

City Of London Corporation Scheme for Financing Schools

(revised February 2011)

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THE OUTLINE SCHEME

References throughout to:

“the Act” are to the School Standards and Framework Act 1998;

“the authority” means the local authority; and

“the Regulations” are to the School Finance (England) Regulations 2011 made under the Act.

The Regulations state that schemes must deal with the following matters:

1. The carrying forward from one funding period to another of surpluses and deficits arising in relation to schools' budget shares.
2. Amounts which may be charged against schools' budget shares.
3. Amounts received by schools which may be retained by their governing bodies and the purposes for which such amounts may be used.
4. The imposition, by or under the scheme, of conditions which must be complied with by schools in relation to the management of their delegated budgets and of sums made available to governing bodies by the authority which do not form part of delegated budgets, including conditions prescribing financial controls and procedures.
5. Terms on which services and facilities are provided by the authority for schools maintained by them.
6. The payment of interest by or to the authority.
7. The times at which amounts equal in total to the school's budget share are to be made available to governing bodies and the proportion of the budget share to be made available at each such time.
8. The virement between budget heads within the delegated budget.
9. Circumstances in which a local authority may delegate to the governing body the power to spend any part of the authority's non-schools education budget or schools budget in addition to those set out in section 49(4)(a) to (c) of the 1998 Act.
10. The use of delegated budgets and of sums made available to a governing body by the local authority which do not form part of delegated budgets.
11. Borrowing by governing bodies.
12. The banking arrangements that may be made by governing bodies.
13. A statement as to the personal liability of governors in respect of schools' budget shares having regard to section 50(7) of the 1998 Act.
14. A statement as to the allowances payable to governors of a school which does not have a delegated budget in accordance with the scheme made by the authority for the purposes of section 519 of the 1996 Act.
15. The keeping of a register of any business interests of the governors and the head teacher.
16. The provision of information by and to the governing body.
17. The maintenance of inventories of assets.
18. Plans of a governing body's expenditure.
19. A statement as to the taxation of sums paid or received by a governing body.
20. Insurance.
21. The use of delegated budgets by governing bodies so as to satisfy the authority's duties imposed by or under the Health and Safety at Work etc Act 1974.
22. The provision of legal advice to a governing body.
23. Funding for child protection issues.
24. How complaints by persons working at a school or by school governors about financial management or financial propriety at the school will be dealt with and to whom such complaints should be made.
25. Expenditure incurred by a governing body in the exercise of the power conferred by section 27 of the 2002 Act.

SECTION 1: INTRODUCTION

1.1 The Funding Framework: MAIN FEATURES

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

Under this legislation, local authorities determine for themselves the size of their Schools Budget and their non-Schools Education Budget – although at a minimum a local authority must appropriate its entire Dedicated Schools Grant to their Schools Budget. The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, but included within the two, taken together, is all expenditure, direct and indirect, on an authority's maintained schools. Local authorities may deduct funds from their Schools Budget for purposes defined in regulations made by the Secretary of State under s.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 School Forum or the Secretary of State in certain instances) as prescribed by the Secretary of State. The balance of the Schools Budget left after deduction of centrally retained funds is termed the Individual Schools Budget (ISB). Expenditure items in the 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 s.51 of the Act. The financial controls within which delegation works are set out in a scheme made by the LA in accordance with s.48 of the Act and regulations made under that section. The Secretary of State has power to modify schemes or impose one.

Subject to any provisions 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 s.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 s.27 of the Education Act 2002 are treated as if they were amounts spent for the purposes of the school (s50(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 (schedule 17 of 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, the budget share for each school, the formula used to calculate those budget shares, and the detailed calculation for each school. After each financial year the authority must publish a statement showing out-turn expenditure at both central level and for each school, and the balances held in respect of each school.

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

Regulations also require a local authority to publish their scheme and any amendments to it on

a website accessible to the general public, by the date that any revisions come into force, together with a statement that the revised scheme comes into force on that date.

1.2 The role of the scheme

The scheme sets out the financial relationship between the City of London Corporation (hereafter referred to as “the City”, “the LA” or “the Authority”) and the maintained schools it funds in its capacity as a local authority. The scheme contains requirements relating to financial management and associated issues which are binding on both the Authority and on the School.

1.2.1 Application of the scheme to the Authority and maintained schools

The scheme will apply to any schools maintained by the City of London in its capacity as a Local Authority. The City of London maintains one school in this capacity, the Sir John Cass’s Foundation Primary School (hereafter known as “The School”). Nothing in the Scheme precludes the application of the Scheme to any other schools which the LA may establish or maintain.

1.3 Publication of the scheme

The Authority will publish a copy of the scheme on its website.

1.4 Revision of the scheme

Any proposals for revision of the scheme will be the subject of consultation with the school. Sometimes the Secretary of State directs that changes are made to authorities’ Schemes. Schools will be advised of such changes but they will not be subject to formal consultation.

1.5 Delegation of powers to the headteacher

The Governing Body is required to consider the extent to which it wishes to delegate its financial powers to the headteacher, and to record its decision (and any revisions) in the minutes of the Governing Body. The Head of Family and Young People’s Services and the Chamberlain should be notified of any such delegation of powers. The Headteacher is responsible for preparing the annual budget for approval by the Governing Body. The first formal budget plan of each financial year must be approved by the governing body or by a committee of the governing body.

1.6 Maintenance of schools

The Local Authority is responsible for maintaining the schools covered by the scheme, and this includes the duty of defraying all the expenses of maintaining them (except in the case of a voluntary 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.

SECTION 2: FINANCIAL REQUIREMENTS; AUDIT

2.1.1 Application of financial controls to schools

The financial requirements of the scheme are set out in the sections below. However, in the management of its delegated budget the School is required to abide, insofar as they are compatible with this scheme, with the City's "Financial Regulations" and "Standing Orders" which contain more detailed guidance on financial matters. If the School elects to have its delegated budget paid into an external bank account it is also required to abide by the City's "Terms and Conditions for the Operation of a Local Bank Account".

2.1.2 Provision of financial information and reports

If the School continues to use the City's financial systems these will, to a large extent, provide the procedures, controls and information necessary to enable the City to fulfil its monitoring role. Consequently, the School would only normally be required to submit further reports on an exception basis e.g. where the Governing Body proposes to use the delegated budget to fund expenditure which is its statutory responsibility.

If the School operates its own bank account it will be required to provide the City with details of anticipated and actual expenditure and income, in a form and at times determined by the Chamberlain. The returns will be in a specified format containing the minimum level of analysis necessary to enable the City to fulfil its monitoring role.

However, unless the City has notified the school in writing that in its view the school's financial position requires more frequent submission or the school is in its first year of operation, submission of such details will not be more often than once every three months except for those connected with tax or banking reconciliation.

2.1.3 Payment of salaries; payment of bills

If the School continues to use the City's financial systems it must comply with the City's published procedures for the payment of accounts and payroll as set out in Financial Regulations Sections 13 and 14. If the School decides to make alternative arrangements then revised procedures will apply.

2.1.4 Control of assets

An inventory must be kept by the School. The form and content of the inventory for assets valued at £1,000 or more and the basic authorisation procedures for the disposal of assets are set out in the City's Financial Regulations (Section 11). The school may determine its own arrangements for keeping a register of assets worth less than £1,000. However, the school must keep a register in some form.

2.1.5 Accounting Policies (including year-end procedures)

The City is required to produce financial statements in line with local authority accounting procedures. Funds delegated to the school are local authority funds and, therefore, to ensure consistency the school must abide by the accounting policies and year end procedures issued by the Chamberlain.

2.1.6. Writing off of debts

The Chamberlain and Head of Family and Young People's Services must be notified promptly of any monies due to the City which cannot be recovered by the Governing Body. The Governing Body may approve write offs up to a limit of £5,000 subject to the concurrence of the Director of Community and Children's Services and the Chamberlain. Procedures for writing off debts in excess of this amount are set out in the City's Standing Orders. Amounts in excess of £5,000 must be approved by the City's Community and Children's Services Committee and amounts in excess of £10,000 must be approved by the City's Finance Committee.

2.2 Basis of accounting

Reports and accounts provided by the School to the City should be prepared on an accruals basis. If the school continues to use the City's financial systems this requirement will be satisfied. The school is free to choose alternative financial systems, provided they meet any costs of modification to provide output required by the City.

2.3 Submission of budget plans

The School must supply the Chamberlain and the Head of Family and Young People's Services with a draft budget plan, in a format specified by the Chamberlain, showing its intentions for expenditure and the assumptions underpinning the plan by 31 March prior to the financial year to which the budget relates, and a final budget plan by 1 May of the budget year. The format specified by the Chamberlain will, so far as possible, take account of the Consistent Financial Reporting framework and the desirability of compatibility with that. Revised plans should be submitted within four weeks of the beginning of the autumn and spring terms. The School will be permitted to take full account of estimated deficits/surpluses at the previous 31 March in their budget plan. The City will supply the school with all income and expenditure data which it holds which is necessary to efficient planning by the school. The school will be supplied with an annual statement showing when this information will be available at times throughout the year.

2.3.1 Submission of Financial Forecasts

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

2.4 Best value

The School should seek to achieve value for money and efficiencies, taking into account the purchasing, tendering and contracting requirements outlined in section 2.10.

2.5 Virement

Subject to the approval of the Governing Body in each case, the School may vire freely between estimate headings within its delegated budget. In order for the City to discharge its monitoring function, virement decisions by the Governing Body, or reported to the Governing Body, must be notified to the Chamberlain by the end of each term.

2.6 Audit: General

Resources delegated to the School by the City fall within the City's internal audit regime and are also subject to audit by the City's external auditors appointed by the Audit Commission. The School is required to co-operate with the City's audit regime and to provide access to the School's records for both internal and external auditors.

2.7 Separate external audits

If the Governing Body considers it necessary, it is permitted to spend funds from its delegated budget to obtain an external audit certification of its accounts, separate from any LA internal or external audit process.

2.8 Audit of voluntary and private funds

Any voluntary or private funds held by the School or the accounts of any trading organisations controlled by the School are not subject to the City's internal and external audit regimes. Such funds must be accounted for separately from resources allocated by the City and the School is required to provide audit certificates within ten months of the end of the financial year in respect of these funds to allow the City to satisfy itself that public funds are not being misused.

2.9 Register of business interests

The Governing Body is required to

- i. maintain a register which lists for each member of the Governing Body and the headteacher, any business interests they or any member of their immediate family have;
- ii. to keep the register up to date with notification of changes and through annual review of entries; and
- iii. to make the register available for inspection by governors, staff, parents and the City during School office hours.

2.10 Purchasing, tendering and contracting requirements

The Governing body is required to abide by the City's Financial Regulations and Standing Orders in purchasing, tendering and contracting matters and to assess in advance, where relevant, the health and safety competence of contractors, taking into account the City's Health and Safety Policy. The DfE's statutory guidance requires the City to disapply any section of these regulations and standing orders which would:

- a. require the School to do anything incompatible with any of the provisions of the scheme, or any statutory provision, or any EU Procurement Directive;
- b. require the Schools to seek LA officer countersignature for any contract for goods or services for a value below £60,000 in any one year;
- c. require the School to select suppliers only from an approved list; or
- d. would permit the School to seek fewer than three tenders or quotations in respect of any contract with a value exceeding £10,000 in any one year.

Although the School is not required to use the City's lists of approved suppliers the School should consider the advantages of using such lists for procurement purposes.

2.11 Application of contracts to schools

- The School has the right to opt out of City arranged contracts.

Although the Governing Body is empowered under paragraph 3 of schedule 1 to the Education Act 2002 to enter into contracts, in most cases they do so on behalf of the City as maintainer of the school and the owner of the funds in the delegated budget. However, contracts may be made solely on behalf of the governing body, when the governing body has clear statutory obligations - for example contracts made by voluntary aided schools for the employment of staff.

2.12 Central funds and earmarking

Some centrally retained budgets may be allocated to the Governing Body as earmarked funds. For example, sums for SEN or other initiatives funded from the central expenditure of the LA's Schools Budget or other LA budget. Such funds will be for specific purposes only and will be additional to and separate from the School's delegated budget. If earmarked funds are not spent in-year, or within the period over which schools are allowed to use the funding if different, the balance must be returned to the City.

The City is not allowed to make any deduction, in respect of interest costs to the City, from payments to the School of devolved specific or special grant.

2.13 Spending for the purposes of the school

Section 50(3) allows Governing Bodies to spend budget shares for the purposes of the school, subject to regulations made by the Secretary of State and the provisions of the scheme. By virtue of s50(3A) (which comes into force on 1 April 2011), amounts spent by governing bodies on community facilities or services under s27 of the Education Act 2002 will be treated as if spent for any purposes of the school. Under section 50(3)(b) the Secretary of State may prescribe additional purposes for which expenditure of the budget share may occur. Such purposes are prescribed in the Schools Budget Shares (Prescribed Purposes) (England) Regulations 2002 (SI 2002/378) which have been amended by the School Budget Shares (Prescribed Purposes) (England) Amendment regulations 2004(SI 2004/444). These allow schools to spend their budgets on pupils who are on the roll of other maintained schools.

2.14 Capital spending from budget shares

The Governing Body is permitted to use the delegated budget to meet the cost of capital expenditure, including work which is their responsibility under paragraph 3 of Schedule 3 of the Act. However, the Governing Body must notify the City if there is expected capital spending from its delegated budget and if the Governing Body anticipates that capital expenditure from the delegated budget will exceed £15,000 in any one financial year, it must take into account any advice from the Director of Community and Children's Services as to the merits of the proposed expenditure.

2.15 Notice of Concern

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

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

These may include:

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

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

SECTION 3: INSTALMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS

3.1 Frequency of instalments

If the Chamberlain acts as banker for the delegated budget then, in effect, the School may draw on all its budget share from the start of the year. If the School does opt for its own bank account but the City administers the payroll then the School will be asked to consider whether it wishes to receive funds gross or net of salary costs. If the School has its own bank account budget instalments will normally be paid on a termly basis. Termly advances will be paid into the School's bank account on the first BACS run of April, September and January. If the school requires monthly instalments a request must be received by the Chamberlain prior to the start of the relevant financial year.

3.2 Proportion of budget share payable at each instalment

Termly instalments will normally be paid on the following basis

Term	% of annual sum transferred
Summer	34%
Autumn	33%
Spring	33%

Monthly instalments, if requested, will normally be one twelfth of the budget. However, the City will consider requests to alter the instalments to reflect variations in the phasing of expenditure provided reasonable notice of such requests is given by the school.

3.3 Interest clawback

Where the School opts for a separate bank account, the payment of instalments of budget share will alter the City's cash flow compared to the position if the Chamberlain remains as banker. The City may, therefore, reduce the School's delegated budget to reflect the estimated loss of interest arising in making the budget share available in advance. The interest rate used will be the average rate received by the City on the investment of its daily cash balances in the London Money Markets.

3.3.1 Interest on late budget share payments

The City will add interest to late payments of budget instalments, where such late payment is the result of an error by the City. The interest rate used will be that specified in section 3.3.

3.4 Budget shares for closing schools

If approval for the closure of the School has been secured budget instalments will be made available until closure on a monthly basis net of estimated pay costs even where some different basis was previously used.

3.5 Bank and building society accounts

If the school wishes to open a bank it must give the City four months prior to the start of the financial year. The School has the following options:

- i). The Chamberlain can continue to act as banker, and the School will continue to use the City's financial systems. This option will enable the Chamberlain to monitor the School's actual income and expenditure without the need for regular statements from the School. An imprest account will be made available to the school (the maximum value of which will be agreed by the Chamberlain's Internal Audit Section). Subject to the agreement of the Chamberlain a bank account may be opened for the imprest account (for which the notice requirements set out above will not apply).
- ii). The School may open its own bank account for the purposes of making payments which fall to be met from the delegated budget. This may be for either all payments or for non-salary costs only.

If the School takes up option (ii) the City will, if the school desires, transfer immediately to the account an amount agreed by both the School and the City as the estimates surplus balance held by the City in respect of the School's budget share, on the basis that there is then a subsequent correction when the accounts for the relevant year are closed.

3.5.1 Restrictions on accounts

The School is free to negotiate the opening of an account for its delegated budget with any of the United Kingdom clearing banks or major building societies provided they are consistent with the authority's Treasury Management policy. However, before finalising the account the school is required to consult with the Chamberlain on the proposed terms and conditions. Money paid by the City into the account remains the City's property until spent. The School may open an account in its own name rather than the name of the City. However, if the School has such an account then the account mandate should provide that the City is the owner of the funds in the account; that it is entitled to receive statements; and that it can take control of the account if the School's right to a delegated budget is suspended by the City.

Signatories for bank accounts are restricted to local authority employees and school employees. Governors who are not members of staff cannot be signatories.

3.6 Borrowing by schools

Governing bodies may borrow money only with the written permission of the Secretary of State.

The School should be aware that entering certain agreements such as finance leases can constitute external borrowing which cannot be legally entered into without the approval of the Secretary of State. The School should therefore be cautious when entering longer-term agreements to ensure they do not breach the borrowing restriction. The School is required to consult the authority before entering into any lease or similar arrangement, or series of leases with the same supplier and/or lessor,

The use of credit cards (which are regarded as borrowing) is not permitted. However, the School may use procurement cards.

3.7 Other provisions

Detailed rules and guidance in respect of banking arrangements are included in the City's "Terms and Conditions for the Operation of a Local Bank Account".

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

4.1 The right to carry forward surplus balances

The school is permitted to carry forward from one financial year to the next any shortfall in expenditure relative to the school's delegated budget for the year plus/minus any balance brought forward from the previous year. If the school opts to operate its own bank account from 1 April of a particular financial year then any surplus held by the City, less known commitments for the previous year, will be transferred to the school's bank account by 30 April. If, a further adjustment is necessary following the preparation of the final accounts, this will be reflected in the payment of the Autumn term instalment of the budget.

4.2 Controls on surplus balances

Where total surplus balances at the School at the start of a financial year exceed 10% of that year's budget share the School will be required to complete a return, by 31 May of that year, listing the purposes for which the surplus balances are being held. The School will be required to report annually on the actual use of balances.

4.3 Interest on surplus balances

Interest will not be paid on surplus balances held by the City on behalf of the School.

4.4 Obligation to carry forward deficit balances

If a deficit is incurred in any one year it will be carried forward and deducted from the following year's delegated budget.

4.5 Planning for deficit budgets

The school is not permitted to plan a deficit budget.

4.6 Charging of interest on deficit balances

Interest will not be charged on deficit balances held by the City on behalf of the School

4.7 Writing off deficits

The City cannot write off a deficit balance incurred by the School.

4.8 Balances of closing and replacement schools

If the school closes, any balance whether surplus or deficit will revert to the City.

4.9 Licensed deficits

Not applicable.

4.10 Loan schemes

Not applicable.

4.10.1 Credit union approach

Not applicable

SECTION 5: INCOME

5.1 Income from lettings

The school premises are not owned by the City and therefore lettings are a matter for the Governing Body. The school is allowed to cross-subsidise lettings for community and voluntary use with income from other lettings, provided there is no net cost to the delegated budget. The school is required to have regard to directions issued by the City as to the use of school premises, as permitted under the Act. The current practice for community use of the school, is set out below:-

- i. the Governing Body, if requested, will provide free accommodation on the school premises to the City for suitable educational purposes. This will be for a maximum of three weekdays per week when the school is not being used during term-time. If the premises are required after 6.30pm, when the school is closed, the LA will fund the costs of the schoolkeeper.
- ii. under item (i) above, the Governors have agreed to the use of the school for playcentre activities after school hours. this operates each day between 3.30pm and 6 pm. As the playcentre operates at times and in parts of the building that would normally be open to enable teachers to fulfil their duties no additional funds will be delegated for this purpose.

5.2 Income from fees and charges

The school may retain income from fees and charges for services provided from the delegated budget. However, in determining charges the Governing Body will be required to have regard to any policy statements on charging produced by the City.

5.3 Income from fund-raising activities

The school may retain any income from fund-raising activities.

5.4 Income from the sale of assets

The school may retain the proceeds from the sale of any assets purchased from delegated funds. Where the asset was purchased with non-delegated City funds any disposal must follow the City's agreed disposals procedures.

5.5 Administrative procedures for the collection of income

For income which accrues to the City (such as school meals income where the School has not opted for delegation of the meals service), the School must follow procedures set out in Financial Regulations.

5.6 Purposes for which income may be used

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

SECTION 6: THE CHARGING OF SCHOOL BUDGET SHARES

6.1 General provision

The City may charge the delegated budget, without the consent of the Governing Body, with any additional costs arising from any of the circumstances set out in 6.2. However, such charges will only be made after the City has consulted with the School. The School will be notified once the charge has been levied.

6.1.2 Salary Costs

The City will charge salaries of school-based staff to the delegated budget at actual cost.

6.2 Circumstances in which charges may be made

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

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

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

Awards may sometimes be against the Governing Body directly and would fall to be met from the delegated budget. Where the City is joined with the Governing Body in the action and has incurred expenditure as a result of the Governing Body not taking City advice, the charging of the delegated budget with the City's expenditure protects the City's position.

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

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

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

6.2.7 Recovery of monies due from the school for services provided to the school, where a dispute over the monies due has been referred to a disputes procedure set out in a service level agreement and the result is that monies are owed by the school to the City;

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

6.2.9 Correction of City errors in calculating charges to a delegated budget (e.g. pension deductions)

- 6.2.10 Additional transport costs incurred by the City arising from decisions by the governing body on the length of the school day, and failure to notify the City of non-pupil days resulting in unnecessary transport costs.
- 6.2.11 Legal costs which are incurred by the City because the Governing Body did not accept the advice of the City (see also section 11).
- 6.2.12 Costs of necessary health and safety training for staff employed by the City, where funding for training had been delegated but the necessary training not carried out.
- 6.2.13 Compensation paid to a lender where a school enters into a contract for borrowing beyond its legal powers, and the contract is of no effect.
- 6.2.14 Costs of work done in respect of teacher pension remittance and records for the school using non-City payroll contractors, the charge to be the minimum needed to meet the cost of the City's compliance with its statutory obligations.
- 6.2.15 Costs incurred by the City in securing provision specified in a statement of SEN where the Governing Body fails to secure such provision despite the delegation of funds in respect of that statement.
- 6.2.16 Costs incurred by the City due to submission by the school of incorrect data or failure of the school to provide data required under the Scheme or by statute.
- 6.2.17 Recovery of amounts spent from specific grants on ineligible purposes.
- 6.2.18 Costs incurred by the City as a result of the Governing Body being in breach of the terms of a contract.
- 6.2.19 Recovery of outstanding balances on loans to school staff, where the loan was approved by the headteacher and/or governing body, the loan was to be recovered by deduction from payroll, the member of staff is no longer employed by the school or authority, and where it has been impossible to make acceptable alternative arrangements to recover the outstanding debt from the borrower.

6.2.20 Penalty interest, incurred under the Late Payment of Commercial Debts (Interest) Act 1998 following the failure of the School to pay invoices promptly.

6.3 General Teaching Council

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

The General Teaching Council for England (Deduction of Fees) Regulations 2001 ("the Regulations", S.I. 2001 No. 3995) come into force on 10 January 2002. The Regulations apply to teachers at maintained schools registered with the General Teaching Council for England ("the GTC") or required to be so registered by the Teachers (Compulsory Registration) (England) Regulations 2001 (S.I. 2001 No.1266). The Regulations place a duty on the employer of such teachers to deduct and remit the GTC fee in respect of a teacher who has not already paid the fee to the GTC where the GTC has notified the employer to deduct and remit the fee of that teacher. This includes teachers who have indicated to the GTC that they wish to pay the fee by a salary deduction as well as teachers who have not indicated how they wish to pay the fee.

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

(1) The costs of payroll administration for teachers in the Authority's maintained schools fall to be met from the budget shares which are allocated to governing bodies pursuant to section 47 of the Act, and which are delegated to them pursuant to sections 49-50. Accordingly, by virtue of Chapter IV of Part II of that Act and this Scheme, governing bodies of maintained schools are responsible for making suitable arrangements (or ensuring that such arrangements are made) for the administration of payroll services in respect of their teachers.

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

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

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

- (a) where the governing body has entered into any arrangement or agreement with the Authority to provide payroll services, ensure that any such arrangement or agreement is amended to allow for the deduction and remittance of the fees by the Authority to the GTC on the governing body's behalf. The Authority shall agree to any such amendment. The governing body shall meet any consequential costs from the school's budget share;
 - (b) where the governing body has entered into any arrangement or agreement with a person other than the Authority to provide payroll services, ensure that any such arrangement or agreement is amended to allow for the deduction and remittance of the fees by that person to the GTC or to the governing body for onward transmission to GTC. The governing body shall meet any consequential costs from the school's budget share; and
 - (c) where the governing body directly administers the payroll, deduct and remit the fees to the GTC. The governing body shall meet any consequential costs from the school's budget share.
- (4) All this shall be done whether the funding for the salary payments is paid to the Authority by the school from budget share instalments which have been held by the school in an independent bank account, or the salary costs are directly charged by the Authority to the school's budget share account.

SECTION 7: TAXATION

7.1 VALUE ADDED TAX

For VAT purposes the School is acting as an agent of the City in respect of purchases funded via City funds (either delegated or centrally retained) or DfE grants paid through the City. As such the City will be able to recover VAT incurred on such purchases. However, the School will not be regarded as an agent of the City where City funds are not involved, for example:-

income generated by the school itself which forms part of the school fund e.g. donations from the Sir John Cass Foundation, vending machines, tuck shops; and works for which the Governing Body are liable when carrying out their statutory responsibilities to maintain the fabric of the building.

The procedures to be followed by the School to utilise the City's ability to reclaim VAT will be dependent on whether or not the School has opted to use the City's financial systems or to operate its own bank account.

If the School uses the City's financial systems, VAT will continue to be accounted for separately and will have no impact on the delegated budget, unless works, which are the statutory responsibility of the Governing Body, are funded from the delegated budget. In such rare instances, the school is required to notify the Chamberlain of the proposed expenditure before it is incurred.

If the School elects to operate its own bank account, VAT will initially have to be borne by the delegated budget. As part of the school's monthly receipts and payments return, it will provide an analysis of the VAT element of expenditure and income together with the VAT category of such transactions sufficient to enable the City to reclaim the VAT. the school will then be reimbursed for VAT incurred in the following month.

7.2 CIS (Construction Industry Taxation Scheme)

The school must abide by procedures issued by the City for the treatment of CIS.

SECTION 8: THE PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITY

8.1: Provision of services from centrally retained budgets

The City will determine the basis upon which services (including premature retirement costs and redundancy payments) financed from centrally retained funds will be provided to the school.

Should the City acquire additional maintained schools in the future it will not discriminate in its provision of services on the basis of categories of schools except where (a) funding has been delegated to some schools only or (b) such discrimination is justified by differences in statutory duties.

8.2 Provision of services bought back from the City using delegated budgets

Any arrangement with the school starting on or after 1 April 1999 to buy services or facilities from the City is limited to a maximum of three years and a minimum of two years from the inception of the scheme or the date of the agreement, whichever is the later, and any subsequent agreement relating to the same services is limited to a maximum of five years or seven years for the supply of catering services.

Where a service is provided by the LA, for which expenditure is not retainable under the Regulations made under section 46 of the Act , it will be offered at a price which is intended to generate income which is no less than the cost of providing those services.

8.2.1 Packaging

Where funds for services have been delegated to the school, the City will offer to provide the services on a buyback basis. Where practicable this will include the offer of provision on a service by service basis as well as in packages of services.

8.3 Service level agreements

Service level agreements must be in place by 31 March to be effective for the following financial year, and the school will have at least a month to consider the terms of agreements.

8.3.1 The terms of agreement of all services or facilities provided by the City under a service level agreement - whether free or on a buyback basis – starting on or after the inception of the scheme will be reviewed at least every three years if the agreement lasts longer than that.

8.3.2 Any such services or facilities provided by the City will be available on a basis which is not related to an extended agreement, as well as on the basis of such agreements.

Centrally arranged premises and liability insurance are excluded from the requirements of 8.2 and 8.3.

8.4 Teachers' Pensions

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

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

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

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

SECTION 9: PFI/PPP

The City is not aware of any current or anticipated PFI/PPP projects. However, the City would generally be supportive of these initiatives. Should such an opportunity arise, the detailed arrangements will be determined in consultation with the Governing Body.

SECTION 10: INSURANCE

10.1 Insurance cover

If funds for insurance are delegated to the School, the City will require the school to demonstrate that cover relevant to the City's insurable interests, under a policy arranged by the Governing Body, is at least as good as the relevant minimum cover arranged by the City if the City makes such arrangements, either paid for from central funds or from contributions from the delegated budget. In determining this level the City will have regard to the actual risks which might reasonably be expected to arise at the School rather than applying an arbitrary minimum level of cover.

SECTION 11: MISCELLANEOUS

11.1 Right of access to information

The school is required, within reason, to supply all financial and other information needed to allow the City to satisfy itself as to the school's management of its delegated budget or the use made of any central expenditure by the authority (e.g. earmarked funds).

11.2 Liability of governors

The Governing Body is a corporate body, and because of the terms of s.50(7) of the Act, 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. An example of behaviour which is not in good faith is the carrying out of fraudulent acts.

11.3 Governors' expenses

The City will delegate to the Governing Body of a school yet to receive a delegated budget, funds to meet governors' expenses.

Under schedule 50 (5) of the Act, only allowances in respect of purposes specified in regulations made under s19 of the Education Act 2002 may be paid to governors from a school's delegated budget share. Payment of any other allowances is forbidden. The School is also barred from payment of expenses duplicating those paid by the Secretary of State to additional governors appointed by him to the School should it be subject to special measures.

11.4 Responsibility for legal costs

Legal costs incurred by the Governing Body, although the responsibility of the City as part of the cost of maintaining the school unless they relate to the statutory responsibility of aided governors for buildings, may be charged to the school's delegated budget unless the Governing Body acts in accordance with the City's advice. Where there is a conflict of interest between the City and the Governing Body, the Governing Body should obtain independent legal advice, the costs of which will be borne by the delegated budget.

11.5 Health and Safety

In expending the school's delegated budget the Governing Body should have due regard to the duties placed on the City for health and safety, and the City's policy on health and safety matters in the management of the delegated budget.

11.6 Right of attendance for Chamberlain

The Governing Body is required to permit the Chamberlain, or his representative, to attend meetings of the Governing Body at which any agenda items are relevant to the exercise of his responsibilities. To facilitate this the Governing Body are requested to ensure that the Chamberlain is notified of meetings when they are arranged and receives copies of agendas and relevant documents when they are circulated to governors. The Chamberlain will endeavour to give prior notice of attendance.

11.7 Optional Delegation

If the School wishes to exercise its option to have delegated or devolved funding for an item it must notify the City twelve months before the start of the financial year during which the delegation or devolution would become effective.

11.8 Special Education Needs

The School is required to use its best endeavours in spending its delegated budget to secure the special educational needs of its pupils.

11.9. Interest on late payments

The School should note that the terms of the scheme cannot effect statutory requirements now introduced on this matter.. .

11.10 “Whistleblowing”

The City’s anti-fraud and corruption strategy is available on the City’s internet site. Governing bodies should have due regard to this document and ensure school staff are fully aware of its existence.

In furtherance of its strategic aims and objectives, the City strives to provide services which meet the requirements of its stakeholders in accordance with its core values. In conducting its business, it is committed to ensuring that the opportunity for fraud and corruption is reduced to the lowest possible risk. Where there is a possibility of fraud and corruption, the Corporation will deal with it in a firm and controlled manner.

If an employee or a governor suspects any irregularity they should report it to the headteacher in the first instance or the Head of Family and Young People’s Services or Chairman of Governors’ if more appropriate. However, there may be occasions where staff do not feel comfortable reporting their concerns to management or circumstances may make it inappropriate to use this route. In such instances a whistleblowing telephone hotline has been established (020 7332 3663) or a confidential e-mail can be posted to the whistleblowing site on the City’s intranet. All information will be treated in the strictest confidence. Alternatively an independent telephone hotline (020 7404 6609) managed by the charity, Public Concern at Work can be used to lodge anonymous concerns.

11.11 Child Protection

The School is required to release staff to attend child protection conferences and other related events. No payments will be made by the City towards costs.

11.12 Redundancy/early retirement payments

Section 37 of the 2002 Education Act says:

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

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

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

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

Charge of dismissal/resignation costs to delegated school budget

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

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

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

In exceptional circumstances costs of new early retirements or redundancies may also be charged to the central part of the Schools Budget if it can be demonstrated that the "revenue savings achieved by any termination of employment are equal to or greater than the costs incurred". The approval of the Secretary of State may be required if the additional expenditure resulted in a breach of the central expenditure limit, whereby central expenditure increases faster than the Schools Budget as a whole. Therefore each case will need to be put forward by the School before the budget for the coming year is set and will be considered on its merits by the Director of Community and Children's Services.

For staff employed under the community facilities power, the default position is that any costs must be met by the governing body, but not from the delegated budget. Section 37 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.

(8) Any amount payable by virtue of subsection (7) by the governing body of a maintained school to the local education authority shall not be met by the governing body out of the school's budget share for any financial year.

(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.

SECTION 12: RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

As the School is Voluntary Aided the Governing Body is expected to finance from its delegated budget all revenue repairs and maintenance which are the City's statutory responsibility. There is one exception to this provision; the City will retain centrally funding for the repair and maintenance of kitchens and kitchen equipment where school meals have not been delegated.

For voluntary aided schools, the liability of the Authority for repairs and maintenance (albeit met by delegation of funds through the budget share) is the same as for other maintained schools, and no separate list of responsibilities is necessary for such schools. However, eligibility for capital grant from the Secretary of State for capital works at voluntary aided schools depends on the de minimis limit applied by the DfE to categorise such work, not the de minimis limit used by the Authority.

When planning major revenue repairs and maintenance projects the Governing Body will need to consider the most appropriate method of funding, this may include an annual contribution to a revenue repairs reserve.

SECTION 13 COMMUNITY FACILITIES

13.1 Introduction

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

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

- a. those contained in schools' own instruments of government, if any; and
- b. in the maintaining LA's scheme for financing schools made under section 48 of the School Standards and Framework Act 1998. Paragraph 2 of Schedule 3 to the Education Act 2002 extends the coverage of schemes to the powers of governing bodies to provide community facilities.

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

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

13.2 The mismanagement of community facilities funds can be grounds for suspension of the right to a delegated budget.

Consultation with the LA - financial aspects

13.3 Section 28(4) of the Education Act 2002 requires that before exercising the community facilities power, governing bodies must consult the local authority, and have regard to advice given to them by their authority.

13.4 The School is required to submit, in writing, details of any proposal to exercise the community facilities power to the LA. Community activities must be self-financing either through alternative funding streams or charges to users. Therefore, the School must include in its submission details of estimated start-up costs and on-going costs and proposed funding arrangements. Sufficient time will be required for the LA to consider a proposal, seek additional information if necessary, provide advice to the School and for the School to notify the LA of any action taken as a result of the LA advice. Therefore the LA will require formal notification of proposals at least eight weeks prior to the proposed implementation date.

13.5 The LA will respond to the School's submission within one month of receipt. This should give the School sufficient time to notify the LA of what action will be taken following the LA advice.

Funding agreements - LA Powers

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

13.7 If the provision of community facilities is dependent on the conclusion of a funding agreement with a third party (as opposed to the LA itself) the School should submit any such proposed agreement to the LA for its comments and allow sufficient time for the LA to provide such comments. The LA has no general power of veto for funding agreements. However, the School is reminded that if an agreement has been or is to be concluded against the wishes of the LA, or has been concluded without informing the LA, which in the view of the LA is seriously prejudicial to the interests of the School or the LA, that may constitute grounds for suspension of the right to a delegated budget.

Other prohibitions, restrictions and limitations

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

13.9 not applicable

Supply of financial information

13.10 If the School exercises the community facilities power it must provide the LA every six months with a summary statement, in a form determined by the LA, showing the income and expenditure for the School arising from the facilities in question for the previous six months and on an estimated basis, for the next six months.

13.11 The LA, on giving notice to the School that it believes there to be cause for concern as to the School's management of the financial consequences of the exercise of the community facilities power, may require such financial statements to be supplied every three months and, if the LA sees fit, require the submission of a recovery plan for the activity in question.

Specific funding agreements between the School and the LA may require other financial reporting requirements arising from the funding in question.

Audit

13.12 The School must grant access to its records connected with exercise of the community facilities power, in order to facilitate internal and external audit of relevant income and expenditure.

13.13 The School must, in concluding funding agreements with third parties, ensure that such agreements contain adequate provision for access by the LA to the records and property of the third party held on School premises, or held elsewhere insofar as they relate to the activity in question, in order for the LA to satisfy itself as to the propriety of expenditure on the facilities in question.

Treatment of Income and Surpluses

13.14 The School may retain all net income derived from community facilities except where otherwise agreed with a funding provider, whether that be the LA or a third party.

13.15 The School is allowed to carry such retained income over from one financial year to the next as a separate community facilities surplus.

Health and Safety Matters

13.16 The health and safety provisions set out in the scheme extend to the community facilities power.

13.17 The governing body is responsible for the costs of securing Criminal Records Bureau clearance for all adults involved in community activities taking place during the school day. Governing bodies are free to pass on such costs to a funding partner as part of an agreement with that partner.

Insurance

13.18 It is the responsibility of the governing body to ensure adequate arrangements are made for insurance against risks arising from the community facilities power, taking professional advice as necessary. The School must seek the LA's advice before finalising any insurance arrangements for community facilities.

13.19 The LA may undertake its own assessment of the insurance arrangements made by the School in respect of community facilities, and if it judges those arrangements to be inadequate, make arrangements itself and charge the resultant costs to the School.

Taxation

13.20 The School should seek the advice of the LA and the local VAT office on any issues relating to the possible imposition of VAT on expenditure in connection with community facilities, including the use of the local authority VAT reclaim facility.

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

13.22 The School is required to follow LA advice in relation to the Construction Industry Scheme where this is relevant to the exercise of the community facilities power.

Banking

13.23 The School is free to negotiate the opening of a separate account for its community facilities with any of the United Kingdom clearing banks or major building societies. However, before finalising the account the school is required to consult with the Chamberlain on the proposed terms and conditions.

13.24 Banking arrangements should mirror those set out elsewhere in the main scheme. Alternatively, at the School's request, the Chamberlain may consider acting as banker for the School's community facilities which would permit adequate separation of such funds from the delegated budget and other LA funds.

13.25 Governing bodies may borrow money only with the written permission of the Secretary of State. This requirement does not extend to monies lent to schools by their maintaining LA.

Detailed rules and guidance in respect of banking arrangements are included in the City's "Terms and Conditions for the Operation of a Local Bank Account".