

LINCOLNSHIRE COUNTY COUNCIL

SCHEME FOR FINANCING SCHOOLS

SCHOOL STANDARDS AND FRAMEWORK ACT 1998

The following pages set out Lincolnshire County Council's Scheme for Financing Schools.

The details in the scheme are a requirement of the Schools Standards and Framework Act 1998, Section 48.

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1 INTRODUCTION

1.1 The funding framework: main features

- 1.1.1** 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.
- 1.1.2** Under this legislation, the Local Authority determines the size of the Schools Budget and LA Budget. The categories of expenditure which fall within the Schools Budget are prescribed under regulations made by the Secretary of State, but included is all expenditure, direct and indirect, on the authority's maintained schools. The Local Authority may retain funding for purposes defined in regulations made by the Secretary of State under Section 46 of the Act. The amounts to be retained centrally are decided by the Local Authority, subject to any limits or conditions prescribed by the Secretary of State. The balance of the Schools Budget left after the deduction of centrally retained funds is termed the Individual Schools Budget (ISB).
- 1.1.3** The Local Authority may retain an unallocated reserve from within the ISB but must otherwise distribute the ISB amongst 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 Local Authority in accordance with Section 48 of the Act and approved by the Secretary of State. All revisions to the scheme must also be approved by the Secretary of State, who has the power to modify schemes or impose one.
- 1.1.4** Subject to provisions of the scheme, governing bodies of schools may spend budget shares for the purposes of their school. They may also spend budget shares on any additional purposes prescribed by the Secretary of State in regulations made under Section 50 of the Act.
- 1.1.5** The Local Authority may suspend a school's right to a delegated budget if the provisions of the Scheme for Financing (or rules

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

- 1.1.6** In accordance with Section 52 of the Act, the Local Authority is obliged to publish each year a statement setting out details of its planned Schools Budget and LA Budget, showing the amounts to be centrally retained, the budget share for each school, the formula used to calculate those budget shares, and the detailed calculations for each school. After each financial year the Local Authority must publish a statement showing outturn expenditure at both central level and for each school, and the balances held in respect of each school.
- 1.1.7** At the same time as issuing the Section 52 statement, the Local Authority will inform each maintained school of its estimate of the school's budget share and central government grant income paid via the Local Authority for the two years following the year for which the statement is being issued. The estimate will be provided in a format determined by the Local Authority. The estimate will use information available to the Local Authority at the date of the preparation and will necessarily be provisional in nature, implying no commitment on the part of the Local Authority to fund the school at the level shown in the estimate. The Local Authority may issue additional budget estimates from time to time.
- 1.1.8** The detailed publication requirements for financial statements and for schemes are set out in regulations. Each school must receive a copy of the scheme and any amendment, and each year's budget and outturn statements so far as they relate to that school or central expenditure.

1.2 The role of the scheme

The scheme governs the financial relationship between maintained schools and the Local Authority from the inception of the new funding framework on 1 April 1999. It contains requirements relating to financial management and associated issues, which are binding on both the Local Authority and on schools. The Scheme does not provide full details of financial procedures, regulations, guidance, etc; these are set out in the Schools Finance Handbook.

1.3 Application of the scheme to the Authority and maintained schools

The scheme applies to all community, voluntary, foundation community special and foundation special schools maintained by the Local Authority.

1.4 Publication of the scheme

The scheme will be supplied to the Headteacher and to the governing body of each school covered by the scheme.

1.5 Revision of the scheme

Any proposed revision of the scheme will be the subject of consultation with schools and will require approval by the Secretary of State. Approved revisions will be notified to each school.

1.6 Delegation of powers to the Headteacher

The scheme requires the governing body 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. A suggested level of delegation is set out in the Schools Finance Handbook.

1.7 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; and in the case of former grant maintained or former grant maintained special schools where there is a power but not a duty to meet capital expenditure). 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.

2 FINANCIAL MANAGEMENT

2.1 General

2.1.1 The governing body is responsible for the management of the school's delegated budget.

2.1.2 It may spend such amounts as it sees fit for any purposes of the school, subject to the restrictions of Section 50 of the School Standards and Framework Act 1998 in respect of part-time education, education for those aged 19 and above and allowances for governors.

- 2.1.3** It should exercise these powers within the requirements of legislation and with a view to securing best value from the budget delegated to the school.
- 2.1.4** The school governing body may, by a specific resolution of the governing body, delegate some of its responsibilities for management of the school's delegated budget. However, the full governing body must itself:
- approve the school budget
 - approve significant changes to the budget (see section 2.2.6)
 - approve action necessary to control the budget.

2.2 School budgets

- 2.2.1** The governing body must approve a budget for each financial year.
- 2.2.2** Schools are required to submit an annual Budget Return to the Local Authority by 31 May reporting the budget as approved by the school governing body.
- 2.2.3** When submitting a Budget Return, it is recommended that schools should include an estimate of any surplus/deficit balance for the previous financial year.
- 2.2.4** The timetable for the Budget Return and requirements in terms of the format of the budget are specified in the Schools Finance Handbook.
- 2.2.5** Schools must also submit a Best Value Statement (as required by the DCSF) with the Budget Return setting out what steps the governing body will be taking in the course of the year to secure best value. Guidance on the content of Best Value Statements is included in the Schools Finance Handbook and also in a DCSF Publication "Best Value in Schools" obtainable at www.dcsf.gov.uk/vfm
- 2.2.6** Schools may transfer budgets between budget headings as they wish. Schools should note, however, that there may be conditions attached to the delegation of budgets in particular cases, for example in relation to expenditure supported by Standards Fund or other grants.
- 2.2.7** Governing bodies should determine the limit at which transfers between budget headings need to be approved by the full governing body. The Local Authority recommends a limit of £5,000.
- 2.2.8** If changes to the original budget take place, the revised budget should be recorded in the reports submitted to the Local Authority. Details of individual budget changes will not need to be

submitted. The reporting arrangements are described in the Schools Finance Handbook.

2.2.9 The governing body is expected to take all reasonable steps necessary to ensure that the school's expenditure in any financial year does not exceed its budget for the year plus any accumulated surplus (or less any accumulated deficit) brought forward from earlier years.

2.2.10 The Local Authority will require schools to provide medium term financial plans:

- to support the Local Authority's responsibility for declaring their schools' adherence to the Financial Management Standard in Schools;
- where schools have overspends;
- where schools are seeking to make redundancies;
- where schools are seeking a loan;
- any other circumstances that the Local Authority considers appropriate.

2.3 School Accounts

2.3.1 The governing body may, subject to 2.3.2 below, choose between:

- the school maintaining its own prime accounts and providing key information to the Local Authority; and
- the Local Authority maintaining the school's accounts. In this case, the school may also maintain accounting records for its own benefit but these will not constitute the school's accounts.

2.3.2 Where a school has an accumulated deficit at the previous year end, it will only be able to maintain its own prime accounts with the Local Authority's agreement.

2.3.3 The Local Authority may withdraw a school's right to maintain prime accounts in exceptional circumstances where there are grounds for concern in relation to the school's financial management or administration.

2.3.4 A school which maintains its own accounts is required to submit the following financial statements to the Local Authority:

- Statement of Income and Expenditure (returned quarterly)
- School Bank Reconciliation Statement (returned quarterly)
- School Balance Sheet (returned once per year)
- School VAT Return (returned monthly)

Those schools running their own accounts for the first time will be required to submit the Statement of Income and Expenditure and School Bank Reconciliation monthly for the first six months.

The Director of Resources reserves the right to request in writing the above information on a more regular basis for those schools that were overspent at the end of the previous financial year.

2.3.5 Where the Local Authority maintains a school's accounts, the school is required to submit a statement of year end balances but only where material.

2.3.6 All schools are required to submit Annual Declaration Statements and Annual Notification of Audited Account Statements in relation to private funds, including school funds.

2.3.7 All schools may also be required to submit other financial information, for example where this information must be disclosed in the Local Authority's published financial statements.

2.3.8 Schools are required to comply with the accounting policies specified by the Local Authority in preparing the returns described above.

2.3.9 The reporting arrangements, including further advice on timetables, formats for the returns and accounting policies are specified in the Schools Finance Handbook.

2.3.10 Schools are required to maintain accounting records and supporting documentation as specified by the Local Authority and to make all such financial records available to officers of the Council, to the Council's external auditors and to others with legitimate rights of access to information, for example HM Revenue and Customs in relation to financial records related to Value Added Tax. This will include access to financial records held by third parties where necessary, for example payroll details held by a contractor supplying payroll services to a school.

Requirements and guidance in relation to financial records are contained in the Schools Finance Handbook.

2.4 Purchasing, tendering and contract requirements

2.4.1 A framework for the proper financial management of both schools and the Local Authority as a whole is provided within the Local Authority's Financial and Contract Regulations. These are prescribed by the Director of Resources in his "proper officer" role under Section 151 of the Local Government Act 1972. The Regulations are intended to ensure that there is adequate probity, accountability and value for money when purchasing goods and services. Schools should also assess in advance, where relevant, the health and safety competence of contractors, taking account of the Local Authority's policies and procedures. These Regulations shall apply to schools but with the following exceptions or variations:

- (a) that in applying Financial and Contract Regulations this would be incompatible with the provisions of this Finance scheme or with any statutory provision or any European Union Procurement Directive.
- (b) schools shall not be required to select suppliers only from a Local Authority approved list, although this information will be made available to advise schools.
- (c) for all contracts of a value between £10,001 and £75,000, schools must seek a minimum of three tenders.

In order that the Local Authority keeps within its borrowing limits, schools may need to notify the Director of Resources prior to entering into leasing or rental agreements. Schools should refer to guidance contained in the Schools Finance Handbook or contact the Local Authority to ascertain whether notification is necessary.

2.4.2 Details of the Financial and Contract Regulations, guidance on their application within schools and advice on best practice are provided within the Schools Finance Handbook.

2.5 Application of contracts to schools

Schools may opt out of existing Local Authority arranged contracts but schools will be bound by individual contract conditions including periods of notice and termination arrangements. In the case of newly arranged Local Authority contracts, the Local Authority will consult with schools on contract arrangements and will seek to make termination conditions fair and not unduly onerous. Further guidance is included within the Schools Finance Handbook.

2.6 Central funds and earmarking

2.6.1 The Local Authority may make sums available to schools from central funds, in the form of allocations which are additional to and separate from the schools' budget shares. This applies, for example, to Standards Fund allocations, other grants and other potential allocations. Such allocations will be subject to conditions setting out the purpose or purposes for which the funds may be used and may need to be returned to the Local Authority if not spent within the specified period. The Local Authority is not permitted to make any deduction, in respect of interest costs to the Local Authority, from payments to schools of devolved or specific special grants.

2.6.2 Schools must ensure that earmarked funding from centrally retained funds is spent only on the purposes for which it is given, and is not vired into the budget share. All schools, including those holding prime accounts, must maintain accounts in such a way as to be able to demonstrate that this requirement has been complied with.

2.7 Capital spending from budget shares

2.7.1 Schools are permitted to meet the cost of capital expenditure on school premises from their budget share. This includes expenditure by a voluntary aided school on work which is their responsibility under paragraph 3 of Schedule 3 of the Schools Standard Framework Act 1998. In the case of premises that are owned by the Local Authority then the school must seek the consent of the Director of Children's Services to all proposed work, however, such consent may only be withheld on health and safety grounds.

2.7.2 For all other capital schemes funded from the school budget share in respect of non Local Authority owned premises that are in excess of £50,000, schools must notify the Local Authority and take account of advice from the Director of Children's Services as to the merits of the proposed expenditure.

2.7.3 Capital expenditure met from school budget shares will need to be recorded separately and shown in the accounts. The Local Authority's accounting policy in relation to capital expenditure is that expenditure of a capital nature must be capitalised in the accounts where the cost of individual items is £10,000 or more. Individual capital items where the cost is less than £10,000 may be treated either as revenue expenditure or as capital expenditure. Further guidance on the definition of capital, authorisations and monitoring expenditure is provided within the Schools Finance Handbook. Schools should also refer to the sections of the Scheme covering responsibilities for Repairs and Maintenance.

2.8 Payment of salaries, payment of bills

2.8.1 The school governing body, under delegated authority, is required to implement and maintain adequate controls in respect of both the payment of salaries and bills. These controls must be consistent with guidance set out in the Schools Finance Handbook.

2.8.2 Authority for all payments shall bear the manuscript signature of an approved certifying officer. The school governors are responsible for nominating officers to be designated as certifying officers, which must be notified to the Director of Resources.

2.8.3 The principal matters to be attested to under a certifying officer's signature are:

- in the case of invoices, that the goods and services have been received and that the transaction represents value for money;
- in the case of salary or wage instructions, that the instruction is based on fact and is the result of proper procedures;
- that the transaction or proposed transaction is legal.

2.8.4 Where a certifying officer is in doubt as to the legality of a proposed transaction he/she should consult the Governing Body (and the Director of Resources if they so wish) at the earliest opportunity.

2.8.5 Where schools elect to pay salaries through local bank accounts and use an external provider, they will be under a duty to provide information to the Local Authority regarding tax, national insurance and superannuation (teaching and non teaching) deductions.

2.9 Procurement Card

2.9.1 The Procurement Card can be used for purchasing goods and services without the need for purchase orders and invoices. The electronic card can be used like other visa cards and allows staff to pay for business goods and services directly.

2.9.2 The card must be used for making work related purchases only. It remains the property of Lincolnshire County Council and must not be used for personal use.

2.9.3 The card can only be used to purchase agreed supplies within the agreed card spending limit. The card should not be used where other arrangements or specific contracts are in place.

2.9.4 The card should be used in accordance with County Council financial regulations.

- 2.9.5** Monthly statements are issued which must be reconciled against orders and receipts. Discrepancies should be raised with the supplier in the first instance.
- 2.9.6** Reasonable care should be taken to ensure the safety of the card. Do not disclose your card details to anyone except when conducting a transaction. Lost or stolen cards must be reported to the bank.
- 2.9.7** When purchasing on the internet, ensure that only viable and secure sites/vendors are used.
- 2.9.8** The card should be surrendered to the Headteacher if employment is terminated, or the holder moves on to other duties.
- 2.9.9** Further information on the card can be found in the Schools Finance Handbook.

2.10 Control of assets

2.10.1 All schools will have responsibilities for ensuring the proper recording, control and disposal of assets. This shall include:

- the maintenance of proper inventories and/or asset registers;
- the adequate security of assets, including loan arrangements;
- proper arrangements in relation to the disposal of assets, including maximisation of income and compliance with any restrictions which may be imposed on assets funded by specific grants or leasing arrangements.

2.11 Writing off of debts

2.11.1 The Director of Resources and the Director of Children's Services are jointly authorised to write off individual bad debts up to a value of £5,000.

2.11.2 The Director of Resources may delegate authority at 2.11.1 above to the governing body in relation to amounts below £500, subject to satisfactory internal arrangements, including reporting to the Director of Children's Services. Further guidance is included within the Schools Finance Handbook.

2.12 Audit arrangements

2.12.1 Under the 1996 Accounts and Audit Regulations, the Local Authority is responsible for ensuring the provision of an adequate and effective internal audit. This responsibility has been delegated to the Director of Resources whose authorised representatives (both internal and external auditors) shall have

authority at all reasonable times to visit and have access to all relevant records and property and may require such explanations as they consider necessary.

2.12.2 The accounts of all schools form part of the Local Authority's overall accounting arrangements and will be covered by the same internal and external audit arrangements applying to the Local Authority as a whole. Such arrangements are determined periodically by the Audit Commission. The external auditors will not normally visit individual schools but have the powers to do so if they so require. The cost of both internal and external audit are classified under Strategic Management and will not be delegated to schools.

2.12.3 In addition to the core services above, schools may commission additional audit consultancy work, the costs of which will be met from budget shares. There will be no allocation within delegated budgets for additional audit work.

2.12.4 Further information on the statutory responsibilities in respect of audit together with the scope of audit coverage is included within the Schools Finance Handbook.

2.13 Audit of private and voluntary funds

2.13.1 Any private or voluntary funds must be declared to the Local Authority in a manner determined by the Director of Resources.

2.13.2 For all such funds schools must submit an annual statement setting out the audited position in a manner determined by the Director of Resources. This statement will contain a summary position for the previous year and details of the auditor and charity registration. Any school not complying with this requirement will be in breach of the scheme and the Local Authority will consider further action.

2.13.3 The school must also seek compliance with the relevant requirements of the Charities Act 1993, where appropriate.

2.13.4 Further guidance on school funds can be found in the Schools Finance Handbook.

2.14 Register of business interests

2.14.1 Each school must maintain a register which lists for all members of the governing body and senior school management (normally Headteacher and other staff with delegated financial responsibilities) any business or vested interests, which they or members of their immediate family may have.

2.14.2 This register should be kept up-to-date, reviewed at least annually and be available for inspection by the Local Authority, governors, staff and parents.

2.15 Financial Management Standard in Schools

2.15.1 All maintained schools must demonstrate compliance with the DCSF Financial Management Standard in Schools in line with the timetable determined by the Local Authority, and at any time thereafter.

2.15.2 The Authority will require schools to demonstrate compliance through the submission of evidence showing that the school has undergone an external assessment. External assessment must be carried out by the Local Authority or by a third party that has been approved to carry out such assessment by either the DCSF or the Local Authority.

2.16 Notice of Concern

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

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

These may include:

- insisting that the relevant staff undertake appropriate training to address any identified weakness 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.

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

3. INSTALMENTS OF BUDGET SHARE, BANKING ARRANGEMENTS

3.1 General

3.1.1 All schools have the choice of the following three options:

- Option 1. Payment of the total budget share into a local bank account (i.e. for those schools holding prime accounts).
- Option 2. Payment of the non-pay element of the budget share into a local bank account.
- Option 3. Continuance of centrally paid payments with the option of an imprest account or extended imprest account (where individual payments of up to £150 may be paid locally).

3.1.2 Schools wishing to hold a local bank account for the first time should notify the Local Authority no later than the 1st January preceding the start of the financial year.

3.1.3 Where a school has an accumulated deficit at the previous year end, it will only be able to hold a local bank account with the Local Authority's agreement.

3.1.4 Where schools are holding a bank account for the first time, an estimate of any surplus balances on the school budget share will be made and added to the deposit paid on 1 April. A subsequent amendment to this estimate will be made once the accounts for the previous financial year have closed. The amendment will be made to the deposit paid in September.

3.1.5 Recommendations regarding bank account signatories are included in the Schools Finance Handbook and not within the Scheme for Financing Schools.

3.2. Frequency of instalments

3.2.1 For option 1, at paragraph 3.1.1 above, deposits will be made on the 18th of each month, with an additional deposit on 1 April.

The deposits will be profiled as follows:

	Funding for SEN 1:1 Support		Remainder of Budget Share
1 April	n/a	+	1/36 th
18 April to 18 February	1/12 th	+	1/12 th
18 March	1/12 th	+	2/36 ^{ths}

3.2.2 For option 2, at paragraph 3.1.1 above, deposits will be made on the 18th of each month, with an additional deposit on 1 April.

The deposits will be profiled as follows, with a deduction of the previous month's pay costs (with the exception of the 1 April deposit):

	Proportion of Budget Share
1 April	1/36 th
18 April to 18 February	1/12 th
18 March	2/36 ^{ths}

3.2.3 If, due to an error by the Local Authority, the deposits to school bank accounts are made later than the dates shown above, interest will be added to the payment based upon the average base rate over the period of the delay.

3.2.4 The total amount of the School Standards Grant (SSG) and School Standards Grant (Personalised) (SSGP), determined in accordance with DCSF conditions of grant, shall be made available to the governing body of all schools by a date specified by the Secretary of State. For option 1 and 2 at paragraph 3.1.1. above, an additional deposit will be made to ensure that payment is made by the due date irrespective of the normal bank deposit profile.

3.3 Banks and building society accounts

3.3.1 The Director of Resources will determine a list of banks and building societies with whom schools will be eligible to open accounts, which will incorporate banks and building societies used by former grant maintained schools in 1998/9. A list of approved banks and building societies is attached at Annex B.

3.3.2 Bank accounts may be held in the name of the school and reference need not be made to the Local Authority. However, the account mandate should provide that the Local Authority is the owner of the account and that it can take control of the account if the school's right to a delegated budget is withdrawn.

3.3.3 Any interest payable on the bank account will be retained by the school.

3.3.4 Further guidance on the conditions of setting up a bank account are contained within the Schools Finance Handbook.

3.4 Borrowing by schools

Schools will not be eligible to negotiate overdraft facilities. Schools may only take out loans with external agencies with the prior permission of the Secretary of State. The Local Authority will operate a loans scheme, the details of which are at paragraph 5.10.

3.5 Other provisions

3.5.1 The Local Authority operates a policy of paying invoices within 30 days from the date of the invoice. Governing bodies of schools paying their own invoices locally can determine their own payment policy provided that payments are made within 30 days (i.e. an earlier payment can be made).

3.5.2 Other rules and conditions connected with the administration of a local bank account can be found within the Schools Finance Handbook.

4 TAXATION

4.1 Value Added Tax (VAT)

4.1.1 The Local Authority will reclaim VAT on behalf of all schools in accordance with VAT legislation. Every school will receive the full benefit of the VAT reclaimed on its behalf. However, in relation to a school which maintains its own accounts, VAT can only be reclaimed and repayment made to the school where school VAT returns are completed accurately and promptly as required.

4.1.2 Detailed requirements and guidance are contained in the Schools Finance Handbook.

5 THE TREATMENT OF SURPLUSES AND DEFICIT BALANCES ARISING IN RELATION TO BUDGET SHARES

5.1 The right to carry forward surplus balances

5.1.1 Schools have the right to carry forward from one year to the next any shortfall in expenditure relative to the school's budget share for the year, plus or minus any balance brought forward from the previous year, subject to paragraph 5.3 below.

5.2 Reporting on the intended use of surplus balances

The Local Authority may request the governing body of schools, which carry forward surpluses in excess of 5% of the following year's budget share, to report on how the school intended to make use of the surplus balances.

5.3 Carry Forward Balances

5.3.1 From the financial year 2004/05 onwards, the Local Authority will restrict the level of schools' carry forwards.

5.3.2 For Nursery, Primary and Special schools, the Local Authority will allow schools to retain 8% of the school's budget share (including School Standards Grant) or £30,000 which ever is the greater.

For Secondary schools, the Local Authority will allow schools to retain 5% of the school budget share (including School Standards Grant) or £30,000 which ever is the greater.

Schools with boarding houses will be allowed to retain an additional sum, this being the greater of 50% of the previous year's boarding income or £0.2m.

5.3.3 In addition, schools will be permitted to retain funding for specific, time limited capital projects that are consistent with the school's Asset Management Plan priorities.

5.3.4 Final decisions on what qualifies as capital will rest with the Local Authority.

5.3.5 Any surplus balances above the specified level will be deducted and added to the Individual Schools Budgets and distributed to all schools.

5.3.6 The amount of a surplus balance will be shown in the relevant outturn statement published under Section 52.

5.4 Interest on surplus balances

5.4.1 All schools will be able to earn interest on surplus balances.

Schools operating their own bank account will retain surplus balances and so will attract interest automatically.

5.4.2 Schools without bank accounts will receive interest on their balances by reference to the following formula:

$$(a+b)/2 \times c,$$

where:

- 'a' represents the surplus/deficit brought forward at the start of the financial year (as recorded in the section 52 outturn statement);
- 'b' represents the surplus/deficit carried forward at the end of the financial year (as recorded in the section 52 outturn statement); and
- 'c' represents the average Bank of England base rate percentage, less 2%, in force during the financial year.

Interest will be credited to each non-bank account school's budget share by 30 September following the end of the relevant financial year.

5.5 Obligation to carry forward deficit balances

5.5.1 Schools with deficit balances will be required to carry them forward. The Local Authority will deduct deficits from the following year's budget share.

5.5.2 The amount of a school's deficit balance will be shown in the relevant outturn statement published under Section 52.

5.6 Planning for deficit budgets

5.6.1 Schools are not permitted to overspend. Where this is unavoidable, schools must seek prior, written approval from the Local Authority.

5.6.2 In exceptional circumstances, the Local Authority may approve plans which allow a school to overspend. Such schools will be required to submit detailed, medium term financial plans for approval and, thereafter, detailed budget monitoring reports to demonstrate that the repayment plan is being adhered to. The maximum length allowed for repayment of the deficit should not exceed 5 years.

5.6.3 Where a school has approval to overspend and the school proposes to spend amounts received in respect of School Standards Grant on purposes other than reducing the licensed deficit, the Local Authority will agree to such a proposal unless in its view the proposed expenditure is unreasonable in the school's financial circumstances.

See also Section 5.10, Loans scheme.

5.7 Charging of interest on deficits

5.7.1 Schools will be charged interest on loans taken from the Local Authority (schools are not permitted to overspend).

Schools operating their own bank account will automatically be charged interest by their bank.

5.7.2 Schools without bank accounts will be charged interest by reference to the following formula:

$$(a+b)/2 \times c,$$

where:

'a' represents the surplus/deficit brought forward at the start of the financial year (as recorded in the section 52 outturn statement);

'b' represents the surplus/deficit carried forward at the end of the financial year (as recorded in the section 52 outturn statement); and

'c' represents the average Bank of England base rate percentage plus 2%, in force during the financial year.

Interest will be debited to the school's budget share by 30 September following the end of the relevant financial year.

5.7.3 Special arrangements will exist for those schools with deficits arising from additional expenditure as a result of rising rolls. The Local Authority will negotiate separately with each school falling into this category.

5.7.4 Interest will not be charged on deficit balances as at 31 March 1999.

5.8 Writing off balances

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

5.9 Balances of closing and replacement schools

When a school closes, any balance, whether surplus or deficit, will revert to the Local Authority.

5.10 Loan schemes

5.10.1 The Local Authority will operate a loans scheme for schools. The full terms and conditions of this scheme are detailed in the Schools Finance Handbook.

5.10.2 The maximum period over which a school may repay a loan will not exceed 5 years in respect of loans for revenue purposes. Repayment periods for other loans are negotiable, e.g. capital projects and re-scheduling of existing loans for former grant maintained schools.

5.10.3 Loans may be granted for a wide variety of purposes. Each loan will be considered against the key objective of securing school improvement.

5.10.4 The total value of loans to any one school should not, in normal circumstances, exceed 5% of its current budget share.

5.10.5 The maximum level of funding available for loans to schools will not exceed 25% of the collective surplus balance for all schools, as shown in the Local Authority's outturn statement.

5.10.6 Loan applications must be approved by the Director of Children's Services, the Director of Resources and Senior Councillors, as appropriate.

6 INCOME

6.1 Income from lettings

Schools will be able to retain income from lettings of the school premises. Governing bodies are free to determine lettings charges for all categories of users although the Local Authority will continue to publish recommended lettings rates which schools and user groups may adopt if they wish. Detailed guidance on the use of school premises and the standard lettings charges can be found in the Premises Handbook.

6.2 Income from fees and charges

6.2.1 Education provided by schools should be free if it takes place wholly or mainly during school hours. In accordance with legislation, the Local Authority has drawn up a statement of charging policy. This can be found in the Schools Finance Handbook. However, governing bodies may wish to be more or less generous than the policies of the Local Authority provided that they meet the requirements of the legislation. Any additional expenditure incurred as the result of adopting a more extensive policy will have to be met by the school.

6.2.2 Schools will be able to retain income from such fees and charges except where a service has been provided from centrally retained funds.

6.3 Income from fund-raising activities

Schools will be able to retain income raised from fund-raising activities. Any associated costs arising from fund-raising activities must also be met by the school. Many schools operate fund-raising activities via the school fund.

6.4 Income from the sale of assets

6.4.1 Schools will be able to retain the proceeds from the sale of assets except in the cases where the asset was purchased with non-delegated funds (in which case it will be for the Local Authority to decide whether the school should retain the proceeds), or the asset concerned is land or buildings forming part of the school premises and is owned by the Local Authority.

6.4.2 Care should be taken when disposing of assets that have been or are subject to leasing agreements. Proceeds from such assets cannot normally be fully retained by the school. Guidance and advice should be obtained from the Director of Resources' Office.

6.5 Administrative procedures for the collection of income

The administrative procedures for the collection of income and related VAT accounting requirements are contained within the Schools Finance Handbook.

7 THE CHARGING OF SCHOOL BUDGET SHARES

7.1 General

School budget shares will only be charged by the Local Authority without the governors' consent in the circumstances listed in 7.2 below. Prior to charging, the Local Authority will consult with the school and send formal notification once the charge has been made.

7.2 Circumstances in which charges may be made

Charges may only be made in the following circumstances where the Local Authority can demonstrate that expenditure has been incurred, (where the charges include salaries of school-based staff, these will be charged at actual cost):

- (a) Where premature retirement costs have been incurred without prior permission for the Local Authority to bear the costs. In such circumstances, the amount charged to the school's budget share will be the excess over any amount agreed by the Local Authority.
- (b) Other expenditure incurred to secure resignations where the school had not followed the Local Authority's advice.
- (c) Expenditure incurred by the Local Authority in carrying out health and safety work or capital expenditure for which the Local Authority 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 (see section 11).

- (d) Expenditure incurred by the Local Authority in making good defects in building work funded by capital or revenue spending from budget shares, where the premises are owned by the Local Authority.
- (e) Expenditure incurred by the Local Authority for insurance costs in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the Local Authority. This applies only for those schools where the Local Authority considers it has an insurable interest (e.g. excluding buildings of a foundation school).
- (f) Recovery of penalties imposed on the Local Authority by the Teachers' Pensions Agency, Board of Inland Revenue, the Contributions Agency, HM Revenue and Customs or regulatory authorities as a result of school negligence (see section 4).
- (g) Additional transport costs incurred by the Local Authority, arising from decisions by the governing body on the school's session times or term dates.
- (h) Legal costs (including Employment Tribunals or out of court settlements) which are incurred by the Local Authority because the governing body did not follow the advice or recommended practices advised by the Local Authority (see section 10.4).
- (i) Expenditure incurred by the Local Authority in respect of payments made to PFI landlords for costs normally borne by the school's budget share.
- (j) Costs incurred by the Local Authority in securing provision specified in a statement of SEN where the governing body of a school fails to secure such provision despite the delegation of funds in respect of that statement.
- (k) Recovery of amounts spent from specific grants on ineligible purposes.
- (l) Recovery of costs incurred by the Local Authority as a result of the governing body being in breach of the terms of a contract.
- (m) Correction of Local Authority errors in calculating charges to a budget share, after considering the date of the error.

7.3 General Teaching Council

Schools must deduct, or arrange to deduct the GTC registration fee from the salaries of teachers who are registered, or who are required to register, with the GTC and have not paid the fee by any other means.

8 THE PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITY

8.1 Provision of services from centrally retained budgets

8.1.1 The Local Authority will determine on what basis services from centrally retained funds will be provided to schools. This will include premature retirement compensation and redundancy payments.

8.1.2 The Local Authority 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 Timescale for the provision of services bought back from the Local Authority using delegated budgets

8.2.1 The term of any arrangements with a school starting on or after 1 April 1999 to buy services or facilities from the Local Authority will be limited to a maximum of three years from the inception of the scheme or the date of the agreement, whichever is the later, and periods not exceeding five years for any subsequent agreement relating to the same services. However, services bought through the "Buy Back" scheme have no set period for the contract, but have a six month termination clause.

8.2.2 Where the Local Authority offers to provide services for which funding has been delegated, it will do so in a way which does not restrict schools' freedom of choice among the services available.

8.3 Service level agreements/contracts

8.3.1 The Local Authority will review at least every three years the terms of service level agreements/contracts entered into on or after the inception of the scheme.

8.3.2 Services provided by the Local Authority will be available on a basis which is not related to an extended agreement.

8.4 Teachers' Pensions

Governing bodies of schools which provide payroll services must submit an annual return of salary and service to the Local Authority. Governing bodies must also ensure that details of Additional Voluntary Contributions (AVC's) are passed to the Local Authority within the specified time limit.

9 INSURANCE

The responsibility and budget provision for insurance is delegated to governing bodies. Schools must arrange insurance in relation to property, public and employer's liability and other risks. The scope and minimum levels of insurance cover are specified by the Local Authority and described in the Schools Finance Handbook. The specified insurance cover is offered by the Local Authority.

10 MISCELLANEOUS

10.1 Right of access to information and right of attendance at governing body meetings.

10.1.1 The Director of Resources and the Director of Children's Services have overall responsibilities which include:

- ensuring proper financial management including provision of an adequate and effective internal audit.
- monitoring and intervention role as prescribed by the School Standards and Framework Act 1998.

10.1.2 In order to discharge these responsibilities and following consultation with the Headteacher (except in exceptional circumstances) authorised representatives of the Local Authority shall:

- arrange to visit schools and have access to all relevant records and property and may require such explanations as considered necessary.
- arrange to attend governing body meetings where appropriate to discharge the above responsibilities.

10.1.3 Further information on audit and monitoring arrangements is provided within the Schools Finance Handbook.

10.2 Liability of governors

The governing body is a corporate body and, under the terms of the School Standards and Framework Act 1998, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share provided they act in good faith.

10.3 Governors expenses

10.3.1 Under schedule 11 of the Act, only allowances in respect of purposes specified in regulations may be paid to governors from a school's delegated budget share. No other allowances may be paid. Schools are not permitted to pay expenses which duplicate

those paid by the Secretary of State to additional governors appointed by him to schools under special measures.

10.3.2 The Local Authority may delegate to the governing body of a school yet to receive a delegated budget, funding for the Governors' expenses.

10.4 Responsibility for legal costs

Although legal costs incurred by the governing body are the responsibility of the Local Authority as part of the cost of maintaining the school (excluding statutory responsibilities of aided school governors in connection with buildings), they can be charged to the school's budget share if the Governing body does not act in accordance with advice of the Local Authority (see also Section 7.2).

10.5 Health and Safety

10.5.1 When spending the schools' budget share, the governing body shall be required to comply (as far as reasonably practical) with the Local Authority's published health and safety policies and shall produce and review their own written policies to complement these.

10.5.2 Where, in the opinion of the Local Authority, the governors are not maintaining an adequate environment in respect of the areas for which they have delegated budgets, the Local Authority has the right to arrange for this work to be carried out and for any expenditure to be charged to the school's budget share (see section 7.2).

10.6 Delegation to new schools

The Local Authority will delegate selectively and optionally to the governing bodies of schools which have yet to receive delegated budgets.

10.7 Whistleblowing

The Council County has a policy relating to Whistleblowing. Further details are at Annex C.

10.8 Community Facilities

The Local Authority has a policy relating to Community Facilities. Further details are at Annex D.

11 RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

- 11.1** The Local Authority's repair and maintenance budget is funded from both revenue and capital sources. The DCSF produce guidelines (Annex A) regarding which works are classified as revenue items. More comprehensive guidance can be found in the Repairs and Maintenance Handbook, an electronic copy of which is available on <https://hbspropertyweb.hbs.uk.com>.
- 11.2** Revenue expenditure in this context is classified as repairs and maintenance. It can be thought of as expenditure necessary to keep a building and its plant and equipment functioning and in compliance with legislation. Day-to-day repairs, minor renewals/repairs to parts of a structure, internal and external decorations, service contracts and emergency callouts are all examples of work which should be funded from revenue. From 1 April 2001, the revenue items have been delegated to schools through formula funding (with an option to buy-back services if required).
- 11.3** Capital expenditure is used to fund the initial provision of an element and major renewal of these elements (the planned maintenance programme). Examples of these types of scheme would be a major re-roofing, re-wire or re-heating project. They are projects which significantly enhance the life of a building, as opposed to merely keeping it functioning. This expenditure is retained by the Local Authority and spent in line with the priorities identified in the Asset Management Plan.
- 11.4** Repair and maintenance arrangements for Voluntary Aided Schools are described in the DCSF publication "Funding for premises-related work at Voluntary Aided (VA) Schools in England" ref: DCSF/0276/2002.
- 11.5** VA governors will continue to be eligible for grant from the DCSF in respect of their statutory responsibilities and in addition they will have responsibility for other repair and maintenance items on the same basis as Community and Foundation schools.

FURTHER DELEGATION – EXAMPLES OF REVENUE REPAIR AND MAINTENANCE

ELEMENT

Roofs

FlatStructure

Repair/replacement of small parts of an existing structure.

Screed/insulation

Repair/replacement of screed/insulation where defective.
Work to improve insulation standards, during work to repair/replace areas of roof.

Roof Finish

Replacement of roof finish on existing building. Recoating chippings to improve life expectancy.

Edge Trim/Fascia

Replacement on existing roof including repairs and repainting.

Roof Drainage

Clearing out gutters and down pipes.
Replacement/repair/repainting of gutters/pipes.

Others

e.g. Flashings, roof lights.
Replacement/repair/cleaning of individual items.

PitchedStructure

Repair/replacement of small parts of an existing structure.

Insulation

Repair/replacement/increasing thickness of insulation in an existing roof.

Roof finish

Replace missing/damaged on existing roof.

Bargeboards/Fascias

Repairs/replacement/repainting

Drainage

Clearing out gutters and down pipes.
Replacement/repairs of pipes/gutters.

Other

e.g. Flashings, roof windows. Repair/replacement/cleaning.

<u>Other</u>	<p><u>Covered Link</u> Minor repairs/maintenance to existing.</p> <p><u>Porch</u> Minor repairs/maintenance to existing.</p>
Floors	
<u>Ground and Upper Floors</u>	<p><u>Structure and damp proof course</u> Repair/replacement of small parts of an existing structure.</p> <p><u>Screed and floor finishes</u> Replacement and repair of screed and finishes. Replacement of mat/mat wells. Maintenance e.g. revarnishing wooden floors.</p>
Ceilings	<p><u>All ceilings</u> Repair/replacement including from water damage and necessary decoration.</p>
Asbestos ceilings	Inspection/air testing, applying sealant coats to asbestos surfaces for protection.
External Walls	
<u>Masonry / cladding</u>	<p><u>Structure</u> Smaller underpinning/propping/repair works, including preventive measures e.g. tree removal.</p> <p><u>External Finish</u> Repair/replacement of small parts of an existing structure. eg repointing/recladding a proportion of a wall where failure has occurred.</p>
<u>Windows and doors</u>	<p><u>Framing</u> Repair/replacement of frames. Repainting frames.</p> <p><u>Glazing</u> Replacing broken glass.</p> <p><u>Ironmongery</u> Repair/replacement, upgrading locks etc.</p> <p><u>Internal and external decorations</u> Internal and external decoration to include cleaning down and preparation.</p>
<u>Masonry chimneys</u>	<p><u>Structure</u> Repair/repointing to jointing including expansion and mortar joints/pointing/DPC.</p>

Internal walls

Solid

Repairs and redecoration to internal plaster/linings, tiles, pin boards etc.
Minor alterations.

Partitions

Repairs and redecoration to complete structure including linings, framing, glazing, decoration etc.
Minor alterations.

Doors and Screens

Framing/Screens/Doors

Internal maintenance and redecoration.
Repair/replacement of defective doors and screens (including glazing, ironmongery, jointing and internal decorations.)

Glazing

Replacement of broken glass.

Sanitary Services

Lavatories

Repair/replacement of sanitary ware, fittings, waste plumbing etc.
Small areas of refurbishment.

Kitchens

Maintain kitchen to requirements of Local Authority.
Cleaning out drainage systems.
Internal finishes and decorations.
Equipment repairs/replacement parts.

Mechanical Services

Heating/hot water

Servicing and general maintenance of all boiler-house plant including replacement of defective parts.
Regular cleaning. Energy saving projects. Health and Safety including monitoring condition of existing asbestos.
Replacement of any defective parts.

<u>Cold water</u>	Maintenance and repair/replacement of defective parts of the system such as service pipes. Annual servicing and cleaning of cold water tanks. Water hygiene testing.
<u>Gas</u>	Repairs, maintenance, gas safety testing. All servicing.
<u>Ventilation</u>	<u>Mechanical ventilation and air conditioning systems.</u> Provision of local ventilation. Repair/replacement/maintenance of defective systems and units.
<u>Other</u>	<u>Swimming pool plant</u> (including heat recovery systems) Repair/replacement and maintenance to plant, pumps and controls including water treatment equipment and all distribution pipe work, heat recovery systems, solar heating plant and equipment.
Electrical services	
<u>General</u>	<u>Main switchgear and distribution</u> Testing/replacement/upgrading of distribution boards. The repair and maintenance of all switchgear and interconnecting cables including that in temporary buildings. All testing, earthing and bonding to meet Health and Safety. All servicing.
<u>Power</u>	<u>Control gear, distribution, fixed equipment, protection.</u> All testing, repair and maintenance of small items of equipment.
<u>Lighting</u>	<u>General and emergency luminaries</u> Replacement of luminaries, all testing, adjustments and improvements to emergency.
<u>Other</u>	<u>Lighting protection</u> Repair/replacement and testing. <u>Alarm systems, CCTV, lifts/hoists</u> Repair and maintenance/servicing/replacement. <u>Communication systems, radio/TV, call, telephone, data transmission, IT</u> Repair/ replacement/servicing and maintenance, including all door access systems.

External works

<u>Pavings</u>	<u>Roads, car parks, paths, courts, terraces, playgrounds, play pitches, steps and handrails.</u> Maintenance and repairs. Car park and playground markings. Reconstruction and resurfacing of small areas. Repair of ramps and steps.
<u>Others</u>	<u>Walls, fencing, gates and ancillary buildings</u> Maintenance and repair of all perimeter/boundary/retaining walls, fencing and gates.
<u>Drainage</u>	<u>Drains, soakaways, inspection chambers and sewage plant.</u> Maintenance, repair of drains, gullies, grease traps and manholes between building and main sewers. Cleaning of the above and unblocking as necessary.
<u>Open air pools</u>	<u>Structure, hygiene/safety</u> Hygiene, cleaning, maintenance and repairs, including replacement. Simple energy saving systems.
<u>Services distribution</u>	<u>Heating, Gas, Water and Electricity mains</u> Annual servicing and minor repairs & maintenance.

LIST OF APPROVED BANKS AND BUILDING SOCIETIES

ANNEX B

Banks

Barclays Bank plc
Cooperative Bank plc
Lloyds TSB Group
HSBC
National Westminster Bank plc
Royal Bank of Scotland
Yorkshire Bank plc
Abbey
Halifax plc
Alliance & Leicester plc
Woolwich plc

Building Societies

Britannia
Nationwide
Norwich & Peterborough

The Public Information Disclosure Act (1998) applies to the public, private and voluntary sectors. It aims to improve accountability and good governance in all organisations by assuring workers concerned about malpractice that it is safe to raise their concerns.

To this end the Local Authority has produced a Confidential Reporting Code (or 'whistleblowing' policy). This document is intended to encourage and enable anyone who works for (or on behalf of) the Council to raise serious concerns within the Council rather than overlooking a problem and also, to make it clear that reporting will happen without fear of reprisal.

Examples of issues which might be raised would include:

- conduct which is an offence or a breach of law
- disclosures related to miscarriage of justice
- health and safety risks, including risks to the public as well as other employees
- damage to the environment
- the unauthorised use of public funds
- possible fraud or corruption
- sexual or physical abuse of clients
- unethical conduct

Or it may be something that:

- makes you feel uncomfortable in terms of known standards
- is against the official policies
- is unlawful
- amounts to improper conduct.

This Policy provides for the following stakeholders to raise concerns arising from reasonable suspicion of malpractice within or relating to the Council: - Employees, school governors, members, partners and those contractors working for the Council on Council premises, e.g. agency staff, builders and drivers. It also covers suppliers and those providing services under a contract with the Council in their own premises, for example care homes. It has been discussed with the relevant trade unions and has their support.

A full copy of the 'whistleblowing' policy is available by visiting www.lincolnshire.gov.uk (the policy is part of The Constitution).

For further details contact:-

Stephanie Kent, Audit Manager (Investigations)
Corporate Audit & Risk Management
Resources Directorate, County Offices, Lincoln
Telephone : 01522 553682
FAX : 01522 516032
Email : stephanie.kent@lincolnshire.gov.uk

APPLICATION OF SCHEMES FOR FINANCING SCHOOLS TO THE COMMUNITY FACILITIES POWER

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) specify activities which may not be undertaken at all under the main enabling power. Secondly, the school is obliged to consult its Local Authority and have regard to advice from the Authority. Thirdly, the Secretary of State issues guidance to governing bodies about a range of issues connected with exercise of the power, and a school must have regard to that.

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

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

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

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

The remainder of this Annex to the Scheme deals in more detail with schools' powers to provide community facilities. It is important to note that:

- a. The budget share of a school may not be used to fund community facilities, either start-up costs or ongoing expenditure, or to meet deficits arising from such activities.
- b. The mismanagement of community facilities funds can be grounds for suspension of the right to a delegated budget.

Consultation with the Local Authority

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.

Schools must seek Local Authority advice prior to entering into agreements. This must allow the Local Authority a reasonable period to consider the schools proposals and to seek additional information where necessary. The Local Authority will endeavour to respond to schools within four weeks, but a resolution may not be secured within that time if further discussions and requests for information are necessary.

Schools will be required to inform the Local Authority of action it has taken following provision of Local Authority advice.

Third parties

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

Proposed funding agreements with third parties should be submitted to the Local Authority, giving the Local Authority adequate notice (i.e. a minimum of three months) to respond. The Local Authority does not, however, have a right to veto such agreements, either directly or indirectly.

If the third party requires Local Authority consent to the agreement for it to proceed, agreement must be sought directly from the Local Authority. If an agreement has been or is to be concluded against the wishes of the Local Authority, or has been concluded without informing the Local Authority, which in the view of the Authority is seriously prejudicial to the interests of the school or the Authority, that may constitute grounds for suspension of the right to a delegated budget.

Other prohibitions, restrictions and limitations

Although the Local Authority has no right of veto, either to funding agreements with third parties, or for other proposed uses of the community facilities power, the Authority may require in specific instances, the governing body to make arrangements to protect the financial interests of the Authority by either carrying out the activity concerned through the vehicle of a limited company formed for the purpose, or by obtaining indemnity insurance for risks associated with the project in question, as specified by the Local Authority. This requirement will only be imposed where the Local Authority has good reason to believe that the proposed project carries significant financial risks.

The Local Authority may impose other prohibitions, restrictions and limitations where they are necessary to safeguard the financial position of the Authority or school, or to protect pupil welfare or education.

Provision of financial information

Schools which exercise the community facilities power may be required to provide the Authority every three months with a summary statement, in a form determined by the Authority, showing the income, expenditure and end of year outturn position for the school arising from the facilities in question.

The Authority, 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 month and, if the Authority sees fit, require the submission of a recovery plan for the activity in question.

Audit

The Local Authority requires the school to grant access to the school's records connected with exercise of the community facilities power, in order to facilitate internal and external audit of relevant income and expenditure.

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

Treatment of Income and Surpluses

Schools may retain all net income derived from community facilities except where otherwise agreed with a funding provider, whether that is the Local Authority or some other person.

Schools may carry such retained net income over from one financial year to the next as a separate community facilities surplus.

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

Health and Safety

The health and safety provisions of the main scheme extend to the community facilities power.

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

Insurance

The governing body is responsible for ensuring adequate arrangements are made for insurance against risks arising from the exercise of the community facilities power, taking professional advice as necessary. Such insurance should not be funded from the school budget share. The school should seek the Authority's advice before finalising any insurance arrangement for community facilities.

The Local Authority is empowered to undertake its own assessment of the insurance arrangements made by a school in respect of community facilities. If it judges those arrangements to be inadequate, it may make arrangements itself and charge the resultant cost to the school. Such costs could not be charged to the school's budget share.

Taxation

Schools should seek the advice of the Local Authority and the local VAT office on any issues relating to the possible imposition of Value Added Tax on expenditure in connection with community facilities, including the use of the Local Authority VAT reclaim facility.

Schools are reminded that if any member of staff employed by the school or Local Authority in connection with community facilities at the school is paid from funds held in a school's own bank account (whether a separate account is used for community facilities or not), the school is likely to be held liable for payment of income tax and National Insurance, in line with Inland Revenue rules.

Schools are required to follow Local Authority advice in relation to the Construction Industry Scheme where this is relevant to the exercise of the community facilities power.

Banking

Schools should either maintain separate bank accounts for budget share and community facilities, or have one account but with adequate internal accounting controls to maintain separation of funds.

The Local Authority's approach to the banks which may be used, signing of cheques, the titles of bank accounts, the contents of bank account mandates, and similar matters is as set out in the main part of the scheme.

Schools are reminded that they may not borrow money, other than via the Local Authority, without the written consent of the Secretary of State.

A. INTRODUCTION

1. The formula is the means of distributing the available resources between schools. It is not the method for establishing the level of resources available for distribution.

B. THE FORMULA AND ITS FACTORS – NURSERY

2. The individual budget share for a nursery will depend upon the weightings for each pupil age group, the number of pupils in each age group, places purchased at the school, the block allocation for the school and any additional allocations (where applicable).
3. Unless otherwise stated the following "weightings" are expressed as a proportion of the value of the basic Age Weighted Pupil Unit (AWPU) to be determined each year in accordance with County Council policy.

Places Purchased

4. Nursery schools will receive funding to provide a planned number of full time places for pupils for the financial year. The following weightings are expressed as proportion of the AWPU:

	Weighting (AWPU)
Age 2 – 3	1.58
Assessment (Sensory Impaired Places)	3.96

The Assessment (Sensory Impaired Places) is to provide places in a nursery school for children with those needs.

Pupil Numbers

5. Nursery schools also receive funding for full time equivalent (FTE) pupil numbers as at the DCSF January pupil census. The ages refer to the age of each pupil on the 31 August preceding the January pupil census. The weightings reflect the current County Council policy.

	Weighting (AWPU)
Age 2 – 3	0.10

SEN Register

6. An additional allocation is made in respect of each pupil recorded on the school's Special Educational Needs register as at the date of the DCSF January pupil census preceding the financial year. The allocation will be weighted according to the SEN Stage at which each pupil has been recorded.

	SEN Register Weighting
SEN Register – School Action	1.00
SEN Register – School Action Plus	1.60

Free School Meals

- Schools receive an additional allocation in respect of the estimated shortfall in funding for the provision of free school meals in the financial year. This will be calculated as the number of free school meals recorded on the DCSF January pupil census, multiplied by the value of a standard meal, the number of school days in the financial year and by a scaling factor of 75%. An in-year adjustment in respect of any further shortfall in funding will be made during the following financial year (see paragraph 98).

Statemented Pupils – One to One Support

- Schools will receive an additional allocation in respect of the estimated costs of the one to one support required for those pupils with a statement of special educational needs.
- This allocation will be calculated by reference to the number of statemented pupils recorded on the DCSF January pupil census preceding the financial year. The allocation will be weighted according to either, the actual level of one to one provision specified in an existing statement; or, for statements issued after 1 April 2000, the funding band assigned to that statement. Each funding band will be weighted as follows:

Band	One to One Support	Weighting
1	up to 2½ hours	1.0
2	up to 5 hours	2.0
3	up to 7½ hours	3.0
4	up to 10 hours	4.0
5	up to 15 hours	6.0
6	up to 20 hours	8.0
7	up to 25 hours	10.0
8	up to 32½ hours	13.0

- For those pupils expected to leave the school at the end of summer term the allocation will be restricted to 5/12ths of that for a full year
- Three in-year adjustments may be made to ensure the school receives the correct level of funding. In the Summer Term an adjustment is made regarding any funding owed from the previous financial year (see paragraph 87). In the Autumn Term an adjustment will be made to increase the estimated formula allocation in respect September admissions (see paragraph 88). A further in-year adjustment will be made in the Spring Term to adjust the formula allocation in respect of the actual costs incurred for the financial year (see paragraph 89).

Block Allocation

- A fixed amount will be allocated to all schools.

Threshold

13. Funding is available for schools that employ teachers who have passed from the Main Pay Scale to the Upper Pay Scale. The following rates are applied:

a. Main scale point 6 to Upper scale point 1	100%
b. Upper scale point 1 to Upper scale point 2	60%
c. Upper scale point 2 to Upper scale point 3	60%

A school with a teacher on Upper scale point 3 would receive funding at all three levels.

14. An in-year adjustment will be made for any changes to threshold entitlement identified on the September Snapshot form (see paragraph 99).

School Standards Grant (SSG)

15. All schools receive an allocation for SSG. There are two methods of calculation. One is based on a set amount per pupil as at the DCSF January pupil census, plus a flat rate depending on the phase of the school. The other calculates the amount of SSG per pupil received in the previous financial year, multiplied by the number of pupils as at the DCSF January pupil census, then increased by a set percentage rate. The school receives the higher figure. A calculator is available at www.teachernet.gov.uk

Per Pupil Guarantee

16. All schools receive a guaranteed increase to their budget share as decreed by DCSF. However, those schools with falling or rising rolls may need to receive extra funding to ensure they are not disadvantaged. The calculation of this factor is complicated, and schools receive a detailed explanatory sheet with their budget share pack.

C. THE FORMULA AND ITS FACTORS – PRIMARY AND SECONDARY SCHOOLS

17. The individual budget share for a primary or secondary school will depend upon the weightings for each pupil age group, the number of pupils in each age group, the block allocation for the school and any additional allocations (where applicable).
18. Unless otherwise stated the following "weightings" are expressed as a proportion of the value of the basic Age Weighted Pupil Unit (AWPU) to be determined each year in accordance with County Council policy.

Age Weighted Pupil Units (AWPU)

19. The following ages refer to the age of each pupil on the 31 August preceding the DCSF January pupil census. The weightings reflect the current County Council policy.

	Weighting (AWPU)
Age 2	0.10
Age 3	0.10
Age 4	1.02
Age 5	1.02
Age 6	1.02
Age 7	1.00
Age 8	1.00
Age 9	1.00
Age 10	1.00
Age 11	1.34
Age 12	1.34
Age 13	1.34
Age 14	1.65
Age 15	1.65
Age 16	1.65

Post 16 Allocation

20. The Learning & Skills Council (LSC) determine the level of resources required to fund post 16 provision in Lincolnshire schools by the application of their own formula which is notified to schools separately.
21. There is an element of double funding through Lincolnshire's non-pupil led factors which support the whole school. Therefore a deduction is made which is equivalent to the post 16 proportion of the block, free meals, building rent and small school allocations.

Block Allocation

22. A fixed amount will be allocated to all schools. The actual amount will depend on the phase of the school, i.e. primary or secondary, and for primary only in bands dependant on pupil numbers.

Voluntary Aided Schools and Foundation Schools - Non-Domestic Rates

23. An amount equivalent to the value of the mandatory rate relief received by a voluntary aided school or a foundation school with charitable status will be deducted from the block allocation. The value of any discretionary rate relief received by a voluntary aided school or foundation school will not be deducted from the block allocation.

School re-organisation

24. In order to ease the financial transition where two or more schools choose to merge, all schools involved will retain their block allocation for the first two years of the merger. In the third year, the second and subsequent schools will receive 50% of their block allocation(s) and 0% in their fourth year.
25. A multi-site factor is available from the third year, based on the actual costs of operating from more than one site. The funding for this will be determined by the LA on a school by school basis.

Schools with Designated Special Educational Needs (SEN) Units

26. Each pupil has already been allocated funding through the AWPU according to their age. This allocation is in addition to the AWPU funding and funds those schools which have an SEN unit.

Primary Schools

	Weighting (AWPU)
General Learning Difficulties (GLD)	1.92
Moderate Learning Difficulties (MLD)	1.44
Sensory Impaired (SI)	3.96

Secondary Schools

	Weighting (AWPU)
General Learning Difficulties (GLD)	1.38
Moderate Learning Difficulties (MLD)	0.92
Sensory Impaired (SI)	3.46
Specific Learning Difficulties (SpLD)	1.85

Pupils in Designated Nursery Classes – Primary Schools

27. For primary schools an additional allocation will be made for each pupil in a designated nursery class as recorded on the DCSF January pupil census. This allocation is in addition to the AWPU funding allocated according to the age of each pupil.

	Weighting (AWPU)
Age 2	1.58
Age 3	1.58
Age 4 (born between 1.1.XX - 31.3.XX)	0.69
Age 4 (born between 1.4.XX - 31.8.XX)	0.69

Small School Allocation - Primary Schools

28. Primary schools with less than 80 pupils on roll will receive an additional allocation per pupil below 80 pupils up to a maximum additional allocation for 50 pupils, e.g. a school with 25 pupils on roll at January pupil census will receive funding for 50 pupils.

Small Schools Allocation - Secondary Schools

29. Secondary schools with less than 300 pupils on roll will receive an additional allocation per pupil below 300 pupils up to a maximum additional allocation for 100 pupils, e.g. a school with 150 pupils on roll at January pupil census will receive funding for 100 pupils.

Schools with Statemented Pupils

30. Each pupil has already been allocated funding through the AWPU according to their age. This allocation is in addition to the AWPU funding and is for each Statemented pupil on the school register regardless of whether he/she is in a primary school, secondary school or an attached class or unit.

	Weighting (AWPU)
Statemented Pupil	0.07

Statemented Pupils - One to One Support

31. Schools will receive an additional allocation in respect of the estimated costs of the one to one support required for those pupils with a statement of special educational needs.
32. This allocation will be calculated by reference to the number of statemented pupils recorded on the DCSF January pupil census preceding the financial year. The allocation will be weighted according to either, the actual level of one to one provision specified in an existing statement; or, for statements issued after 1 April 2000, the funding band assigned to that statement. Each funding band will be weighted as follows:

Band One to One Support		Weighting
1	up to 2½ hours	1.0
2	up to 5 hours	2.0
3	up to 7½ hours	3.0
4	up to 10 hours	4.0
5	up to 15 hours	6.0
6	up to 20 hours	8.0
7	up to 25 hours	10.0
8	up to 32½ hours	13.0

33. For those pupils expected to leave the school at the end of summer term the allocation will be restricted to 5/12ths of that for a full year
34. Three in-year adjustments may be made to ensure the school receives the correct level of funding. In the Summer Term an adjustment is made regarding any funding owed from the previous financial year (see paragraph 87). In the Autumn Term an adjustment will be made to increase the estimated formula allocation in respect September admissions (see paragraph 88). A further in-year adjustment will be made in the Spring Term to adjust the formula allocation in respect of the actual costs incurred for the financial year (see paragraph 89).

Pupils With Special Educational Needs But Without Statements

35. Each pupil has already been allocated funding through the AWPU according to their age. This allocation is in addition to the AWPU funding.
36. An additional allocation will be made in respect of each pupil recorded on the school's Special Educational Needs register as at the date of the DCSF January pupil census preceding the financial year. The allocation will be weighted according to the phase of school and at which SEN Stage each pupil has been recorded.
37. The number of pupils on the special educational needs register is subjected to a moderation process based upon standardised reading tests in Year 4 and Year 8 averaged over a 3 year period with reference to Key Stage 2 test results where appropriate. In infant schools only, the special educational needs register data is subjected to professional assessment.

Primary Schools

SEN Register – School Action
 SEN Register - School Action Plus

SEN Register Weighting

1.0
 1.6

Secondary Schools

SEN Register - School Action
 SEN Register - School Action Plus

SEN Register Weighting

1.0
 1.6

Building Rents

38. Schools will receive an additional allocation in accordance with estimated costs as at the 31 January preceding the financial year.

Free School Meals

39. Schools will receive an additional allocation in respect of the estimated shortfall in funding for the provision of free school meals in the financial year. This will be calculated as the number of free school meals recorded on the DCSF January pupil census, multiplied by the value of a standard meal, the number of school days in the financial year and by a scaling factor of 75%. An in-year adjustment in respect of any further shortfall in funding will be made during the following financial year (see paragraph 98).

Extraordinary Social Needs - Primary Schools

40. For primary schools where more than 5% of the school roll is entitled to receive a free school meal the school will receive an additional amount per pupil in respect of the total school roll. The additional amount per pupil will be based upon the overall percentage of the school roll entitled to receive a free school meal.

High Turnover of Pupils - Primary Schools

41. For primary schools where the number of admissions (excluding admissions to the normal intake year groups) for the previous academic year exceeds the qualifying level, i.e. 15% of the total school roll or 21 pupils (whichever is the greater), additional funding will be made available.
- a. An allocation will be made for each pupil above the qualifying level, to recognise the additional administration costs.
 - b. An allocation will be made to provide School Action or School Action Plus funding for each pupil admitted to school during the previous academic year (excluding admissions to the normal intake year groups) and for whom such funding has not previously been allocated.
 - c. Any school above the qualifying level may bid for LA funding where the pattern and scale of admissions can be considered to require additional teaching staff.

High Turnover of Pupils – Secondary Schools

42. For secondary schools, where the number of admissions in years 7 to 11 (excluding admissions at the normal September admission date) for the previous academic year exceeds the qualifying level of 20 pupils, additional funding will be made available.
- a. An allocation will be made for each pupil above the qualifying level, to recognise the additional administration costs.
 - b. An allocation will be made to provide School Action or School Action Plus funding for each pupil admitted to school during the previous academic year (excluding admissions in the September intake) and for whom such funding has not previously been allocated.

Infant Class Size Policy

43. The additional allocation due to each school in respect of Lincolnshire's Infant Class Size policy is determined as an in-year adjustment during Autumn Term of each year and applies to the complete academic year starting in that September (see paragraph 92). This factor allocates the balance of funds due in the current financial year, i.e. the funds due for the 5 months remaining in that academic year, to the end of August.

Prior Attainment Factor

44. For secondary schools where the average KS2 score is below 3.85, an additional allocation will be made for each pupil whose KS2 result was below level 2, 3 and 3.5, according to the weightings below:

Below level 3.5 - 0.40

Below level 3.0 – 1.00

Below level 2.0 – 1.60

Personalised Learning (Primary)

45. Schools will receive a share of the funding available, for this factor, based upon their Income Deprivation Affecting Children Index (IDACI) rank.
46. The IDACI rank for each school is calculated upon the postcode of pupils as at DCSF January pupil census, this is then compared to the national percentile ranking to give a national rank; schools with a rank of 50+ will be allocated funding.
47. Those schools that qualify for funding will receive an amount depending on pupil numbers and the weighting per pupil. The weighting per pupil is determined by their IDACI ranking, with a ranking of 50 being equivalent to a weighting of 1 and a ranking of 100 being 2.

Personalised Learning (Secondary)

48. Schools will receive a share of the funding available, for this factor, based upon the formula used by Lincolnshire.
49. All schools will receive an allocation based on the number on roll.
50. Additional funding will be given to those schools through their Income Deprivation Affecting Children Index (IDACI) rank. The IDACI rank for each school is calculated upon the postcode of pupils as at DCSF January pupil census, this is then compared to the national percentile ranking to give a national rank; schools with a rank of 50+ will be allocated funding.
51. Additional funding will also be given to school through a prior attainment factor. A weighting will be given to all pupils who were identified as "first language other than English" and for all pupils based on their English and Maths KS2 scores. An

allocation will then be made based on the total weighting for the school as a % of the total weighting for the county.

Threshold

52. Funding is available for schools that employ teachers who have passed from the Main Pay Scale to the Upper Pay Scale. The following rates are applied:
- | | | |
|----|--|------|
| a. | Main scale point 6 to Upper scale point 1 | 100% |
| b. | Upper scale point 1 to Upper scale point 2 | 60% |
| c. | Upper scale point 2 to Upper scale point 3 | 60% |

A school with a teacher on Upper scale point 3 would receive funding at all three levels.

53. An in-year adjustment will be made for any changes to threshold entitlement identified on the September Snapshot form (see paragraph 99).

School Standards Grant (SSG)

54. All schools receive an allocation for SSG. There are two methods of calculation. One is based on a set amount per pupil as at the DCSF January pupil census, plus a flat rate depending on the phase of the school. The other calculates the amount of SSG per pupil received in the previous financial year, multiplied by the number of pupils as at the DCSF January pupil census, then increased by a set percentage rate. The school receives the higher figure. A calculator is available at www.teachernet.gov.uk

School Standards Grant Personalised (SSGP)

55. The primary school formula looks at children not achieving level 2 or higher in reading, writing and maths, plus a Free School Meals element and an FTE pupil allocation.
56. The secondary school formula looks at children not achieving level 4 or higher in KS2 tests, plus a Free School Meals element and an FTE pupil allocation.
57. A calculator is available at www.teachernet.gov.uk.

Per Pupil Guarantee

58. All schools receive a guaranteed increase to their budget share as decreed by DCSF. However, those schools with falling or rising rolls may need to receive extra funding to ensure they are not disadvantaged. The calculation of this factor is complicated, and schools receive a detailed explanatory sheet with their budget share pack.

D. THE FORMULA AND ITS FACTORS - SPECIAL SCHOOLS

59. A special school's individual budget share will depend upon the weightings for individual place factors, the number of planned places of each type at each school, the number of pupils at each school, the block allocation for each school and any additional allocation, if applicable.

Day Places Purchased

60. All special schools will receive funding to provide a planned number of places for day pupils for the financial year. The following weightings are expressed as a proportion of the value of a Moderate Learning Difficulties (MLD) Day Place.

	Weighting (Day Place)
Emotional and Behavioural Difficulties (EBD)	3.09
General Hospital (GH)	0.34
Moderate Learning Difficulties (MLD)	1.00
Physically Disabled (PD)	2.05
Pre-placement Moderate Learning Difficulties (PPMLD)	1.75
Profound & Multiple Learning Difficulties (PMLD)	2.20
Psychiatric Hospital (Psh)	0.41
Severe Learning Difficulties (SLD)	1.80

Residential Places Purchased

61. Residential special schools will receive funding to provide a planned number of places for boarding pupils for the financial year. The following weightings are expressed as a proportion of the value of a Moderate Learning Difficulties (MLD) Residential Place.

	Weighting (Residential Place)
Emotional and Behavioural Difficulties (Extended Day)	0.77
Moderate Learning Difficulties (MLD)	1.00
Physically Disabled (PD)	1.85
Profound & Multiple Learning Difficulties (PMLD)	2.21
Severe Learning Difficulties (SLD)	2.39

Day Pupils

62. All special schools will receive funding in respect of the number of pupils on the school roll as at the DCSF January pupil census preceding the financial year. The following weightings are expressed as a proportion of the value of a Moderate Learning Difficulties (MLD) Day Pupil.

	Weighting (Day Pupil)
Emotional and Behavioural Difficulties (EBD)	1.72
General Hospital (GH)	1.72
Moderate Learning Difficulties (MLD)	1.00
Physically Disabled (PD)	1.72
Psychiatric Hospital (PsH)	1.72
Severe Learning Difficulties (SLD)	1.00

Residential Pupil Element

63. Residential special schools will receive funding in respect of the number of boarders on the school roll as at the DCSF January pupil census preceding the financial year. Funds will be weighted relative to the value assigned in that year for a pupil boarding for 6 nights a week or less.

	Weighting (Boarders)
Termly (7 nights a week)	1.67
Weekly (6 nights a week or less)	1.00

Block Allocation - All Special Schools

64. A fixed amount will be allocated to all special schools.

Block Allocation - Residential Special Schools

65. A fixed amount will be allocated to all residential schools.

Statemented Pupils - One to One Support

66. Schools will receive an additional allocation in respect of the estimated costs of the one to one support required for those pupils with a statement of special educational needs.

67. This allocation will be calculated by reference to the number of statemented pupils recorded on the DCSF January pupil census preceding the financial year. The allocation will be weighted according to either, the actual level of one to one provision specified in an existing statement; or, for statements issued after 1 April 2000, the funding band assigned to that statement. Each funding band will be weighted as follows:

Band	One to One Support	Weighting
1	up to 2½ hours	1.0
2	up to 5 hours	2.0
3	up to 7½ hours	3.0
4	up to 10 hours	4.0
5	up to 15 hours	6.0
6	up to 20 hours	8.0
7	up to 25 hours	10.0
8	up to 32½ hours	13.0

68. For those pupils expected to leave the school at the end of summer term the allocation will be restricted to 5/12ths of that for a full year. The total funds identified above will then be multiplied by a scaling factor.
69. Three in-year adjustments may be made to ensure the school receives the correct level of funding. In the Summer Term an adjustment is made regarding any funding owed from the previous financial year (see paragraph 87). In the Autumn Term an adjustment will be made to increase the estimated formula allocation in respect September admissions (see paragraph 88). A further in-year adjustment will be made in the Spring Term to adjust the formula allocation in respect of the actual costs incurred for the financial year (see paragraph 89).

Free School Meals

70. All special schools will receive an additional allocation in respect of the estimated shortfall in funding for the provision of free school meals in the financial year. This will be calculated as the number of free school meals as recorded on the DCSF January pupil census multiplied by, the value of a standard meal, the number of school days in the financial year and by a scaling factor of 85%. An in-year adjustment in respect of any additional shortfall in funding will be made during the following financial year (see paragraph 98).

Building Rents

71. Special schools will receive an additional allocation in accordance with estimated costs as at the 31 January preceding the financial year.

Outreach Places

72. Special schools will receive funding to provide a planned number of Outreach places for the financial year. For SLD schools the allocation is based upon a number of places at the value of a SLD Day Place. For PD schools the allocation is based upon a number of places at the value of a PD Day Place. For autism provision the allocation is based upon a number of places at the value of a PMLD Day Place.

FE Link Courses

73. An additional allocation will be made for each pupil aged 15 and above as at DCSF January pupil census in respect of link-course fees at FE colleges.

Threshold

74. Funding is available for schools that employ teachers who have passed from the Main Pay Scale to the Upper Pay Scale. The following rates are applied:

a.	Main scale point 6 to Upper scale point 1	100%
b.	Upper scale point 1 to Upper scale point 2	60%
c.	Upper scale point 2 to Upper scale point 3	60%

A school with a teacher on Upper scale point 3 would receive funding at all three levels.

75. An in-year adjustment will be made for any changes to threshold entitlement identified on the September Snapshot form (see paragraph 99).

School Standards Grant (SSG)

76. All schools receive an allocation for SSG. There are two methods of calculation. One is based on a set amount per pupil as at the DCSF January pupil census, plus a flat rate depending on the phase of the school. The other calculates the amount of SSG per pupil received in the previous financial year, multiplied by the number of pupils as at the DCSF January pupil census, then increased by a set percentage rate. The school receives the higher figure. A calculator is available at www.teachernet.gov.uk

School Standards Grant Personalised (SSGP)

77. The special school formula allocates a flat rate for those with under 50 pupils. For those with over 50 pupils, an amount per pupil is paid. A calculator is available at www.teachernet.gov.uk.

Per Pupil Guarantee

78. All schools receive a guaranteed increase to their budget share as decreed by DCSF. However, those schools with falling or rising rolls may need to receive extra funding to ensure they are not disadvantaged. The calculation of this factor is complicated, and schools receive a detailed explanatory sheet with their budget share pack.

E. IN-YEAR ADJUSTMENTS TO INDIVIDUAL SCHOOL BUDGET SHARES

79. Each school will be entitled to receive additional funds as in-year adjustments to its budget share in respect of the following items.

April Update (Primary)

80. Infant and primary schools will receive additional full year funding where there has been an increase in the number of pupils aged 4(2) (those with birthdays in the Spring Term) and/or the number of pupils aged 4(3) (those with birthdays in the Summer Term) between DCSF January pupil census and the DCSF May pupil census.

3 Year Old Funding (Primary)

81. In the Summer Term, Infant and primary schools will receive additional funding for those pupils aged 3(1) (those with birthdays in the Autumn Term) and/or aged 3(2) (those with birthdays in the Spring Term) on roll (excluding those pupils in Nursery Classes) at the DCSF May pupil census at a rate determined in the County Council's Early Years Development Plan.
82. Infant and primary schools will be subject to a reduction in funding equivalent to the Age Weighted Pupil Allocation made for Early Years pupils within the school's individual budget share.
83. In the Spring Term, Infant and Primary schools will receive additional funding for those pupils aged 3(1) (those with birthdays in the Autumn Term) on roll (excluding those pupils in Nursery Classes) as at DCSF January pupil census pupil count at a rate determined in the County Council's Early Years Development Plan.

September Trigger (Primary and Secondary)

84. To allow for possible increases in pupil numbers resulting from admissions to mainstream schools, there will be an additional allocation of funds where the number of pupils included on the DCSF October pupil census exceeds, by a significant level, the number of pupils previously funded at the DCSF January pupil census.
- a. For primary schools additional funds will be allocated where the increase in pupil numbers exceeds 15 pupils or 5% of those pupils previously funded at the January pupil census (whichever is the greater).
 - b. For secondary schools additional funds will be allocated where the increase in pupil numbers (excluding post 16 pupils) exceeds 15 pupils or 5% of those pupils previously funded at the January pupil census (whichever is the greater).
 - c. For secondary schools the trigger level will be waived where a school experiences growth of more than 25 pupils in Year 7 for more than 1 successive year or where the re-organisation of education in a particular area, by the County Council, requires an additional form of entry.

Overcapacity (Special)

85. To allow for possible increases in day pupil and residential pupil numbers resulting from admissions to special schools, there will be an additional allocation of funds where the number of pupils in school exceeds the number of pupils previously funded at the DCSF January pupil census.

Statemented Pupils – One to One

86. Three in-year adjustments may be made to schools in order to ensure they are correctly funded for statemented pupils receiving one to one support.
87. In the Summer Term, a final adjustment is allocated for any changes made to statements in the previous financial year, after the Spring Term adjustment.
88. In the Autumn Term, an allocation is made for any new statements admitted in September and any changes made to existing statements.
89. In the Spring Term, an allocation is made for any new or changed statements since the Autumn Term adjustment.

11+ Examinations (Secondary)

90. For schools that have selection examinations, the school will receive an additional allocation of funds based upon the number of pupils tested.

Admission Appeals

91. For schools that are an admissions authority (i.e. schools with foundation or voluntary aided status), the school will receive an additional allocation of funds in respect of the number of admissions appeals administered.

Infant Class size Policy (Primary)

92. Schools with key stage 1 pupils will receive an additional allocation in respect of Lincolnshire's Infant Class Size Policy, to ensure that no key stage 1 class has more than 30 pupils in accordance with the relevant legislation.
93. The number of key stage 1 pupils recorded on the DCSF October pupil census will be rounded up to the nearest 30 pupils, with the exception of those schools where the total number of key stage 1 pupils is less than 30.
94. Additional funds will then be allocated in respect of the difference between the actual number of pupils in key stage 1 and the rounded figure calculated above.
95. The funds allocated will reflect the academic year starting September and so only 7/12ths of the full year allocation will be made available in the current financial year. The remainder of the funding will be made available through the original budget share allocation at the start of the next financial year (see paragraph 43).

English as an Acquired Language

96. Schools admitting children whose first language is not English will receive funding for where the number admitted exceeds 5% or 14 pupils of the DCSF January pupil census, providing they have been in an English school for less than two years. Funding will be paid at an amount per pupil above the qualifying level on a termly basis (ie three times a year). The data is collected from the DCSF May, October and January pupil censuses.

Excluded Pupils

97. Where a school permanently excludes a pupil or subsequently admits a pupil who has been permanently excluded the authority will increase or decrease the individual schools budget by an amount determined by the appropriate government regulations.

Free School Meals

98. For schools, where the actual cost of providing free school meals exceeds the budget allocation in the previous financial year, the school will receive an additional allocation of funds based upon the increased number of meals (see paragraph 39).

Threshold/Leadership/Supply

99. A Snapshot form is issued to schools in September to capture any changes to threshold entitlement since the allocation in the original budget share (see paragraph 52). The funding will be allocated in the Spring Term.
100. Funding is available to cover 60% of the cost of a performance related increment paid to staff on the Leadership pay scale. If two increments are awarded, only the first is funded. A form is sent to schools in September to record any increments awarded to staff. The funding is allocated in the Spring Term.
101. Schools who employ supply teachers on the Upper pay scale 1 are entitled to 100% funding. For April to August, this is added in the Spring Term, and for September to March in the Summer Term.

Post 16 – Learning and Skills Council (LSC) Adjustments (Secondary)

102. Where the initial LSC allocation has been amended, this change will be made to the individual budget share allocation for those schools concerned, in order to replicate the intended funding level set by the LSC.

Newly Qualified Teachers (NQTs)

103. Those schools that employ newly qualified teachers during the financial year will receive an additional allocation of funds based upon the number of teachers and the period for which they were employed. The funding is allocated on a termly basis.

Special Unit Funding

104. To allow for possible increases in the number of special unit places purchased in mainstream schools, there will be an additional allocation of funds where the number of pupils on the roll of the special unit exceeds the number of places previously funded.

School Openings, Closures and Re-Organisations

105. Where a new school is opened or an existing school is closed then an adjustment will be made in order that the school receives an appropriate proportion of the individual school's budget share.
106. Where there is a reorganisation to the provision of education (e.g. closure of neighbouring school), the September Trigger Level (5% or 14 pupils) at designated receiving schools will be reduced to zero during the relevant period, so that these schools receive funding for all additional pupils.

Correction of Errors

107. Insofar as a school's budget share has been calculated on incorrect data or there have been inaccuracies in the application of the formula, the correction of these errors will be funded from the Contingency, except where the school has provided the incorrect data.