seen a reconciliation of the school's base financial records with the CFR Return (either prepared from the school's own system or by the local authority) and Financial Summary that shows they are:</i></p> <ul style="list-style-type: none"> <li><i>• a complete record of the School's transactions for the year and that the two documents are consistent with each other?</i></li> <li><i>• based on financial records that have met the requirements of the DCSF' Consistent Financial Reporting (CFR) framework?</i></li> </ul>		<p><i>If yes, no action.</i></p> <p><i>If no, to the first question, make arrangements for the Head teacher to complete/review the reconciliation before the SIC is signed and published.</i></p> <p><i>If no to the second question, the non-compliance should be noted at paragraph 4 as a weakness. Paragraph 5 should explain the steps being taken to rectify the position.</i></p>
<p><i>Have we received a report from the internal auditor giving us assurance that the systems of internal financial control, where examined in any given period, operated satisfactorily during the year?</i></p> <p><b>OR</b></p> <p><i>Have we undertaken a thorough self-evaluation of the internal control systems in operation during the year and did not find any weaknesses that needed to be addressed as a high priority?</i></p>		<p><i>If yes to either question, no action.</i></p> <p><i>If no to both questions, either:</i></p> <ul style="list-style-type: none"> <li><i>• delay signing the statement until you have received the report or undertaken the self-evaluation</i></li> </ul> <p><b>OR</b></p> <ul style="list-style-type: none"> <li><i>• if the report or the self-evaluation has identified weaknesses that need to be addressed as a high priority, list them at paragraph 4 and briefly explain in paragraph 5, the action planned to rectify them.</i></li> </ul>
<p><i>Are we confident that there are no significant litigation, liabilities or commitments that have arisen after the</i></p>		<p><i>If yes, no action.</i></p> <p><i>If no, consider if the accounts need</i></p>

<p><i>year-end, and are not referred to or accounted for in the published financial summaries?</i></p>		<p><i>adjusting in order to be complete, or whether a Contingent Liability or Gain disclosure note should be added and the Local Authority Finance Department informed.</i></p>
<p><i>Have we been advised that there has been no actual or potential non-compliance with laws, regulations and codes of practice that could reduce the school's ability to meet its objectives or cause the school to incur a financial loss, and is this supported by our own knowledge of the school and its activities?</i></p>		<p><i>If yes, no action.</i></p> <p><i>If no, add the appropriate disclosure notes to the income and expenditure account before it is signed and published.</i></p>

**Notes:**

- Given the s151 officer has ultimate responsibility for the internal control systems of the whole authority it will be necessary to report the details of any "No" answers to him or her or more realistically to a representative of the s151 Officer.
- The completed internal controls self-evaluation should be copied to the Local Authority internal audit section to inform its risk assessment and audit planning processes

## FINANCIAL COMPETENCIES NEEDED BY THE SCHOOL GOVERNING BODY

### **Brief guide to the financial management competencies needed by the Governing Body**

#### Introduction

The attached matrix summarises the financial management competencies that best practice determines should be available within the Governing Body. This competencies matrix has been designed as a practical document which can be used by schools at different levels:

- by individuals who wish to identify their personal training and development needs
- by Governing Bodies or their Finance Committees to ascertain their collective financial management competencies

It should be stressed that this is seen as a key development tool for both individuals and the Governing Body as a whole. Experience shows that for most schools only small numbers of governors will initially be at levels 1 and 2.

#### How to use the matrix

**First**, Identify who within the Governing Body should have key financial competencies and fill in their details at the top of the grid. This allows for the grid to be tailored to the individual schools Governing Body financial management requirements. The Key Financial Management competency is in bold (e.g. the first is "provides strategic leadership and management"), and examples of the characteristics that demonstrate this competency are provided beneath it

The aim, in completing the matrix, is to determine the relative Financial Management skills available within the Governing Body. However, this needs to be related to the way that the Governing Body deals with financial management issues and so not all governors will need the highest levels of financial management competence. Typically, for a school with a Finance Committee, the Finance Committee members and the Chair of the Governing Body would be the most appropriate governors to complete the matrix. For schools without a Finance Committee the Chair of Governors, any governor specifically tasked with finance issues and those governors from the Governing Body who possess Financial Management Skills should complete the matrix.

**Second**, for each governor identified use the ratings (which are explained in some detail below) to identify the level at which the person has the relevant competencies by making reference to the key indicators and the typical examples.

**Third**, on completion analyse the results to ensure the skills, knowledge and attitudes are spread across the staff in the most appropriate way i.e. there is not over or under concentration of competencies with one specific staff member.

A Key Point is that not all *Governors* need all these skills, but collectively the *Governing Body* (& *Finance Committee* if it exists) will ideally have these competencies between them.

<b>RATING SYSTEM</b>	<b>1</b>	<b>2</b>	<b>3</b>
	HIGHLY COMPETENT	COMPETENT	DEVELOPING

## Purchase Card Advice & Receipt Confirmation - Schools

This guide is intended only as a brief overview of the procedures for the use of the Government Purchasing Card. The full version of the procedures and guidance notes can be found on the Intranet.

The Card should only be used by the person it is issued to, you must not lend the card to any other individual or let them know your pin number; but you can order goods or services on behalf of another as long as you have ensured that an individual with the authority to authorise orders on the relevant budget has agreed the transaction.

The Card should only be used for purchasing goods & services when;

- Purchases need to be made out of office hours to ensure service provision.
- Its use gains a significant discount for the School.
- It's the only method of payment accepted by the supplier.

The Card must **NOT** be used for purchasing goods & services when;

- It's for your own personal use.
- It's from an established Council supplier.
- The items are already available from stock or on contract.
- It exceeds the transaction limit.
- Buying IT Hardware and Software
- Buying Fuel, Oil or Derv
- Hires
- Paying for Hospitality and Subsistence (Unless this meets the criteria agreed by Audit / Payments)

### **PLACING AN ORDER**

**You Must:**

- Ensure the Supplier is **VISA** capable.
- Ensure the goods are available and are within your Transaction Limit.
- Give the Supplier **ALL** the following details:-
  - Your Name
  - Card Number
  - Expiry Date
  - Delivery Address
- Ask the Supplier to send **YOU** a VAT receipt.- please refer to the Schools VAT Guide if you require information on what constitutes a VAT invoice/receipt.
- Up-date the Transaction Log at each stage.
- If ordering or paying on behalf of another School employee ensure that documentation is obtained to support the Transaction Log entry.

### **INTERNET ORDERING**

If using the internet to place an order or make a purchase remember to ensure that the site and your details are secure. **Always be on your guard. Remember YOU are responsible for the security and proper use of the card.**

## **DEALING WITH THE MONTHLY STATEMENT**

### **You Must:**

- Ensure that all items on the statement are listed clearly and accurately on your Transaction Log.
- Ensure that any credits due are identified and dealt with correctly.
- Contact the Supplier promptly if you have a problem.
- Ensure the Transaction Log, with **ALL** VAT receipts attached, is signed and passed to your Head teacher or authorised member of the SLT without delay each month and sent to the Payments Section via SCAMP by the **required payment deadline**.

## **MISUSE OF THE CARD**

- Misuse of the card or allowing your card to be used by a third party may result in the withdrawal of the facility and may also lead to disciplinary action in accordance with Torbay Council's disciplinary procedures.
- Fraudulent use of Purchasing Cards **may** result in dismissal and **could** lead to criminal prosecution.
- Cards may also be withdrawn if you consistently fail to complete Logs accurately and on time.

## **RESOLVING PROBLEMS**

- Contact the Payments Section Tel No 20(7277) within office hours, for advice or help.
- Contact RBS for lost /stolen cards or if your PIN or password is known by an unauthorised person on Tel No 0870 6000459 (24 hour).

## **INCREASING LIMITS OR UNBLOCKING OF SPENDING CATEGORIES**

Before you contact the Payments Section the Children's Finance Manager and the school Head teacher must approve any increase in your monthly Credit Limit or changes to Spending Categories. No limits can be increased without their approval and authorisation.

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## **DECLARATION**

### **Card Holder**

**I have received and signed my Purchase Card and noted the PIN. I have also read the above information and understand my obligations with regard to its use.**

<b>Card Holder</b>	
<b>Signature</b>	
<b>Date</b>	
If the card has been collected on your behalf then this form must be signed & returned to the Payments Section, Town Hall, Castle Circus, Torquay within 5 working days otherwise a block will be put on the card preventing its use.	

**NEW CARDHOLDER APPROVAL**

Before completing please refer to the instructions on the Payments Intranet site. If you have any questions then please contact the Payments Helpdesk on 20(7277) or [payments.section@torbay.gov.uk](mailto:payments.section@torbay.gov.uk)

Cardholder Name (BLOCK CAPITALS)	
<b>Business Unit</b>	

Reason for Request	Please specify that you; relevant	Please Tick ✓ all boxes that are
	- are not Office based	<input type="checkbox"/>
	- make out of hours purchases to ensure service provision	<input type="checkbox"/>
	- regularly use one-off Suppliers for ad-hoc purchases	<input type="checkbox"/>
	- regularly use a Supplier who will only accept Card payments*	<input type="checkbox"/>
	- regularly use a Supplier who gives a <u>significant</u> discount for Card payments*	<input type="checkbox"/>
	* Please confirm Supplier(s)	
	Other (please give details)	<input type="checkbox"/>
	Details	

Requested Card Limit	Per Transaction (Limit for each transaction)	£
	Card Limit (Card limit per month)	£

Categories Required	Please specify overleaf the Merchant Categories that you will require
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Please indicate the Merchant Categories that you feel will be required by the Applicant

**Transaction Blocking Details**

Mark all categories where the cardholder is NOT allowed to spend. Please note that some categories are already blocked and these will only be unblocked in exceptional circumstances where a specific need is identified. This form should reflect only the type of spending that is LIKELY to occur so please block additional categories as appropriate.

1	Building Services	X	2	Building Materials	X	3	Estates & Garden Services		4	Utilities & non-automotive fuel	X
5	Telecommunication Services		6	Catering & Catering Supplies	X	7	Cleaning Services & Supplies		8	Training & Educational	
9	Medical Supplies & Services		10	Staff - Temporary Recruitment	X	11	Business Clothing and Footwear		12	Mail Order/Direct Selling	
13	Personal Services		14	Freight & Storage		15	Professional Services		16	Financial Services	
17	Clubs /Associations /Organisations		18	Statutory Bodies		19	Office Stationery, equipment & Supplies		20	Computer Equipment	X
21	Print & Advertising		22	Books & Periodicals		23	Mail & Courier Services		24	Miscellaneous Industrial /Commercial Supplies	
25	Vehicles, Servicing & Spares		26	Automotive Fuel	X	27	Travel		28	Auto Rental	
29	Hotels & Accommodation		30	Restaurants & Bars	X	31	General Retail & Wholesale		32	Leisure Activities	
33	Miscellaneous		34	Cash	X						

Approved Budget Holder (PRINT NAME)		Date:
(SIGNATURE)		
Approved by Children's Finance Manager		Date:
(SIGNATURE)		
Processed by Payments Section		Date:

## Definitions for purchasing and contracts

<b>Term</b>	<b>Definition</b>
<b>Approved List</b>	Shall mean a list of pre-selected and approved Economic Operators
<b>Authorised Officer</b>	Shall mean an Officer with the authority to make a decision or undertake the particular activity
<b>Award</b>	Shall mean the process by which the School shall determine to whom the Contract will be Awarded in accordance with the pre-determined evaluation Criteria, set out in the invitation to Tender documents issued and the Public Contract Regulations 2015if applicable.
<b>Call Off Contract</b>	Shall mean a Contract Awarded under a Framework Agreement
<b>Central Purchasing Body</b>	Shall mean a Contracting Authority which: <ul style="list-style-type: none"> <li>• acquires goods or services intended for one or more Contracting authorities;</li> <li>• Awards public Contracts intended for one or more Contracting authorities; or</li> <li>• concludes Framework Agreements for work, works, goods or services intended for one or more Contracting authorities.</li> </ul>
<b>Confidentiality Agreement</b>	Shall mean a Contract through which one or more parties agree not to disclose information covered by the agreement
<b>Contract</b>	A legally binding agreement between two or more parties
<b>Contract Standing Orders</b>	Shall mean the rules and processes in place to ensure the Council is compliant with legislation, fair and accountable in its dealings with Economic Operators and obtains value for money
<b>Contract Value</b>	Shall mean the proposed price of the Contract to be Awarded
<b>Contracting Authority</b>	Shall mean a public authority or body governed by public law
<b>Criteria</b>	Shall mean the standards against an Economic Operator's Tender will be assessed
<b>Directives</b>	Shall mean the Public Contracts Directives currently in force
<b>Economic Operator</b>	Shall mean the generic term to cover a Contractor, supplier, service provider, applicant, bidder, candidate, Tenderer, company or organisation
<b>Electronic Tendering</b>	Shall mean the internet based system used to facilitate the complete Tendering process, covering advertising, issuing and receiving

<b>System</b>	Tender related information, evaluation and Contract Award
<b>Framework Agreement</b>	Shall mean an 'umbrella agreement' that sets out the terms under which individual Contracts (call-offs) can be made through the period of the agreement
<b>Procurement Documents</b>	Shall mean all of the documents required by an Economic Operator in order to respond to a PQQ or submit a Tender
<b>Public Body</b>	Shall mean an organisation whose work is part of the process of government but is not a government department
<b>Public Contract Regulations</b>	Shall mean the legislation incorporated in to English law concerning public procurement, which can be found at: <a href="http://www.legislation.gov.uk">www.legislation.gov.uk</a>
<b>Regulations</b>	Shall mean the same as Public Contracts Regulations
<b>Selection</b>	Shall mean the process by which Applicants will be selected to move forward to the next stage of the procurement process, in accordance with the Criteria listed at Regulations 23, 24 and 25 of the Public Contracts Regulations 2006 as amended in 2009.
<b>Standing Orders</b>	Shall mean the rules which set out the procedures and codes of practice for governing the Council's business
<b>Sub-Criteria</b>	Shall mean the standards that sit below the main Criteria, against which the Economic Operator's Tender will be assessed
<b>Tender</b>	Shall mean an invitation to bid for a Contract or an Economic Operator's written offer for a Contract
<b>Tender Award</b>	Shall mean the Award of a Contract following a procurement process
<b>User Agreement</b>	Shall mean the agreement signed by other public bodies in order to allow them to use a Contract or Framework Agreement
<b>Verifiers</b>	Shall mean the Officers authorised to unseal Tenders
<b>Weighting</b>	Shall mean the score allocated to each Criteria and sub Criteria against which the Economic Operator's Tender will be assessed

## Waiver Procedure

## APPENDIX 9ii

All staff are responsible for ensuring that all contracts made or entered into on behalf of the Council comply with the Financial Regulations and Standing Orders – Contracts as set out within the Council Constitution.

Please note:

- No Contract may be entered into with the relevant approval via the Waiver Procedure
- Waivers will not be authorised retrospectively
- All Waiver Requests relating to the appointment of Agency Staff will require approval by the Mayor and/or Executive Lead Member and the relevant Director/Assistant Director, due to the level of Council-wide off-contract spend.

Written authorisation is required to waive the Standing Order requirements, the authorisation process is as follows:

