Summary and details of main changes - Scheme for Financing Schools

Key:  D – Directed revisions – for information
     R – Revisions in respect of new funding arrangements from 1st April 2013 – for action

| Section 1.1 + 1.3 | All proposals to revise the scheme must be approved by Schools forum. Confirmation that the scheme and any amendments to it must be published on a website accessible to the general public. The date on which any amendments take effect must also be published. | Key: D |

Current Scheme

The financial controls within which delegation works are set out in a scheme made by the Local Authority in accordance with s.48 of the Act and approved by the Secretary of State. All revisions to the scheme must be approved by the Secretary of State, who has power to modify schemes or impose one.

Revised Scheme

The financial controls within which delegation works are set out in a scheme made by the Local Authority in accordance with s.48 of the Act and regulations made under that section. All proposals to revise the scheme must be approved by the schools forum, though the authority may apply to the Secretary of State for approval in the event of the forum rejecting a proposal or approving it subject to modifications that are not acceptable to the authority.

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

A copy of the scheme will be supplied to the governing body and the headteacher of each school covered by the scheme, and any approved revisions will be notified to each such school. A copy of the scheme along with any revisions will be available for reference at the Children, Young People &
Any proposed revisions to the scheme will be the subject of consultation with the Governing Body and the Headteacher of every school maintained by the authority before they are submitted to the schools forum for their approval.

Approval of the scheme — removal of reference to the Secretary of State and inclusion of the schools forum role. Only schools forum members representing maintained schools should now approve scheme changes.

| Key: D |

### Current Scheme

Any proposed revisions to the scheme will be the subject of consultation with all schools and will require approval by the Secretary of State.

### Revised Scheme

The governing body and the headteacher of every school maintained by the authority will be invited to participate in the consultation to review any proposed revisions to the scheme before they are submitted to the schools forum for their approval.

All proposed revisions must be submitted to the schools forum for their approval by members of the forum representing maintained schools. Where the schools forum does not approve them or approves them subject to modifications which are not acceptable to the authority, the authority may apply to the Secretary of State for approval.
2.1.2 The format of the outturn statement should be in line with the Consistent Financial Reporting Framework.

<table>
<thead>
<tr>
<th>Current Scheme</th>
<th>Revised Scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schools will be required to provide to the CYP&amp;F Directorate a financial statement on, or around the 1 July, 1 October, 1 January and 1 March. The report will include the figures for the current budget; a profile of the current budget; actual expenditure and income and any variances between the actual spend and profiled budget. Schools will also be required to provide a brief written commentary of any significant variances, the predicted out-turn for each budget and any action proposed or already taken within 3 weeks of receiving the statement.</td>
<td>Schools will be required to provide to the Borough Treasurer a financial statement (referred to as an outturn statement) on, or around the 1 July, 1 October, 1 January and 1 March. The report will include the figures for the current budget; a profile of the current budget; actual expenditure and income and any variances between the actual spend and profiled budget. The format of the report should be in line with the Consistent Financial Reporting framework. Schools will also be required to provide a brief written commentary of any significant variances, the predicted out-turn for each budget and any action proposed or already taken within 3 weeks of receiving the statement.</td>
</tr>
</tbody>
</table>

2.3 Updated paragraph on when agresso reports are available.

<table>
<thead>
<tr>
<th>Current Scheme</th>
<th>Revised Scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>At the start of the financial year, the Authority will notify schools</td>
<td>Tabulations of expenditure and income will be emailed to</td>
</tr>
</tbody>
</table>
of the dates on which monthly tabulations (i.e. LAFIS Reports) of expenditure and income will be available to schools.

schools on a monthly basis by the 3rd working day of the following month the reports relate to.

2.4 Renamed paragraph from Best Value to Efficiency and Value for Money and updated section.

| Key: D |

Current Scheme

Therefore, when submitting the annual budget plan, the governing body of each school shall submit a statement setting out what steps it will be taking in the course of the year to ensure that expenditure, particularly in respect of large service contracts, will reflect the principles of the ‘Best Value’ regime.

Revised Scheme

Schools must seek to achieve value for money and efficiencies, to optimise the use of their resources and to invest in teaching and learning taking into account the purchasing, tendering and contracting requirements outlined in section 2.10 of this scheme.

It is for heads and governors to determine at school level how to secure better value for money. There are significant variations in efficiency between similar schools, and so it is important for schools to review their current expenditure, compare it to other schools and think about how to make improvements. Please contact the school finance team if you require any assistance.

2.10 Inclusion of thresholds for purchasing, tendering and contracting requirements

| Key: |
Current Scheme

Revised Scheme

Schools should aim to use their bulk buying power by negotiating group deals.

The intention is to ensure that schools do not have to be subjected to unreasonable requirements as to authority counter-signature or use of an approved list, but also ensures that they should obtain at least three tenders or quotations for orders above a certain threshold.

The LA thresholds are:

<table>
<thead>
<tr>
<th>Contract Value</th>
<th>Required Procedure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than £1,000</td>
<td>1 verbal quotation</td>
</tr>
<tr>
<td>Between £1,000 and £5,000</td>
<td>3 verbal quotations – At least one local supplier is included where possible</td>
</tr>
<tr>
<td>Between £5,000 and £50,000</td>
<td>3 written quotations – At least one local supplier is included where possible</td>
</tr>
<tr>
<td>Over £50,000 to EU thresholds</td>
<td>Tender process</td>
</tr>
<tr>
<td>EU thresholds and above</td>
<td>EU procurement procedure</td>
</tr>
</tbody>
</table>

The contact details for the Procurement section are:
<table>
<thead>
<tr>
<th>2.12</th>
<th>Insertion of paragraph stating earmarked funds must be returned to the authority if not spent within the timescale allocated.</th>
<th>Key: D</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Scheme</strong></td>
<td>Revised Scheme</td>
<td></td>
</tr>
<tr>
<td>Earmarked funds must be returned to the authority if not spent within any period stipulated by the authority over which schools are allowed to use the funding.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.13</th>
<th>Clarification and updating references to legislation and updating definition of eligible expenditure for “the purposes of the school” to include pupils at other maintained schools and community facilities.</th>
<th>Key: D</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Scheme</strong></td>
<td>Revised Scheme</td>
<td></td>
</tr>
<tr>
<td>On no account should schools either mix funds that should be properly accounted for within the mainstream bank account (school budget share) with those in the school fund or any other account, or vice versa nor should they hold any other accounts that are not agreed in advance with the Council.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Section 50(3A) came into force 1st April 2011 and it states amounts spent by governing bodies on community facilities or services under section 27 of the Education Act 2002 will be treated as if spent for any purposes of the school.
Under Section 50 (3) the Secretary of State may prescribe additional purposes for which expenditure of the budget share may occur. He has done so in the School Budget Shares (Prescribed Purposes)(England) Regulations 2002 (Al 2002/378), which have been amended by the School Budget Shares (Prescribed Purposes)(England)(Amendment) Regulations 2004 (Al 2004/444).

Under Section 50 (3)(B) the Secretary of State may prescribe additional purposes for which expenditure of the budget share may occur. He has done so in the School Budget Shares (Prescribed Purposes)(England) Regulations 2002 (SI 2002/378), which have been amended by the School Budget Shares (Prescribed Purposes) (England) (Amendment) Regulations 2010 (SI 2010/190). These allow schools to spend their budgets on pupils who are on the roll of other maintained schools.

2.14 The council’s de minimus limit of £10,000 has been inserted re capital spending.

Current Scheme

Where the LA owns the premises then the governing body shall seek the consent of the LA to the proposed works but such consent can only be withheld on Health and Safety grounds.

Revised Scheme

Where the LA owns the premises or the school has voluntary controlled status then the governing body shall seek the consent of the LA to the proposed works but such consent can only be withheld on Health and Safety grounds.

The Council defines capital expenditure as all expenditure on the acquisition, creation or enhancement of fixed assets, which yield benefits to the school for more than one year, but subject to
the de minimis level as set by the Council for Capital Accounting purposes. The current de minimis levels are £2500 for capital building and £0 for Capital ICT.

The current de minimis level as set by the Council which is £10,000 for Capital Accounting purposes. The current de minimis levels for devolved formula capital are £2,500 for capital building and £0 for Capital ICT.

| 2.15 | Removal of the section relating to FMSiS (Financial Management Standard in Schools) is replaced with the introduction of SFVS (Schools Financial Value Standard). | Key: R |

**Current Scheme**

All maintained schools must demonstrate compliance with the DfES’ Financial Management Standard in Schools in line with the timetable determined by the authority, and at any time thereafter. The authority may 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 authority or by a third party that has been approved to carry out such assessment by either the DfES or the local authority.

**Revised Scheme**

The SFVS replaces the Financial Management Standard in Schools (FMSiS) and has been designed in conjunction with schools to assist them in managing their finances and to give assurance that they have secure financial management in place. The standard is a requirement for local authority maintained schools. Governing bodies have formal responsibility for the financial management of their schools, and so the standard is primarily aimed at governors. Schools must demonstrate compliance with the standard.

The school must send a copy of the completed signed standard to their local authority’s finance department on an annual basis.

| 2.18 | New section regarding Fraud. | Key: D |

**Current Scheme**

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

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

If any fraud is known / suspected the school must contact the Schools Finance Team immediately who will then liaise with the Audit and Counter Fraud team for further investigation.

| 3.1 + 3.2 + 3.3 + 3.3.1 | Updated proportion of budget share payable monthly and the calculation of revised advances for cheque book schools and amended the interest paid to independent bank account if the budget share is paid late. | Key: D |

**Current Scheme**

Schools operating cheque book management may request that they receive the total budget share for payment into the bank account, in which case the instalments will be made monthly or they may opt to receive it net of salaries, wages, rents, rates and

**Revised Scheme**

Schools operating cheque book management will receive the total budget share for payment into the bank account on a monthly basis (excludes top up payments/charges for high needs pupils) net of the following (if applicable i.e. if the school
travel, in which case the instalments will usually be made termly. Instalments will be made available to governing bodies at the start of each month or term dependent on chosen option. It will not be possible to change the frequency of advances during a financial year.

Buy back the service from the Local Authority):

salaries and wages, rents and rates, services to schools, supply cover scheme insurance, balance of risks insurance, fidelity guarantee / PA governors and staff, cleaning charge, catering contract charge, adult meals charge, asset purchase scheme charge, governor training and unitary charge.

Any school opting to receive the total budget share for payment into the bank account on a monthly basis should make the request in writing to the Directorate Head of Finance for Children, Young people & Families on or before 31st December.

Provides information and illustrations of how the advances are calculated on a termly basis, monthly basis (net of salaries and wages, rent, rates and travel) and on a monthly basis (no deductions).

Provides an updated illustration of how the monthly advances are calculated April – December and January – March. All other illustrations have been deleted as not available.

For schools operating a bank account that is a sub account of the Council’s banking arrangements the frequency and timing of cash advanced each month provides a cash flow pattern, which is not in advance of existing arrangements, and spending patterns. It will therefore NOT be necessary for the Authority to make a deduction from cash advances to cover any estimated interest lost by the Authority in making available these amounts.

For schools making their own banking arrangements and opting for non salary costs, net of rent, rates and travel with advances being made termly, the calculation of this reduction will use;

a) the assumed non salary costs excluding rents, rates and
travel being 18% of the budget share excluding rates;
b) the Bank Base Rate prevailing at 1st March prior to that financial year; and
c) the agreed pattern of distribution.

If the Authority is at fault for late payment of budget shares, interest at the same rate used for claw back, will be added to the next payment.

If the Authority is at fault for late payment of budget shares to an independent bank account, interest at the prevailing bank base rate as at 1st March will be added to the next payment.

3.5.1 Update of the banking list, removing the requirement for there to be at least ten banks on the approved list for school bank accounts and replacing this with a requirement to be consistent with the LA Treasury Management policy, given the turbulence in the banking system in the last couple of years.

<table>
<thead>
<tr>
<th>Key:</th>
<th>Current Scheme</th>
<th>Revised Scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>R</td>
<td>View the list of Financial Institutions approved by the Director of Finance &amp; ACT in the current scheme</td>
<td>View the list of Financial Institutions approved by the Borough Treasurer in the proposed scheme</td>
</tr>
</tbody>
</table>
*The local authority continues to monitor the credit rating of the Co-operative Bank. (Further details are given below).

The LA will continue to offer to schools who so wish, the arrangement negotiated with The Co-operative Bank whereby the accounts are in the name of the LA but specific to each school. At the time of preparing this policy (July 2013) the credit rating of the Co-operative bank has been subject to several downgrades as prepared by Fitch and Moody international credit rating agencies. Whilst the Local Authority is still continuing to use the Co-operative Bank as a clearing Bank, as a safeguard it is keeping its overnight cash exposure to a minimum. As a result your school’s resources would not appear to be at any immediate risk.

The credit rating position of the Co-operative Bank may change as its recovery plans are developed and until such plans are finalised there remains some risk associated (although minimal) with using the Co-operative Bank. Council officers are continuously monitoring information about the financial stability of the Co-operative Bank and the Council has had regard to the action the bank is taking to address its funding position when considering its banking arrangements. Schools should have regard to the position of the Co-operative Bank and the Council’s approach when choosing an appropriate bank.

3.6 Inserted section on the use of procurement cards.
Current Scheme

Schools must not themselves offer any security to a bank or building society and are not permitted to obtain any form of credit including credit cards.

Revised Scheme

Schools must not themselves offer any security to a bank or building society and are not permitted to obtain any form of credit including credit cards. However, the use of procurement cards within the authority is currently being looked into.

4.2 Update the surplus balance section re the new procedure implemented from 1 April 2013.

Key:

<table>
<thead>
<tr>
<th>Current Scheme</th>
<th>Revised Scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised scheme agreed at Schools forum for 2013/14.</td>
<td>Detailed changes to the Balance Control Mechanism were agreed and shared with Schools forum and distributed to schools on the 15th April 2013. The main changes are: Reduction of allowable factors from 5 to 3 Surplus balance calculated as a % of the current school budget share Completion of utilisation of balances form for any surplus balance above the permitted % taken from the original budget plan. Any final surplus balances above permitted % (or above agreed original plan) will be removed and redistributed.</td>
</tr>
<tr>
<td>4.7</td>
<td>Writing off deficits – updated.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>Current Scheme</strong></td>
<td><strong>Revised Scheme</strong></td>
</tr>
<tr>
<td>The LA will not write off the deficit balance of any school.</td>
<td>The LA will not write off the deficit balance of any school. If an authority wishes to give assistance towards elimination of a deficit balance this should be through the allocation of a cash sum, from the authority’s school budget (from a centrally held budget specified for the purpose of expenditure on special schools and pupil referral units in financial difficulty or, in respect of mainstream maintained schools, from a de-delegated contingency budget where this has been agreed by schools forum).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4.8</th>
<th>Amendment to balances of closing /replacement schools to reflect the provisions of the Academies Act 2010.</th>
<th>Key: D</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Scheme</strong></td>
<td><strong>Revised Scheme</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Academies - Converter</strong></td>
<td>Where a school becomes a Converter Academy under the Academies Act 2010, the surplus balance will be transferred to the academy trust. Where the converter academy has a deficit balance this will be paid to the Local Authority by the Department and the Education Funding Agency will recover it, over time from the converter academy. The academy trust can make alternative arrangements to pay the Local Authority direct</td>
<td></td>
</tr>
</tbody>
</table>
if agreed by both parties and they must notify the Department in advance.

Academies – Sponsored

Where a school is to join the Academy Trust of an external sponsor and open as a sponsored Academy, there are two possible routes to closure of the maintained school: the traditional route involving statutory proposals to close the school; or the Academy Order route under the Academies Act 2010. In either case, the deficit remains with the LA. The Department does not apply the deficits policy that it has for converter Academies to sponsored projects.

In relation to surpluses, however, the provisions of the Academies Act mean that there will be a difference in the treatment of certain projects. Where the Secretary of State issues an Academy Order following an application from the maintained school’s Governing Body, then the surplus transfers to the Academy Trust. Under the statutory closure proposals, however, any surplus remains with the LA (although in practice some LAs have chosen to transfer the surplus). If the Secretary of State issues an Academy Order without an application from the Governing body, the surplus also remains with the LA. The Academies Act route is administratively simpler but it will be for the parties involved to determine whether or not it would be appropriate in the circumstances of the case and taking account of the above.

4.9.1 Removal of reference to Schools Standard Grant in relation to licensed deficits. Key:
Current Scheme

Where a school has a licensed deficit and the school wishes to use amounts received in respect of School Standards Grant on purposes other than reducing the licensed deficit the LA must agree to such proposal unless in its view the proposed expenditure is unreasonable in the schools financial circumstances.

Revised Scheme

Balances held by a school in an external bank account remain the property of the LA (if made available by the authority initially) and therefore may legally be taken into account by the authority in assessing the total level of loans made available to schools. The school will be asked to give a view as to whether these balances should be taken into account.

4.10 Loan scheme – updated month for charge of principle and interest in agresso to May.

Current Scheme

Cheque Book Schools

Repayment will be made by deducting the principal and interest from the Initial April Advance. This will guarantee payments are

Revised Scheme

Cheque Book Schools

Repayment will be made by deducting the principal and interest from the Initial May Advance. This will guarantee payments are
Non Cheque Book Schools

A charge will be made for the principal and interest on the first LAFIS of the financial year. This will guarantee payments are actually made to the Authority and is administratively simple.

Schools may retain income from lettings of the school premises, subject to alternative provisions arising from any joint use or PFI agreements. Schools are permitted to cross-subsidise lettings for community and voluntary use with income from other lettings, provided there is no net cost to the budget share. Income from lettings must be paid into the school's delegated budget. Schools whose premises are owned by Oldham LA shall be required to have regard to directions issued by the LA as to the use of school premises including ensuring hirers enter into the standard hirers agreement, for their own protection as permitted under the School Standards and Framework Act 1998 for various categories of schools.

5.1 Updated paragraph re cross subsidising of lettings.

Key: D

Revised Scheme

Schools may retain income from lettings of the school premises, subject to alternative provisions arising from any joint use or PFI agreements. Schools are permitted to cross-subsidise lettings for community and voluntary use with income from other lettings, provided the governing body is satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the Education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement. Income from lettings must be paid into the school's delegated budget. Schools whose premises are owned by Oldham LA shall be required to have regard to directions issued by the LA as to the use of school premises including ensuring hirers enter into the standard hirers agreement, for their own protection as permitted under the School Standards and Framework Act 1998 for various categories of schools.
<table>
<thead>
<tr>
<th>6.1 New paragraph regarding de-delegated funds.</th>
<th>Key: D</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Scheme</strong></td>
<td><strong>Revised Scheme</strong></td>
</tr>
<tr>
<td>For the avoidance of doubt, Oldham may de-delegate funding for permitted services without express permission of the governing body, provided this has been approved by the phase representatives of the Schools Forum.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6.2 Inclusion of the Environment Agency in the list of regulatory bodies, to reflect their role in the Carbon Reduction Commitment scheme. This will enable LA's to pass through to schools any costs arising from non compliance with the scheme.</th>
<th>Key: D</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Scheme</strong></td>
<td><strong>Revised Scheme</strong></td>
</tr>
<tr>
<td>Recovery of penalties imposed on the LA by the Board of Inland Revenue, the Contributions Agency, HM Customs and Excise, Teachers Pensions or regularity authorities as a result of school negligence.</td>
<td></td>
</tr>
<tr>
<td>Recovery of penalties imposed on the LA by the Board of Inland Revenue, the Contributions Agency, HM Customs and Excise, Teachers Pensions, The Environment Agency or other regularity authorities as a result of school negligence.</td>
<td></td>
</tr>
<tr>
<td>6.2</td>
<td>Updating the health and safety charges/ fines.</td>
</tr>
<tr>
<td>-----</td>
<td>---------------------------------------------</td>
</tr>
</tbody>
</table>

**Current Scheme**

Costs of necessary health and safety training for staff employed by the LA, where funding for training has been delegated but the necessary training not carried out.

**Revised Scheme**

Costs of necessary health and safety training for staff employed by the LA, where funding for training has been delegated but the necessary training not carried out. The onward transmission of any fines imposed on the council by an enforcement body, any civil claims on reserve and any charges via the HSE's fee for fault system in respect of breaches at a particular school - to the school concerned. This would be by way of a proportionate reduction in the relevant devolved budget.

<table>
<thead>
<tr>
<th>6.2</th>
<th>New insertion - Enabling Local Authority’s to charge schools whose withdrawal from a cluster arrangement into which they entered voluntarily results in additional costs to the other schools in the cluster or to the LA; this is to remove disincentives to the employment of shared staff in clusters and partnerships. At present schools can agree to share the cost of a member of staff for, say, three years but one school can then withdraw without notice putting extra costs on the school actually employing the member of staff.</th>
</tr>
</thead>
</table>

**Current Scheme**

**Revised Scheme**

Costs incurred by the authority or another school as a result of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster.
<table>
<thead>
<tr>
<th>6.4</th>
<th>Removal of the section on General Teaching Council (GTC) as abolished.</th>
<th>Key: D</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Scheme</strong></td>
<td>This section has been removed.</td>
<td><strong>Revised Scheme</strong></td>
</tr>
<tr>
<td>8.1</td>
<td>New details on early retirements / redundancies.</td>
<td>Key: D</td>
</tr>
<tr>
<td><strong>Current Scheme</strong></td>
<td>The LA shall determine on what basis services from centrally retained funds will be provided to schools, but the LA is debarred from discriminating 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.</td>
<td><strong>Revised Scheme</strong></td>
</tr>
<tr>
<td>8.3</td>
<td>Inserted comment, centrally arranged premises and liability insurance are excluded from these requirements to service supply.</td>
<td>Key: D</td>
</tr>
</tbody>
</table>
Current Scheme

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

Revised Scheme

A governing body of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or agreement with a person other than the Authority to provide payroll services, shall ensure that any such arrangement or agreement is varied to require that person to supply salary, service and pensions data to the Authority which the Authority requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The Authority will advise schools each year of the timing, format and specification of the information required but it is generally required in July/August. A governing body shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions are passed to the Authority.

Current Scheme

Centrally arranged premises and liability insurance are excluded from these requirements to service supply.

Revised Scheme

Centrally arranged premises and liability insurance are excluded from these requirements to service supply.
within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

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

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

| 11.5 | Updated the Health and Safety section with school responsibilities. | Key: D |

### Current Scheme

Governing bodies should ensure that schools comply with the policies of the Local Authority with regard to health and safety. If the Authority discovers work which requires to be done at a school to comply with health and safety legislation and that resources have been delegated to schools for that purpose then the cost of that work will be charged to the school's budget share (see section 6.2.12– the charging of the school budget share).

### Revised Scheme

The Chief Executive and the Leader of the Council are jointly responsible for the management of health and safety (of Elected Members, staff and those who may be affected by the Council's work activities).

Responsibility for implementation of the policy within service areas / schools is delegated to each Executive Director, and by extension to each Head Teacher.
Head Teachers must ensure that all statutory inspections / maintenance is undertaken in accordance with Council requirements. In addition they must also ensure that site and activity related significant risks are assessed, and that safety management systems (fire, asbestos, legionella, first aid etc) are implemented and maintained.

Head Teachers are responsible for their schools devolved budget, and must ensure that the work that their staff carry out is safe, and without significant risk to safety or health.

Head Teachers should:

- Delegate authority for health and safety issues where appropriate, ensuring there are clear instructions regarding individual responsibilities;
- Ensure that significant risks associated with any work activity are assessed and controlled prior to the work taking place;
- Ensure that staff have undertaken all appropriate training, and are provided with relevant information, instruction and supervision;
- Ensure that staff are not undertaking tasks involving significant risk, for which they have not been suitably trained;
- Ensure periodic workplace health and safety inspections are carried out;
- Ensure that all accidents / incidents are reported, investigated and follow – up action is identified and taken;
Ensure hazards are identified and controlled, and that all significant risks are suitably assessed;

Ensure all statutory or advised maintenance, servicing and inspection procedures for building, mechanical and electrical equipment and other appropriate systems at the school are implemented. Any remedial works to be undertaken as a priority.

**Brief outline of schools potential liabilities**

**Health and Safety at Work etc Act 1974:**

Section 7
Employees working in a school can be prosecuted in the event that they do not to take reasonable care of their own health & safety, and that of anyone who could be adversely affected by their 'acts or omissions at work' or do not co-operate with their employer in steps to meet legal requirements.

Section 8
Employees working in a school can be prosecuted where they are known to have intentionally or recklessly interfered with or misused anything provided in the interests of health, safety or welfare in pursuance of any of the relevant statutory provisions.

Section 37
Head Teachers can be prosecuted if a health and safety offence is committed with their consent or connivance of, or is attributable to any neglect on their part.
Gross Negligence Manslaughter
Under the common law, gross negligence manslaughter is proved when individual officers (eg Head Teachers) within a company by their own grossly negligent behaviour cause death.

The onward transmission of any fines imposed on the council by an enforcement body, any civil claims on reserve and any charges via the HSE’s fee for fault system in respect of breaches at a particular school - to the school concerned. This would be by way of a proportionate reduction in the relevant devolved budget. (see section 6.2.– the charging of the school budget share).

11.7+11.8
Deletion of paragraph on optional delegated funding.

Current Scheme
Oldham LA may delegate to the Governing Body of a school yet to receive a delegated budget such funds as it deems suitable to meet the start up costs of the school.

Where a school exercises an option to receive delegated funding for insurance, School Meals and Admissions, that option may only be exercised once a year, at a date 3 months prior to the financial year in question.
### 11.12
Deletion of paragraph on schools meals – not relevant to a financial scheme.  

**Current Scheme**

Schools should have regard to the LA’s policy in respect of School Meals.

**Revised Scheme**

### 11.
Renumbered sections from 11.7 onwards because of changes.

### 11.11
Insertion of paragraph re Redundancy / retirement costs and how these should be funded. The 2002 Education Act states that the cost of redundancies should normally fall to the local authority while the cost of premature retirements should normally fall to the schools delegated budget. There can, however, be locally determined exceptions to these, and it is also the case that costs can be charged to the central part of the schools budget if there are resultant savings to the schools budget and the schools forum agree. It is important that any exceptions to the norm are clearly defined by LA’s and discussed with schools forum. See also ANNEX B new annex.
<table>
<thead>
<tr>
<th>Current Scheme</th>
<th>Revised Scheme</th>
</tr>
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<tbody>
<tr>
<td>The 2002 Education Act sets out how premature retirement and redundancy costs should normally be funded. (Annex C).</td>
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<table>
<thead>
<tr>
<th><strong>11.13</strong></th>
<th>New section Procurement of Outsourcing Contracts.</th>
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<tbody>
<tr>
<td><strong>Current Scheme</strong></td>
<td><strong>Revised Scheme</strong></td>
</tr>
<tr>
<td>When schools enter into the procurement of outsourcing contracts (i.e for kitchen / cleaning staff) they should ensure that the contract states the requirement under TUPE that the transferred public sector employees have access to GMPF or an equivalent pension. This applies to the initial outsourcing and any subsequent procurement of the service. Schools need to ensure the organisation is an admitted body for the Pensions Fund otherwise the staff won’t continue to be enrolled in the Pension Fund.</td>
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<tr>
<th><strong>12.2</strong></th>
<th>Update the LA's de minimus levels for capital expenditure £10,000.</th>
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<tr>
<td><strong>Key:</strong></td>
<td><strong>D</strong></td>
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</table>
The Council defines capital expenditure as all expenditure on the acquisition, creation or enhancement of fixed assets that yield benefits to the school for more than one year, but subject to the de minimis level of £2,500 for Building Work and £0 for ICT. The Council defines capital expenditure as all expenditure on the acquisition, creation or enhancement of fixed assets that yield benefits to the school for more than one year, but subject to the Council’s de minimis level of £10,000 for Building Work / ICT. The de minimus level for Devolved Formula Capital (DFC) Grant expenditure is £2,500 for Building work and £0 for ICT.

13 Deleted section 13 – GM (Grant Maintained) and GM special schools as Oldham has none. Key: D

13 Renumbered the section on the Power to Provide Community Facilities – now section 13 previously section 14. Key: D

13.1 Amendment on the section on community facilities to reflect the change in the law enabling schools to spend their delegated budget for this purpose. (See also section 2.13) Key: D

Current Scheme

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.

Revised Scheme

Section 50(3A) of the School Standards and Framework Act 1998 came into force 1 governing bodies on community facilities or services under section 27 of the Education Act 2002 will be treated as if spent for any purposes of the school.

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.

Annex

Updated annex A – List of schools the scheme applies to. Inserted new annex C with Responsibility for redundancy.