

## **CONTENTS**

### **1. INTRODUCTION**

- 1.1 Background to the scheme
- 1.2 The role of the scheme
- 1.3 Application of the scheme
- 1.4 Publication of the scheme
- 1.5 Revisions to the scheme
- 1.6 The role of the Authority, the Governing Body and delegation of powers to the headteacher
- 1.7 Maintenance of schools

### **2. FINANCIAL REQUIREMENTS**

- 2.1 Application of financial controls to schools
- 2.2 Provision of financial information and reports
- 2.3 Payment of salaries; payment of invoices
- 2.4 Control of assets
- 2.5 Accounting policies
- 2.6 Writing off debts
- 2.7 Basis of accounting
- 2.8 Submission of budget plans
- 2.9 Internal audit
- 2.10 External audit
- 2.11 Register of business interests
- 2.12 Purchasing, tendering and contracting requirements
- 2.13 Application of contracts to schools
- 2.14 Central funds and earmarking
- 2.15 Capital spending from budget shares

### **3. BANKING ARRANGEMENTS**

- 3.1 Establishment of external bank accounts
- 3.2 Frequency of payment
- 3.3 Interest payment and deduction
- 3.4 Borrowing

### **4. THE TREATMENT OF SURPLUS AND DEFICIT BALANCES ARISING IN RELATION TO BUDGET SHARES**

- 4.1 Surplus balances
- 4.2 Deficit balances
- 4.3 Balances of closing or replacement schools

### **5. INCOME**

- 5.1 Receipt of income
- 5.2 Collection of income

### **6. CHARGING SCHOOL BUDGET SHARES**

- 7. TAXATION**
  - 7.1 Value added tax
  - 7.2 Construction industry taxation scheme
- 8. PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITY**
  - 8.1 Provision of services from centrally retained budgets
  - 8.2 Provision of services bought back from the Authority using delegated budgets
- 9. INSURANCE**
  - 9.1 School
  - 9.2 Governing body
- 10. HEALTH AND SAFETY**
- 11. WHISTLEBLOWING**
- 12. CHILD PROTECTION**
- 13. SCHOOL MEALS**
- 14. RIGHT OF ATTENDANCE FOR CHIEF FINANCIAL OFFICER**
- 15. ARRANGEMENTS FOR NEW SCHOOLS AND SCHOOLS TO BE CLOSED**
  - 15.1 New schools
  - 15.2 Closing schools
- 16. RESPONSIBILITY FOR REPAIR AND MAINTENANCE**

## **APPENDICIES**

- 1. SCHOOLS COVERED BY THE SCHEME**
- 2. PROCEDURES FOR THE SUSPENSION OF FINANCIAL DELEGATION**
- 3. CONFIDENTIAL REPORTING CODE**
- 4. SCHOOL MEALS POLICY**
- 5. CAPITAL / REVENUE SPLIT – ILLUSTRATIVE EXAMPLES IN LINE WITH CIPFA CODE OF PRACTICE**

## **LOCAL MANAGEMENT OF SCHOOLS - SCHEME OF DELEGATION**

### **1. INTRODUCTION**

#### **1.1 BACKGROUND TO THE SCHEME**

1.1.1 Under section 48 of the School Standards and Framework Act 1998, Local Education Authorities are required to publish a funding scheme whereby control of school budgets is delegated to the governing body of individual schools. The funding scheme must be submitted to the Welsh Assembly Government for approval.

1.1.2 Prior to submitting the scheme to the Welsh Assembly Government, Authorities are required:

- (i) to consult the governing body and headteacher of every community, foundation, voluntary, community special or foundation special school that it maintains and
- (ii) to take account of guidance provided by the Welsh Assembly Government on the content of the scheme of delegation.

#### **1.2 THE ROLE OF THE SCHEME**

1.2.1 To provide a balance between the need to maintain proper control over public funds and the role of governing bodies as incorporated bodies having their own statutory functions and freedoms. The terms and conditions contained in the scheme will prevail over any other rule or regulation relating to the funding or financial management of schools where there is found to be an inconsistency.

1.2.2 To provide the framework for the financial relationship between the Authority and its maintained schools. The Scheme contains requirements regarding financial management and associated issues which are binding on both the Authority and on schools.

1.2.3 Not to be overly bureaucratic but to support schools and the Authority in successfully improving schools and achieving the objectives outlined in the Single Education Plan.

1.2.4 Not to provide detail on how resources will be distributed between schools. The mechanisms which will be employed for this purpose are outlined in a separate and supporting document entitled 'Local Management of Schools - Distribution Formula'.

#### **1.3 APPLICATION OF THE SCHEME**

1.3.1 From 1<sup>st</sup> April 2006 the scheme will apply to all community, foundation, voluntary, community special, foundation special and nursery schools within the Authority boundary. Set out in Appendix 1 is a complete list of schools that will be covered by the content of the scheme.

#### **1.4 PUBLICATION OF THE SCHEME**

1.4.1 A copy of the scheme will be sent to the following bodies:

- (i) Headteachers;

- (ii) Governing body chairperson;
- (iii) Elected Members;
- (iv) Chief officers of the Authority;
- (v) Diocesan Directors of Education;
- (vi) Neighbouring Education Authorities; and
- (vii) Welsh Assembly Government.

1.4.2 Authorised amendments to the scheme will be distributed in a timely manner.

## **1.5 REVISIONS TO THE SCHEME**

1.5.1 The scheme will change and evolve over time to reflect the changing circumstances facing education and specifically schools. Any change to the scheme will be subject to a consultation procedure which will include the education community in Torfaen. No revision to the scheme will be put in place without the prior approval of the Welsh Assembly Government.

## **1.6 THE ROLE OF THE AUTHORITY, THE GOVERNING BODY AND DELEGATION OF POWERS TO THE HEADTEACHER**

### **The Authority**

- 1.6.1 The responsibilities of the Authority are primarily associated with determining the overall education budget on an annual basis and from that ensuring that the LEA Budget and Schools Budget are constructed in line with statutory requirement and that a fair and objective formula is in place to distribute resource associated with the Individual Schools Budget across all schools in the County Borough, as well as establishing standing orders, proper systems of financial governance and control and financial instructions. The governing body will be notified by the Chief Education Officer of the resources available for their school. Once individual school budget shares have been allocated to schools, the Authority is not able to vire funds between schools.
- 1.6.2 The Authority will retain and administer the five areas of expenditure outlined in paragraph 1.7.2, that is, strategic management, ensuring access to education, a school improvement role, specialised educational provision and further education and training for young persons and adults.
- 1.6.3 The Chief Financial Officer is, for the purposes of Section 151 of the Local Government Act, 1972, responsible for the administration of the Council's financial affairs.
- 1.6.4 The Chief Executive and the Monitoring Officer of the Authority are responsible respectively for the matters set out in Sections 4 and 5 of the Local Government and Housing Act 1989.
- 1.6.5 The Authority will ensure that insurance cover is in place to protect governors individually and collectively from personal financial liability for any action that they take in their role as a school governor, in good faith. Insurance will also be in place to protect against liability under common law for negligent action in their role as a school governor.

## **The Governing Body**

- 1.6.6 The governing body shall be responsible for the observance of the Council's standing orders and financial instructions.
- 1.6.7 The governing body is responsible for the accountability and control of staff, and the security, custody and control of all other resources appertaining to their school.
- 1.6.8 It is the responsibility of the governing body to set the budget for their school each year and to ensure that the school exists within that budget. Budget shares for distinct schools cannot be aggregated. The governing body has complete freedom to vire funds between all heads of expenditure, providing that the budget share is being used for the purposes of the school.
- 1.6.9 It is illegal to plan for a deficit budget where an authorised licensed deficit scheme is not in place.
- 1.6.10 The governing body are responsible for the appointment of staff at their school and have powers of dismissal and redundancy.
- 1.6.11 The governing body is responsible for the procurement of all services and assets associated with the school.
- 1.6.12 The governing body cannot delegate its responsibility for setting the school budget.
- 1.6.13 The governing body may delegate a number of its managerial tasks to sub-committees, to the headteacher or indeed to other members of staff. It should do so through a formal scheme of delegation approved by the Governing Body, which is clear in terms of remit and responsibilities for delegated issues.
- 1.6.14 In addition to the school budget share, the Authority will from time to time 'devolve' to the governing body monies to be used for specific purposes (earmarked expenditure). Monies devolved for specific purposes must be used for those purposes and are not available to finance other items of expenditure. The governing body will ensure that such monies are used for appropriate purposes.
- 1.6.15 The governing body shall inform the Chief Education Officer by 31<sup>st</sup> May each year of decisions regarding levels of delegation for all staff and / or sub-committees in a form agreed by the Chief Financial Officer.

## **The Headteacher**

- 1.6.16 The headteacher is the operational manager of the school and is consequently responsible for its smooth and effective day to day running. To discharge this responsibility effectively, a number of decision-making powers may ordinarily be delegated by the governing body to the headteacher. Delegation is a managerial tool; it does not absolve the governing body of ultimate responsibility and accountability for actions taken by the headteacher. It is for the governing body to determine the nature and level of delegation that is appropriate to its headteacher and other staff on a whole range of issues.

## 1.7 MAINTENANCE OF SCHOOLS

- 1.7.1 The Authority is responsible for maintaining the schools covered by the scheme including 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. The funding system put in place under sections 45 to 53 of the 1998 Act forms a major part of this system of maintenance.
- 1.7.2 The Authority will annually determine the size of the LEA Budget. Expenditure items in the LEA Budget must be retained centrally, although earmarked allocations may be made to schools. The Authority will therefore retain and administer central funding associated with the following service areas:
- (i) Strategic management of the service;
  - (ii) Access to education;
  - (iii) School improvement;
  - (iv) Provision of a specialised nature;
  - (v) Further education and training for young persons and adults.
- 1.7.3 Legislative detail on these retentions is provided in Section 45A of the School Standards and Framework Act 1998 and its application within Torfaen is explained in an associated document to this scheme entitled 'Local Management of Schools - Distribution Formula'.
- 1.7.4 The Authority will also annually determine the size of the Schools Budget. The Schools Budget will consist of:
- (i) Expenditure on the provision and maintenance of maintained schools and maintained nursery schools and on the education of pupils registered at those schools;
  - (ii) Expenditure on the education of pupils at independent schools, non-maintained special schools, pupil referral units, at home and hospital and on any other arrangements for the provision of primary and secondary education for pupils otherwise than at schools maintained by the Authority; and
  - (iii) All other expenditure incurred in connection with the Authority's functions in relation to the provision of primary and secondary education, in so far as such expenditure:
    - (a) does not fall within a class or description of expenditure prescribed by regulation 5 for the purposes of Section 45A of the Schools Standards and Framework Act 1998 and the determination of the LEA Budget, and
    - (b) is not excepted expenditure.
- 1.7.5 Local authorities may centrally retain funding in the Schools Budget for purposes defined in regulations made under Section 45A of the School Standards and Framework Act 1998. The

amounts to be retained centrally are decided by the authority, subject to any limits or conditions prescribed by the Secretary of State. The balance of the Schools Budget left after deduction of centrally retained funds is termed the Individual Schools Budget (ISB). The ISB will be distributed amongst maintained schools in line with a formula produced in accordance with guidelines set out in section 47 of the School Standards and Framework Act 1998. The detail of the formula is laid out in 'Local Management of Schools - Distribution Formula', a copy of which will be distributed to all schools and governing bodies.

## **2. FINANCIAL REQUIREMENTS**

### **2.1 APPLICATION OF FINANCIAL CONTROLS TO SCHOOLS**

2.1.1 As a condition of financial delegation, the Authority requires that governing bodies should spend their delegated budgets in a manner which is consistent with the needs of the National Curriculum and in line with areas of financial responsibility outlined in the School Standards and Framework Act 1998. Governing bodies shall be required to exercise their financial responsibilities in accordance with the financial regulations laid down by the Authority and any other statutory regulations or standing orders of the Authority that are consistent with the terms of the School Standards and Framework Act 1998. Furthermore, the governors will be expected to act in accordance with the instrument and articles of government of the school.

2.1.2 The Authority may suspend financial delegation where a board of governors:

- (i) Has been guilty of a substantial or persistent failure to comply with any requirement applicable under the scheme or
- (ii) Is not managing the sum put at its disposal for the purposes of the school in a reasonable and satisfactory manner.

2.1.3 The process the Authority will follow in suspending delegation is outlined at Appendix 2.

### **2.2 PROVISION OF FINANCIAL INFORMATION AND REPORTS**

2.2.1 Where schools utilise the Authority's financial accounting system the governing body shall provide upon request, a statement of its actual income and expenditure to the Chief Education Officer in a form agreed by the Chief Financial Officer and will also submit an annual statement providing the same information.

2.2.2 Where schools have opted to use a stand-alone accounting system the governing body shall provide a quarterly statement of its income and expenditure to the Chief Education Officer in a form agreed by the Chief Financial Officer and will also submit an annual statement providing the same information, except where more regular reports are required in connection with tax or banking reconciliation and unless the Authority has notified the school in writing that in its view the school's financial position requires more frequent submission or the school is in its first year of operation.

2.2.3 When it appears that the amount of the annual budget may be exceeded, it shall be the duty of the governing body to immediately inform the Chief Education Officer who will inform the Chief Financial Officer.

### **2.3 PAYMENT OF SALARIES, ORDERING OF GOODS & SERVICES & PAYMENT**

## **OF INVOICES**

2.3.1 The procedure for the payment of salaries, wages and invoices will very much depend upon whether the school has opted to utilise the Authority's payroll and / or creditor systems. The Authority will therefore provide:

- (i) Guidance on control requirements for the payment of staff and creditors; and
- (ii) Detailed procedures to be followed where such payments are made through the Authority's payroll and / or purchasing systems.

## **2.4 CONTROL OF ASSETS**

2.4.1 Each school must maintain an inventory of its moveable non-capital assets. For assets worth £1,000 or more the inventory must be in a form outlined by the Authority and the authorisation procedures for acquisition and disposal which schools are required to adopt are set out in guidance issued to schools.

2.4.2 Each school must determine its own arrangements for maintaining a register of assets worth less than £1,000. This register must satisfy insurers requirements.

## **2.5 ACCOUNTING POLICIES**

2.5.1 The Chief Financial Officer is responsible to the Council for the accounting systems and records of the Council. Consequently, accounting procedures, policies and records, including computer-based systems, shall be maintained to a standard determined by the Chief Financial Officer.

2.5.2 Additionally, the headteacher shall provide the Chief Financial Officer, within the timescales specified, with any information necessary for the purpose of maintaining or closing the accounts of the County Borough Council.

## **2.6 WRITING OFF OF DEBTS**

2.6.1 The governing body is not able to write off outstanding debts related to its budget share. The Chief Financial Officer will determine the appropriateness of write off. The Chief Financial Officer should be informed in writing of any circumstance which may lead to the writing off of a debt.

## **2.7 BASIS OF ACCOUNTING**

2.7.1 In determining its Schools Budget the Authority will base its calculations on the costs prevailing in November of the previous financial year to which ordinarily it will add a sum to account for anticipated pay and price increases during the course of the following twelve months.

2.7.2 Financial relationships between the Authority and schools will be based on the accruals accounting convention. Accounting arrangements within the school will be on an accrual basis.

## **2.8 SUBMISSION OF BUDGET PLANS**

- 2.8.1 The governing body shall determine and approve a budget for the school and will notify the Chief Education Officer, by the 31<sup>st</sup> May each year, of its proposed allocations. The form of such notification shall be prescribed by the Chief Education Officer in consultation with the Chief Financial Officer. Amounts provided under specific heads of income or expenditure in the school's budget, as determined by the governing body, shall not be transferred for other purposes without the approval of the governing body. The Chief Education Officer should be informed of all such virement in order that the original budget plan may be suitably amended and brought up to date. Governing bodies are free to vire between budget heads at any point during the year. Governing bodies should take full account of estimated surpluses / deficits at the previous 31<sup>st</sup> March in their budget plan.
- 2.8.2 The Authority will ensure that all financial data that it holds in relation to schools will be available to schools in a timely manner to assist in the efficient discharge of their financial responsibilities and will supply schools with an annual statement showing when this information will be provided throughout the year.
- 2.8.3 When submitting the annual budget plan, the governing body will also be required to submit a statement setting out the steps to be taken to ensure that expenditure, particularly in respect of large service contracts, reflects the principles of best value with the aim of achieving continuous improvement in the way functions are exercised, having regard to economy, efficiency and effectiveness.

## **2.9 INTERNAL AUDIT**

- 2.9.1 A continuous internal audit, under the independent control and direction of the Chief Financial Officer, shall be arranged to carry out an examination of accounting, financial and other operations of the governing body. The Chief Financial Officer shall have the responsibility to review, appraise and report to the governing body, Chief Education Officer, Audit Committee or other appropriate committee upon:
- (i) The financial systems in operation at the school ensuring that they are in accordance with standing orders and financial regulations of the Authority;
  - (ii) The soundness, adequacy and application of internal financial controls;
  - (iii) The safeguarding of the school's assets;
  - (iv) The extent to which value for money is being obtained and
  - (v) The suitability and reliability of financial and related management information.
- 2.9.2 The Chief Financial Officer or a representative duly authorised by him / her or by the Chief Executive Officer shall have the authority to:
- (i) Enter at all reasonable times any maintained school;
  - (ii) Have access to all records, documents and correspondence relating to any financial and other transaction of the Council;
  - (iii) Require and receive such explanations as are necessary concerning any matter under

investigation and

- (iv) Require any employee of the Council to produce cash, stores or any other Council property under his control.

2.9.3 Whenever an issue arises which involves, or is thought to involve irregularities concerning financial transactions, stores or other property of the Council or any suspected irregularity in the exercise of functions of the Authority, the governing body or headteacher concerned shall notify the Chief Education Officer, who in turn shall notify the Chief Executive Officer and the Chief Financial Officer who shall take such steps as are necessary by way of investigation and report.

2.9.4 Schools are required to provide to the Chief Education Officer, on an annual basis, an audit certificate in respect of voluntary and private funds held by schools and of the accounts of any trading organisations controlled by the school. This must be provided within three months following the end of the agreed financial year.

## **2.10 EXTERNAL AUDIT**

2.10.1 As an integral part of the Authority, schools are part of the external audit framework for Local Education Authorities determined by the Wales Audit Office. Schools are required to cooperate with the external auditor, under the direction of the Chief Financial Officer on all matters associated with this external audit framework.

2.10.2 The school has the right and discretion to finance from its budget share an external audit of any part of its activities in addition to the Authority internal audit framework and the Wales Audit Office determined external audit framework.

## **2.11 REGISTER OF BUSINESS INTERESTS**

2.11.1 The governing body will maintain a register of business interests, which:

- (i) Lists for each member of the governing body any business interest that they or any member of their immediate family have;
- (ii) Is kept up to date through notification of any changes and through annual review of entries and
- (iii) Is available for inspection by governors, staff, parents and authorised personnel conducting inspection or audit functions.

In addition it is recommended that this register is extended to all staff involved in the procurement process within the school.

## **2.12 PURCHASING, TENDERING AND CONTRACTING REQUIREMENTS**

2.12.1 The governing body is required to abide by the Authority's financial regulations and standing orders in purchasing, tendering and contract matters except where they would require schools:

- (i) To do anything incompatible with any of the provisions of the scheme, or any other

statutory provision, or any European Union Procurement Directive;

- (ii) To seek LEA officer countersignature for any contracts for goods and services for a value below £60,000 in any one year;
- (iii) To select suppliers only from an approved list and
- (iv) To seek fewer than three tenders or quotations in respect of any contract with a value exceeding £10,000 in any one year.

2.12.2 The governing body is required to assess in advance, where relevant, the health and safety competence of contractors, taking account of the Authority's policies and procedures.

## **2.13 APPLICATION OF CONTRACTS TO SCHOOLS**

2.13.1 The governing body can opt to be included in a contractual arrangement negotiated by the Local Education Authority, and where it does so it will be bound by the conditions of that contract for the duration of the contract, and shall enter into a written agreement with the Authority that it will be so bound to those conditions.

2.13.2 The governing body is empowered under paragraph 3 of schedule 10 to the School Standards and Framework Act 1998 to enter into contracts. In most cases, governing bodies will do so on behalf of the Authority, as maintainer of the school and owner of the funds in the budget share, although some contracts may be made solely on behalf of the governing body, where the governing body has clear statutory obligations – for example, contracts made by aided or foundation schools for the employment of staff.

## **2.14 CENTRAL FUNDS AND EARMARKING**

2.14.1 The Authority will from time to time 'devolve' to the governing body monies to be used for specific purposes (earmarked expenditure). Monies devolved for specific purposes must be used for those purposes and are not available to finance other items of expenditure. Any unspent sums must be returned to the Authority. The governing body will ensure that such monies are used for appropriate purposes and will notify the Authority, demonstrating that this requirement has been complied with. The Chief Education Officer, in consultation with the Chief Financial Officer, shall prescribe the form of such notification.

2.14.2 The Authority will not make any deduction from payments to schools of devolved specific or special grant, in respect of interest costs to the Authority.

## **2.15 CAPITAL SPENDING FROM BUDGET SHARES**

2.15.1 The governing body may use their budget share to meet the cost of capital expenditure on the school premises. This includes expenditure by the governing body of an aided school on work which is their responsibility under paragraph 3 of Schedule 3 of the School Standards and Framework Act 1998. Where expected capital expenditure from the budget share is greater than £20,000 in any one year, the governing body must notify the Authority and take into account any advice from the Chief Education Officer, in consultation with the Chief Financial Officer, as to the merits of the proposed expenditure.

## **3. BANKING ARRANGEMENTS**

### **3.1 ESTABLISHMENT OF EXTERNAL BANK ACCOUNTS**

- 3.1.1 All maintained schools are entitled to an external bank account into which their school budget share may be paid. Alternatively the governing body can utilise the services of the Authority as its banker. Where a school wishes to establish an external bank account, written notice will be required with the account then being established at the commencement of the next financial year. Notice will be required by the Authority by the 31st December preceding the commencement of the next financial year. A school shall not be allowed to establish an external bank account until any deficit balance is cleared and any outstanding capital loan repaid.
- 3.1.2 The school may establish an external bank account with any recognised clearing bank or building society with a branch in Torfaen. The school can establish an account in their own name rather than that of the Authority if they require but will need to be aware that any money paid into the account by the Authority remains the property of the Authority until spent. Signatories on school accounts, whilst remaining at the discretion of the governing body, must be employees of the school or the local authority.
- 3.1.3 Where a school establishes an external bank account, the operation of the account will be subject to proper standards of control defined by the Chief Financial Officer.

### **3.2 FREQUENCY OF PAYMENT**

- 3.2.1 Where the governing body utilises the services of the Authority's bank account the school will need to have no regard to the cash flow implications of transferring the budget share into a bank account. Provided that spending does not exceed the level of the school budget share, the profile of spend throughout the financial year will be entirely for the school to determine.
- 3.2.2 Where the services of the Authority are maintained, imprest accounts will continue to be provided for dealing with local \ urgent purchases. It will be for each school to determine the required level of the imprest advance having regard to security and control of assets.
- 3.2.3 Where the governing body decides to operate with an external bank account with a commercial financial institution, the following procedure will apply:
- (i) Payments will be made into the bank account on a quarterly basis;
  - (ii) Payments will be made on the first Monday of April, July, October and January;
  - (iii) in the first year of operation, the first payment will include one quarter of the total annual budget share plus an amount agreed by the Authority and the school as the estimated cash balance held by the Authority in respect of the school's budget share. Each subsequent payment will be one quarter of the total annual school budget share with an adjustment in the third quarter to account for the actual carry forward balance. In future years, each payment will be one quarter of the total annual school budget share;
  - (iv) It will be for each governing body to determine if the payment should include or exclude costs associated with salaries and wages.

- 3.2.4 Where the governing body elects to operate an external bank account excluding costs associated with salaries and wages, the calculation of salaries and wages to be excluded will be based on the staffing establishment as at 31st December preceding the commencement of the financial year.
- 3.2.5 Where the governing body elects to operate an external bank account, no imprest account funding will be available from the Authority.

### **3.3 INTEREST PAYMENT AND DEDUCTION**

- 3.3.1 Where the governing body elects to operate an external bank account, all interest accruing to that account will be retained by the school.
- 3.3.2 Where the governing body elects to operate an external bank account, the Authority may deduct from budget share payments an amount equal to the estimated interest lost by the Authority in making available the budget share in advance. The calculation for the basis of deduction is outlined below and shall be applied to each quarterly budget share payment:

Quarterly budget share payment	=	a
Prevailing bank base rate at quarter end	=	b
Monthly assumed payment	=	c

#### Deduction

$(a*b)/12$	=	Month 1
plus		
$((a-c)b)/12$	=	Month 2
plus		
$((a-2c)b)/12$	=	Month 3

The Authority will add interest to late payments of budget share instalments, where such late payment is the result of the Authority's error. The interest rate used will be the prevailing bank base rate.

### **3.4 BORROWING**

- 3.4.1 The governing body may borrow money only with the written permission of the Welsh Assembly Government.
- 3.4.2 The Authority will operate a capital loans scheme, financed from the aggregate level of school surplus balances. Schools shall be able to borrow additional resources from the Authority to finance capital projects. The framework within which the scheme will operate is outlined below:
- (i) Funds are generated from the collective surplus of school balances held by the Authority on behalf of schools;
  - (ii) The Authority will not commit more than 50% of the collective surplus of school balances held at any one time;
  - (iii) The specific purposes for which the loan is required are clearly documented,

an integral part of the School Development Plan, are of a capital nature and agreed with the Chief Education Officer and approved by the Chief Financial Officer;

- (iv) The maximum period over which a school must repay the loan shall normally be three years. In individual cases, subject to the approval of both the Chief Education Officer and Chief Financial Officer, the period of the loan may be more than the maximum period specified above;
- (v) The annual repayment will be charged to the school budget share at the commencement of each financial year;
- (vi) The maximum allowable loan shall be 10% of the school's initial budget share;
- (vii) The minimum loan shall be £10,000;
- (viii) Interest shall be charged by the Authority at a rate of 3% of the amount outstanding at the year-end, to cover the administrative costs involved in managing the capital loans scheme;
- (ix) In the event of the maximum period of time in which a loan must be repaid is exceeded, the Authority may consider suspension of a governing body's right to a delegated budget in accordance with Section 51 (Schedule 15) of the School Standards and Framework Act 1998;
- (x) The scheme shall operate from a co-operative mutual perspective. Consequently, only those schools using the Authority as banker will be able to access the benefits of the scheme and
- (xi) There will be no restriction on access by a school to its own school balance.

#### **4. THE TREATMENT OF SURPLUS AND DEFICIT BALANCES ARISING IN RELATION TO BUDGET SHARES**

##### **4.1 SURPLUS BALANCES**

4.1.1 Any shortfall in expenditure relative to the school's budget share for the year plus / minus any balance brought forward from previous years will be carried forward by the school for use in succeeding years. The surplus balances of all schools covered by this scheme will be the same on 1st April as they were on 31st March. The provisions contained in this paragraph apply equally to all categories of maintained schools.

4.1.2 Where the total balance held by the school exceeds 5% of the school's budget share at the commencement of a financial year then the school shall be required to give a written account to the Chief Education Officer and to and the Chief Financial Officer and committee, as appropriate, of the intended use of the resource.

4.1.3 The Authority will commit no more than 50% of the collective surplus of school balances to either capital loan or licensed deficit arrangements.

##### **4.2 DEFICIT BALANCES**

- 4.2.1 In any circumstance where a school has a deficit balance at the end of a financial year then the amount of the deficit balance shall become the first charge on the school budget share in the following financial year. The deficit balances of all schools covered by this scheme will be the same on 1st April as they were on 31st March. The provisions contained in this paragraph apply equally to all categories of schools.
- 4.2.2 In exceptional circumstances schools may plan for a deficit budget following the written approval of the Chief Education Officer and the Chief Financial Officer, subject to the following criteria:
- (i) the arrangement will be funded by the collective surplus of school balances held by the Authority on behalf of schools;
  - (ii) the maximum period of time over which a school would be expected to repay the deficit (i.e. to reach at least a zero balance) shall not be more than five years;
  - (iii) that in the event of the maximum period of time in which a deficit must be repaid is exceeded, the Authority may consider suspension of a governing body's right to a delegated budget in accordance with Section 51 of the Schools Standards and Framework Act 1998;
  - (iv) a clear and agreed purpose and plan for the deficit arrangement is produced by the governing body, to be reviewed at least at termly intervals. The plan for the recovery of any deficit position should indicate the rate of improvement in the school's financial position over time with satisfactory evidence. Examples of such evidence include:
    - (a) where a proposed restructuring produces savings in future years;
    - (b) the school has a rising roll which will attract additional funding.
  - (v) the size of any licensed deficit shall not normally be greater than £100,000 or less than £5,000. In individual cases, subject to the approval of both the Chief Education Officer and Chief Financial Officer, the extent of the deficit may be licensed at more than £100,000;
  - (vi) the Authority will not commit more than 40% of the collective school balances held by the LEA on behalf of schools to licensed deficit arrangements;
  - (vii) any school with a deficit balance at 31<sup>st</sup> March must have agreed with the Authority a plan to eliminate the deficit as soon as possible, and in even the most challenging circumstances, within five years; and
  - (viii) the governing body and headteacher will work closely with Education Finance officers over the licensed deficit period, to ensure that resources are used as efficiently as possible and that the budget is closely monitored. This will include the attendance of an Education Finance officer at governing body meetings when deemed necessary. All Finance Sub-Committee minutes

will be copied to Education Finance for the duration of the deficit.

(ix) There will be no restriction on access by a school to its own school balance.

4.2.3 Where a school is in a deficit position at the end of the financial year then no interest charge will be levied against the school for this overspend.

4.2.4 The Authority cannot and will not 'write off' the deficit balance of any school.

### **4.3 BALANCES OF CLOSING OR REPLACEMENT SCHOOLS**

4.3.1 In the financial year that a school is due to close or amalgamate, all expenditure shall be strictly related to what is reasonably required to keep the school functioning efficiently and effectively and no monies shall be spent for any other purpose. All unspent monies shall revert to the Authority, as soon as the school closes, for inclusion in the Schools Budget under the heading of 'contingencies'. The balance cannot be transferred to any other school even where the school is a successor to the closing school.

4.3.2 However, the allocation regulations allow the Authority scope to provide additional sums to the successor school which are equal to the balances of the relevant closing schools. There is also a provision for the reduction of funding for the successor school to recognise the deficit of a closing school.

## **5. INCOME**

### **5.1 RECEIPT OF INCOME**

5.1.1 Schools will be able to supplement their school budget share with income raised from activities associated with usage of their premises and from fund raising activities. Schools will be permitted to cross-subsidise lettings for community and voluntary use with income from other lettings, providing there is no net cost to the school budget share. However, schools will be required to have regard to directions issued by the Authority as to the use of school premises.

5.1.2 The school will be able to retain income from fees and charges except where a service is provided by the Authority from centrally retained funds. However, schools are required to have regard to policy statements on charging produced by the Authority.

5.1.3 The school will be able to retain income from the sale of assets except in cases where the asset was purchased from non-delegated resources, in which case the Authority will decide if the school should keep the proceeds, or the asset concerned is land or buildings forming part of the school premises and is owned by the Authority.

5.1.4 Income from lettings and sale of assets must be paid into the school budget share and not into voluntary or private funds held by the school.

### **5.2 COLLECTION OF INCOME**

5.2.1 The collection of all money due to the Council shall be undertaken in accordance with the systems and procedures laid down by the Chief Financial Officer in financial instructions. Each governing body shall promptly notify the Chief Education Officer of all monies due to

the Council, together with particulars thereto and all arrangements entered into which involve the receipt of income by the Council. All receipt forms, books, tickets and cash receipting machines shall be ordered and supplied in accordance with instructions provided by the Chief Financial Officer, who shall be satisfied as to the arrangements for their control. All monies received on behalf of the Council shall without delay, be paid into the Council's bank account, or if applicable into the external bank account operated by the school.

- 5.2.2 Fees and charges within the discretion of the governing body shall be reviewed at least annually. Due regard should be given to costs involved when setting charges.

## **6. CHARGING SCHOOL BUDGET SHARES**

- 6.1 All costs and expenses incurred by the governing body or the headteacher acting with delegated powers will be charged directly against the school budget share. Actual salary costs for all members of staff employed by the governing body to work at the school shall also be charged against the school budget share.

- 6.2 Ordinarily no cost will be charged to the school budget share that has not been approved and authorised by the governing body or the headteacher acting with delegated powers.

- 6.3 The Authority retains the right, in exceptional circumstances, to make a charge against the school budget share without the permission of the governing body. The circumstances for doing so are outlined below:

- (i) Where premature retirement costs have been incurred without the prior written agreement of the Authority to bear such costs. The amount chargeable being only the excess over any amount agreed by the Authority;
- (ii) Other expenditure incurred to secure resignations where the school has not followed Authority advice;
- (iii) Awards by courts and industrial tribunals against the Authority arising from action or inaction by the governing body contrary to the Authority's advice;
- (iv) Legal costs which are incurred by the Authority because the governing body did not accept the advice of the Authority;
- (v) Expenditure by the Authority in carrying out health and safety work for which the 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;
- (vi) Costs of necessary health and safety training for staff employed by the Authority, where funding for training has been delegated but the necessary training has not been carried out;
- (vii) Expenditure by the Authority incurred in making good defects in building work funded by spending from budget shares, where the premises are owned by the Authority or the school has voluntary controlled status;
- (viii) Expenditure incurred by the Authority in insuring its own interests in a school where

funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the Authority;

- (ix) Recovery of monies due from a school for services provided to the school where a dispute over the monies due has been referred to a disputes procedure set out in a service level agreement, and the outcome is that monies are owed by the school to the Authority;
- (x) Recovery of penalties imposed on the Authority by the H.M. Revenues & Customs, the Contributions Agency, Teachers Pensions or regulatory authorities as a result of school negligence;
- (xi) Additional transport costs incurred by the Authority arising from decisions by the governing body on the length of the school day, and failure to notify the Authority of non-pupil days resulting in unnecessary transport costs;
- (xii) Compensation to a lender where a school enters into a contract for borrowing money beyond its legal powers, and the contract is of no effect;
- (xiii) Cost of work done in respect of teacher pension remittance and records for schools using non-Authority payroll contractors, the charge to be the minimum needed to meet the cost of the Authority's compliance with its statutory obligations.
- (xiv) Costs incurred by the 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;
- (xv) Costs incurred by the Authority due to submission by the school of incorrect data;
- (xvi) Recovery of amounts spent from specific grants on ineligible purposes;
- (xvii) Costs incurred by the Authority as a result of the governing body being in breach of the terms of a contract and
- (xviii) Correction of Authority errors in calculating charges to a budget share.

6.4 In each of these circumstances, the Authority will be required to demonstrate that it had necessarily incurred the expenditure to be charged to the school budget share. The Authority will not be able to incur a liability where the statutory responsibility for a function rests elsewhere. Consequently application of the above may vary between categories of school. The Authority will consult with the school before making such a charge and notify the school in writing once the charge has been made.

6.5 Where a charge is disputed by the school, the Chief Executive Officer will have the authority to determine the appropriateness of the charge.

6.6 Where there is a conflict of interest between the Authority and a school, the governing body may seek independent legal advice, the costs of which will be chargeable to the school's budget share.

## 7. **TAXATION**

## **7.1 VALUE ADDED TAX**

- 7.1.1 Schools are required to abide by procedures issued by the Authority in connection with the proper accounting for Value Added Tax. When schools incur expenditure on statutory education, as agents of the Local Education Authority, VAT is recoverable via the Authority's VAT return, i.e. only the expenditure net of VAT will be borne by the school's budget.
- 7.1.2 Where the school uses the Authority's creditor system, payments incurred by the school will be allocated net of VAT. Where a school makes its own arrangements for the payment of creditors it must inform the Authority of the VAT that is recoverable within 5 working days of the month end in the format defined by the Chief Financial Officer.
- 7.1.3 All claims for VAT must be supported by proper VAT invoices and retained for a period of 6 years. Any VAT subsequently disallowed by HMRC will be borne by the school along with any interest or other penalty charged to the Authority.
- 7.1.4 Schools using the Authority's accounting systems for accounting for income must account for VAT in accordance with legislative guidance.
- 7.1.5 VAT incurred in other circumstances, for example by a private fund established within a school, is not recoverable by the Authority and must be borne by the private fund as a cost.
- 7.1.6 If the governors of a school involve themselves in activities independent of the LEA which are considered by HMRC to be by way of 'business' and the extent of these activities exceeds the threshold in place for VAT registration, then it is the responsibility of the governors to ensure those activities are registered for VAT separate from the existing general VAT registration of the Authority.

## **7.2 CONSTRUCTION INDUSTRY TAXATION SCHEME**

- 7.2.1 Schools are required to abide by procedures issued by the Authority in connection with the Construction Industry Taxation Scheme.

## **8. PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITY**

### **8.1 PROVISION OF SERVICES FROM CENTRALLY RETAINED BUDGETS**

- 8.1.1 Where the Authority retains funding centrally for any service provision, then the Authority will determine the basis on which such services will be made available to schools. Wherever possible a service level agreement arrangement will be put in place to achieve transparency and the Authority will not discriminate in its provision of services on the basis of category of school except where:
- (i) Funding has been delegated to some schools only; or
  - (ii) Such discrimination is justified by differences in statutory duty.
- 8.1.2 Premature retirement and severance arrangements will be administered in accordance with LEA policy and shall not discriminate against any category of school.

## **8.2 PROVISION OF SERVICES BOUGHT BACK FROM THE AUTHORITY USING DELEGATED BUDGETS**

- 8.2.1 Each governing body will be free to make its own decision on the procurement of delegated support services from the Authority.
- 8.2.2 An arrangement to procure a support service from the Authority commencing on or after 1st April 2006 will be limited to a maximum of three years from the inception of the scheme or the date of the agreement, whichever is later, and periods not exceeding five years for any subsequent agreement relating to the same services. The duration of each agreement will be determined as part of the negotiation process which leads to the agreement being signed by the Authority and by an authorised representative of the governing body.
- 8.2.3 Where the Authority provides a support service on a 'buy back' basis, it will do so in such a way that does not limit unreasonably schools' freedom of choice amongst the services available.
- 8.2.4 Where services are provided under a service level agreement arrangement, whether without charge or on a buy back basis, the terms of any such agreement starting on or after the inception of the scheme will be reviewed at least every three years where the agreement lasts longer than that.
- 8.2.5 Where the Authority elects to provide a support service on a buy back basis, that service will be available to schools that are not part of a service level agreement on an 'ad hoc' basis, although the rate of charge for 'ad hoc' activities will differ from the rate of charge under a service level agreement. Where a service is required on an 'ad hoc' basis, the charge will be agreed in writing prior to the service being provided to the school.
- 8.2.6 When a service is provided by the Authority for which expenditure cannot be retained centrally, it will be offered at prices which are intended to generate income which is no less than the cost of providing those services. The total cost of the service must be met by the total income, although schools may be charged differentially.
- 8.2.7 The arrangements outlined in section 8 will not apply to centrally funded premises and liability insurances as limitations envisaged may be impractical for insurance purposes.

## **9. INSURANCE**

### **9.1 SCHOOL**

- 9.1.1 Where responsibility for insurance procurement or management is delegated to schools, the Authority will require the school to demonstrate that under a policy arranged by the governing body, cover relevant to the Authority's insurable interests is at least as good as the relevant minimum cover arranged by the Authority paid either from central funds or from contributions from schools' delegated budgets. In addition, the governing body will be required to demonstrate that regular risk and needs assessments are being undertaken to ensure that the level of insurance cover remains at an appropriate level to protect the Authority's insurable interests.
- 9.1.2 Where funding for insurance cover is not delegated, the Chief Financial Officer will effect cover in respect of the specified risks listed below:

- (i) Public liability;
- (ii) Officers indemnity;
- (iii) Employers liability;
- (iv) Personal accident cover (teachers);
- (v) Personal accident cover (assault on teachers);
- (vi) Loss of official monies and unofficial school funds;
- (vii) Fire;
- (viii) Engineering;
- (ix) Employees fidelity;
- (x) Libel and slander;
- (xi) Computers all risks;
- (xii) Motor vehicle;
- (xiii) School journey and travel insurance and
- (xiv) On-site Personal Accident insurance for pupils.

9.1.3 The Chief Financial Officer will negotiate all claims in respect of these policies. The headteacher shall give prompt notification of all new risks, properties or vehicles that require to be insured and of any alterations affecting existing insurances, and shall advise the amount of cover required for new risks or alterations.

9.1.4 The headteacher shall notify the Chief Financial Officer, in writing, of any loss, liability, damage or any event likely to lead to a claim and shall arrange for an estimate of the cost of reinstatement to be obtained. All reasonable precautions must be taken to prevent accident, loss, damage or injury. No admission of liability, waiver of rights or promise of payment shall be made without written consent.

9.1.5 The Headteacher will forward to the Chief Financial Officer any claim or intimation of claim by a third party received direct by the school either from the third party or a solicitor (or similar professional) on behalf of the third party immediately and without acknowledgement. The Headteacher will arrange for the provision of necessary reports on request together with all documentation required to investigate and where appropriate defend any claim and will also allow witness statements to be taken from appropriate staff where required.

9.1.6 The governing body shall consult the Chief Financial Officer regarding any forms of indemnity or guarantee which the school is required to give.

## **9.2 GOVERNING BODY**

9.2.1 Section 50(7) of the Act outlines that governors of maintained schools do not incur personal liability in the exercise of their power to spend the delegated budget share provided they act in good faith. The Authority has agreed with its insurers that governors will be covered for the following liabilities:

- (i) Public liability which indemnifies against legal liability to pay compensation to a third party for accidental bodily injury or damage to property;
- (ii) Official's indemnity which indemnifies against legal liabilities to compensate third parties for financial loss occasioned by any negligent act, error or omission; and,

- (iii) Employer's liability which protects the employer against legal responsibility to pay compensation to any employee who may sustain injury or contract a disease in the course of employment.

9.2.2 These insurances will be effected centrally for all school governors with no costs falling to the school's delegated budget share.

## **10. HEALTH AND SAFETY**

10.1 The governing body is required to have due regard to duties placed on itself and on the Authority in relation to health and safety and to the Authority's policy on health and safety matters in the management of the budget share.

## **11. WHISTLEBLOWING**

11.1 The Council is committed to the highest possible standards of openness, probity and accountability. In line with this commitment all those working within a school environment, including school governors, who have serious concerns about any aspect of the school's work are encouraged to voice those concerns.

11.2 The Authority has issued a Confidential Reporting Code which explains the process to be followed by individuals or groups of individuals who wish to report such concerns. It is important to note that this code is additional to the Complaints Procedures that operate within the Authority.

11.3 The policy aims to:

- i) encourage individuals to feel confident in raising serious concerns and to question and act upon concerns about practice;
- ii) provide avenues for individuals to raise those concerns and receive feedback on any action taken;
- iii) ensure that individuals have a response to concerns and that the process to pursue them if you are not satisfied is known;
- iv) reassure individuals that they will be protected from possible reprisals or victimisation if the disclosure was in good faith.

11.4 A copy of the entire code is attached as Appendix 3.

## **12. CHILD PROTECTION**

12.1 Governing bodies are required to release staff to attend child protection case conferences and related events. Any cover costs incurred by schools releasing staff, will be reimbursed by the LEA.

## **13. SCHOOL MEALS**

- 13.1 The Authority has produced a school meals policy document, attached as Appendix 4, and governing bodies should have regard to this document in discharging their duties in relation to school meals, where funding has been delegated.

#### **14. RIGHT OF ATTENDANCE FOR CHIEF FINANCIAL OFFICER**

- 14.1 Governing bodies are required to permit the Chief Financial Officer or a duly authorised officer to attend their meetings where an agenda item is relevant to the exercise of his responsibilities. The Chief Financial Officer will give prior notice of an intention to attend unless it is impracticable to do so.

#### **15. ARRANGEMENTS FOR NEW SCHOOLS AND SCHOOLS TO BE CLOSED**

##### **15.1 NEW SCHOOLS**

- 15.1.1 New schools will receive a budget share from their first anticipated day of opening, the budget share to be calculated according to the formula set out in the 'Local Management of Schools - Distribution Formula', subject to the following amendments:

- (i) The budget share to be proportionate to the number of days for which the school is likely to be open out of a full financial year of 195 school days subject to an adjustment under section 4.3.2 of the Scheme;
- (ii) Calculation of pupil numbers to be based on the maximum anticipated school roll during the financial year of opening;
- (iii) From the date of the first meeting of the temporary governing body, the school shall receive £5 per day for each remaining calendar day of the financial year to meet costs associated with governor expenses. Under section 11 of the School Standards and Framework Act, only allowances for the purposes specified in the regulations may be paid, and payment of any other allowance is forbidden. Payment of expenses duplicating those paid by the Welsh Assembly Government to additional governors appointed by them, to schools under special measures, is also forbidden.

##### **15.2 CLOSING SCHOOLS**

- 15.2.1 Closing schools will receive a budget share until their anticipated day of closure, the budget share to be calculated according to the formula set out in the 'Local Management of Schools - Distribution Formula', subject to the following amendment:

- (i) The budget share to be proportionate to the number of days for which the school is likely to be open out of a full financial year of 195 school days.

#### **16. RESPONSIBILITY FOR REPAIR AND MAINTENANCE**

- 16.1 Governing bodies will be responsible for all revenue repair and maintenance. Responsibility for capital expenditure will rest with the Authority. In determining whether expenditure is of a capital or revenue nature, expenditure will be treated as capital only if it fits the definition of capital used by the Authority for financial accounting purposes in line with the C.I.P.F.A. code of practice on Local Authority accounting. The Authority applies a de minimis limit of £10,000 below which all spending is deemed to be revenue.

16.2 Attached as Appendix 5 are illustrative examples of the capital/revenue split and items which are the separate responsibility of governors in Voluntary Aided schools. All items in the column headed 'Revenue: Repairs and Maintenance' are the responsibility of governing bodies.

## **TORFAEN COUNTY BOROUGH SCHOOLS**

### **PRIMARY**

Brookfield Primary  
Coed Eva Infants  
Coed Eva Junior  
Croesyceiliog North Rd Infants  
Croesyceiliog Junior  
Cwmffrwdroer Primary  
Fairwater Infants  
Fairwater Junior  
Garnteg Primary  
George Street Primary  
Greenlawn Junior  
Greenmeadow Primary  
Griffithstown Infants & Nursery  
Griffithstown Junior  
Henllys Church in Wales Primary  
Hillside Primary  
Hollybush Primary  
Kemys Fawr Infants  
Llanyrafon Primary  
Maendy Primary  
New Inn Infants  
Oakfield Primary  
Our Lady of the Angels R.C. Primary  
Pentwyn Primary  
Penygarn Infants  
Penygarn Junior  
Ponthir Voluntary Controlled Primary  
Pontnewydd Primary  
Pontnewynydd Primary  
Pontymoile Primary  
St. Albans R.C. Primary  
St. Davids R.C. Primary  
St. Francis R.C. Primary  
St. Peters Church in Wales Primary  
Victoria Primary  
Woodlands Infants  
Woodland Junior  
Ysgol Gymraeg Bryn Onnen  
Ysgol Gymraeg Cwmbran

### **SECONDARY**

Abersychan School  
Croesyceiliog School  
Fairwater High School  
Llantarnam School  
St. Albans R.C. High School  
Trevethin Community School  
West Monmouth School  
Ysgol Gyfun Gwynllyw

### **NURSERY SCHOOLS**

Brynteg Nursery  
Hillside Nursery  
Two Locks Nursery

### **SCHOOLS OPENING 1<sup>ST</sup> SEPTEMBER 2006**

New Inn Community Primary  
Woodlands Primary

### **SPECIAL**

Crownbridge School

## **1. SUSPENSION OF FINANCIAL DELEGATION**

- 1.1 The Authority may suspend financial delegation where a board of governors:
- (i) Has been guilty of a substantial or persistent failure to comply with any requirement applicable under the scheme or
  - (ii) Is not managing the sum put at its disposal for the purposes of the school in a reasonable and satisfactory manner.
- 1.2 The Authority will ordinarily give the governing body not less than one month's written notice of the suspension, unless by reason of any gross incompetence or mismanagement on the part of the governing body or other emergency it appears to the Authority to be necessary to give the governing body a shorter period of notice; or, to give the governing body a notice suspending their right to such a budget with immediate effect.
- 1.3 The notice will specify the grounds for the proposed suspension, giving particulars:
- (i) Of any alleged failure on the part of the governing body to comply with any delegation requirement or restriction;
  - (ii) Of any alleged mismanagement on their part and
  - (iii) If applicable, of the basis upon which a period of notice of less than one month was given.
- 1.4 The notice will inform the governing body of their right to appeal against the suspension and of the time period in which such an appeal should be made. A copy of the notice will be given to the headteacher at the same time as to the governing body, and a copy of the notice will be sent to the Welsh Assembly Government.

## **2. REVIEW OF SUSPENSION**

- 2.1 The Authority will review at the commencement of each financial year any suspension of delegation in force, unless the suspension took effect less than two months before the beginning of the financial year; and, may review any suspension of delegation, if it is considered appropriate to do so.
- 2.2 The governing body and the headteacher will have the opportunity of making representations on the suspension with written notice being given to the governing body and the headteacher of the decision on the review. If the Authority's decision is to refuse to revoke suspension then the notice will outline to the governing body their right of appeal and the time period in which the appeal should be made.

## **3. APPEAL AGAINST SUSPENSION OR REFUSAL TO REVOKE**

- 3.1 The governing body has a right of appeal to the Welsh Assembly Government and such an appeal should be lodged within two months beginning on the date on which the governing body received the Authority's notice of suspension.
- 3.2 The Welsh Assembly Government may allow or reject the appeal and will have regard to the

gravity of the default of the governing body and the likelihood of it continuing or recurring.

## **CONFIDENTIAL REPORTING CODE**

### **1. PURPOSE OF CODE**

- 1.1 Employees are often the first to realise that there may be something seriously wrong within the Council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council. They may also fear harassment or victimisation. In the circumstances it may be easier to ignore the concern rather than report what may just be a suspicion of malpractice.
- 1.2 The Council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment we expect employees, and others that we deal with, who have serious concerns about any aspect of the Council's work to come forward and voice those concerns. It is recognised that most cases will have to proceed on a confidential basis.
- 1.3 This policy document makes it clear that you can do so without fear of victimisation, subsequent discrimination or disadvantage. This confidential reporting policy is intended to encourage and enable employees to raise serious concerns within the Council rather than overlooking a problem or "blowing the whistle" outside.
- 1.4 The policy applies to all employees and those contractors working for the Council on Council premises, for example, agency staff, builders, drivers. It also covers suppliers and those providing services under a contract with the Council in their own premises, for example, care homes.
- 1.5 These procedures are in addition to the Council's complaints procedures and other statutory reporting procedures applying to some Departments.
- 1.6 This policy has been discussed with the relevant Trade Unions and professional organisations.

### **2 AIMS AND SCOPE OF THIS POLICY**

- 2.1 This policy aims to:
  - i) encourage you to feel confident in raising serious concerns and to question and act upon concerns about practice;
  - ii) provide avenues for you to raise those concerns and receive feedback on any action taken;
  - iii) ensure that you receive a response to your concerns and that you are aware of how to pursue them if you are not satisfied;
  - iv) reassure you that you will be protected from possible reprisals or victimisation if you have a reasonable belief that you have made any disclosure in good faith.
- 2.2 There are existing procedures in place to enable you to lodge a grievance relating to your own employment. The Confidential Reporting Policy is intended to cover major concerns that fall outside the scope of other procedures. These include:

- i) conduct which is an offence or a breach of law;
- ii) disclosures related to miscarriages of justice;
- iii) health and safety risks, including risks to the public as well as other employees;
- iv) damage to the environment;
- v) the unauthorised use of public funds;
- vi) possible fraud and corruption;
- vii) sexual or physical abuse of clients; or
- viii) other unethical conduct.

2.3 Thus, any serious concerns that you have about any aspect of service provision or the conduct of officers or Members of the Council or others acting on behalf of the Council can be reported under the Confidential Reporting Policy. This may be about something that:

- i) makes you feel uncomfortable in terms of known standards, your experience or the standards you believe the Council subscribes to;
- ii) is against the Council's Standing Orders and policies;
- iii) falls below established standards of practice; or
- iv) amounts to improper conduct.

2.4 This policy does not replace the corporate complaints procedure.

### **3 SAFEGUARDS**

#### **3.1 Harassment or Victimisation**

3.1.1 The Council is committed to good practice and high standards and wants to be supportive of employees.

3.1.2 The Council recognises that the decision to report a concern can be a difficult one to make. If what you are saying is true, you should have nothing to fear because you will be doing your duty to your employer and those for whom you are providing a service.

3.1.3 The Council will not tolerate any harassment or victimisation (including informal pressures) and will take appropriate action to protect you when you raise a concern in good faith.

3.1.4 Any investigation into allegations of potential malpractice will not influence or be influenced by any disciplinary or redundancy procedures that already affect you.

## **4 CONFIDENTIALITY**

- 4.1 All concerns will be treated in confidence and every effort will be made not to reveal your identity if you so wish. At the appropriate time, however, you may need to come forward as a witness.

## **5 ANONYMOUS ALLEGATIONS**

- 5.1 This policy encourages you to put your name to your allegation whenever possible.
- 5.2 Concerns expressed anonymously are much less powerful but will be considered at the discretion of the Council.
- 5.3 In exercising this discretion the factors to be taken into account would include:
- i) the seriousness of the issues raised;
  - ii) the credibility of the concern; and
  - iii) the likelihood of confirming the allegation from attributable sources.
- 5.4 In the event anonymous concerns being expressed which are subsequently found to be untrue and malicious, every effort will be taken to identify the originator and to take disciplinary action up to and including dismissal.

## **6 UNTRUE ALLEGATIONS**

- 6.1 If you make an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against you. If, however, you make an allegation frivolously, maliciously or for personal gain, disciplinary action may be taken against you. In the most serious cases this may include dismissal.

## **7 HOW TO RAISE A CONCERN**

- 7.1 As a first step, you should normally raise concerns with your immediate manager or their superior. This depends, however, on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. For example, if you believe that management is involved, you should approach the Chief Executive, Chief Financial Officer, County Borough Solicitor, or Chief Internal Auditor. Any Council employee receiving a report within the terms of this Code must inform the Corporate Director of Resources who is the Responsible Officer.
- 7.2 Concerns may be raised verbally or in writing. Staff who wish to make a written report are invited to use the following format:
- i) the background and history of the concern (giving relevant dates);
  - ii) the reason why you are particularly concerned about the situation.
- 7.3 The earlier you express the concern the easier it is to take action.

7.4 Although you are not expected to prove beyond doubt the truth of an allegation, you will need to demonstrate to the person contacted that there are reasonable grounds for your concern.

7.5 Obtain advice/guidance on how to pursue matters of concern from:

Alison Ward, Chief Executive Officer	(01495 766055)
Peter Durkin, Corporate Director of Resources	(01495 766185)
Lynda Willis, County Borough Solicitor & Monitoring Officer	(01633 766373)
Nigel Aurelius, Chief Financial Officer	(01495 766123)
Peter Williams, Chief Internal Auditor	(01495 766355)
Catherine Simpson, Chief Education Officer	(01633 648160)

7.6 You may wish to consider discussing your concern with a colleague first and you may find it easier to raise the matter if there are two (or more) of you who have had the same experience or concerns.

7.7 You may invite your Trade Union, professional association representative or a friend to be present during any meetings or interviews in connection with the concerns you have raised.

## **8 HOW THE COUNCIL WILL RESPOND**

8.1 The Council will respond to your concerns. Do not forget that testing out your concerns is not the same as either accepting or rejecting them.

8.2 Where appropriate, the matters raised may:

- i) be investigated by management, internal audit, or through the disciplinary process;
- ii) be referred to the police;
- iii) be referred to the external auditor;
- iv) form the subject of an independent inquiry.

8.3 In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. The overriding principle which the Council will have in mind is the public interest. Concerns or allegations which fall within the scope of specific procedures (for example, child protection or discrimination issues) will normally be referred for consideration under those procedures.

8.4 Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required this will be taken before any investigation is conducted.

8.5 Within ten working days of a concern being raised, the relevant Officer will write to you:

- i) acknowledging that the concern has been received;
- ii) indicating how we propose to deal with the matter;
- iii) giving an estimate of how long it will take to provide a final response;

- iv) telling you whether any initial enquiries have been made;
  - v) supplying you with information on staff support mechanisms; and
  - vi) telling you whether further investigation will take place and if not, why not.
- 8.6 The amount of contact between the officers considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, the Council will seek further information from you.
- 8.7 Where any meeting is arranged, off-site if you so wish, you can be accompanied by a Union or professional association representative or a friend.
- 8.8 The Council will take steps to minimise any difficulties which you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings the Council will arrange for you to receive advice about the procedure.
- 8.9 The Council accepts that you need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, we will inform you of the outcome of any investigation.

## **9 THE RESPONSIBLE OFFICER**

- 9.1 The Corporate Director of Resources has overall responsibility for the maintenance and operation of this policy. That officer maintains a record of concerns raised and the outcomes (but in a form which does not endanger your confidentiality) and will report as necessary to the Council.

## **10 HOW THE MATTER CAN BE TAKEN FURTHER**

- 10.1 This policy is intended to provide you with an avenue within the Council to raise concerns. The Council hopes you will be satisfied with any action taken. If you are not, and if you feel it is right to take the matter outside the Council, the following are possible contact points:
- the external auditor;
  - your Trade Union;
  - your local Citizens Advice Bureau;
  - relevant professional bodies or regulatory organisations;
  - a relevant voluntary organisation;
  - the police.
- 10.2 If you do take the matter outside the Council, you should ensure that you do not disclose confidential information. Check with the contact point about that.

## **1. INTRODUCTION AND KEY OBJECTIVES**

- 1.1 Torfaen attaches importance to the provision of school meals to pupils in the Borough as an integral aspect of the key aims of the Authority.
- 1.2 This policy seeks to incorporate the objectives of all stakeholders in the school meals service and to provide a foundation upon which the future direction and development of the service can be based.
- 1.3 The objectives identified derive from consultation processes with those involved with the service, including clients, customers, departments and agencies that have a stakeholding in the appropriate development of the service.
- 1.4 Key Objectives
  - 1.4.1 In school, a hot midday meal should be available for every pupil wishing to have one and the meal should be of such quality and nutritional value as to serve as the pupils main meal of the day.
  - 1.4.2 The school meals service should be an integral part of the school day representing an educational and social occasion providing opportunities for learning experiences.
  - 1.4.3 Catering staff are expected to play a full part in promoting the educational and social ethos of the school through their manner and behaviour, working closely and productively with the school.
  - 1.4.4 The dining room environment should be conducive to the enjoyment of food and provide facilities, which encourage young people to appreciate the social role food consumption plays in society.
  - 1.4.5 The menu on offer should be attractive to young people in order for them to make informed healthy choices. Where practical menus should offer the widest possible choice.
  - 1.4.6 Continuous opportunities are to be sought to encourage an increased take up of school meals provision, both of free and paid meals, to facilitate development of the service.

## **2 LEGISLATION**

- 2.1 It is acknowledged that there are a number of statutory instruments that govern the supply of catering to schools. These are listed below and the arrangements for catering service provision must embody the requirement to comply with the legislative requirements.

Food Hygiene (General) Regulation 1970as updated by the 1990, 1991 and 1995 Amendment Regulations;

Health and Safety At Work Act 1974

Food Act 1984

Control of Substances Hazardous to Health 1989

Food Safety Act 1990

National Nutritional Standards

### **3. SERVICE PROVISION AND CHOICE**

3.1 The organisation of school meals provision is based on the following service systems.

#### **3.1.1 Traditional System allowing Multi Choice Options**

Based on a nutritionally balanced specification, this system incorporates traditional values as well as modern dietetic thinking. Pupils will normally be offered two or three choices from each food group. The aim will be to establish 'healthy lifestyle' patterns to encourage increased take up of key nutritional items.

#### **3.1.2 Cash Cafeteria**

Pupils bring money to school on a daily basis and choose from a range of food items including protein choices. Some schools consider that this service offers more flexibility to parents and pupils, whilst at the same time preparing young people in the handling of money and making choices.

### **4. HEALTHY EATING AND NUTRITIONAL STANDARDS**

4.1 Torfaen recognises the importance of a good diet for young people and the contribution of dietary care in providing a sound foundation for good health in later life.

4.2 This is acknowledged in the key objectives and the approach is to aim to provide a well-balanced nutritional lunch that can be reinforced through teaching about nutrition and health in the classroom.

4.3 Torfaen supports and promotes a holistic approach to a healthy eating agenda and participation in the application of national nutritional standards.

4.4 It is the Council's current policy not to use any products that are known to contain genetically modified ingredients. This might be reviewed at a future stage.

### **5. RESOURCES**

5.1 The arrangements for the provision of school meals will incorporate due diligence by the service provider to include aspects such as purchasing policy, food delivery and storage, preparation and handling of food, health and safety, cleaning and equipment maintenance.

5.2 To this effect staff must be appropriately trained in the handling, production and service of food to promote best practice with a view to achieving optimum service delivery.

### **6. MENUS AND TARIFF PRICING**

- 6.1 Increasingly, schools will be encouraged to change menus within appropriate guidelines to respond to individual customers needs.
- 6.2 Provision for special dietary requirements should be available to meet medical and ethnic needs.
- 6.3 In respect of meals and food item pricing for those schools not requiring delegated funding, tariffs will be set by the Authority at reasonable levels which are benchmarked against other Local Authorities in Wales. Where funding for meals is delegated, governing bodies have the power to determine tariff prices and menu content. Schools with delegated meals funding and responsibilities are required to have regard to the pricing level set or proposed by the Authority.
- 6.4 In accordance with the key objectives, an imaginative range of food should be provided at sensible prices to encourage an increased take up of school meals.

## **7. FINANCIAL**

- 7.1 The key financial aim is to achieve a nil subsidy position, that is, to generate sufficient income from food sales to cover the cost of providing meals to paying pupils.

## **8. GUIDING RESPONSIBILITIES**

### 8.1 Responsibilities of Schools

- Premises
  - schools will be responsible for allowing the free use of the necessary premises by the service provider for the supply of catering services.
  - schools will allow free use of all forms of energy and water required to provide the services.
  - schools will be responsible for structural repairs in respect of surfaces, and other items for which delegated structural maintenance budgets apply.
- Meal Numbers
  - schools will be responsible for notifying kitchen staff of the numbers of pupils requiring lunch.
- Cash Collection and Banking
  - schools without a cash cafeteria service will be responsible for collecting meal income from pupils and preparing it for banking. Schools will be responsible for banking all income using approved processes and procedures.

### 8.2 Responsibilities of the Service Provider:

- Statutory Requirements
  - the provider will comply with all current relevant legislation and any changes or new legislation.
- Staffing
  - the provider will be responsible for the whole recruitment

process. Vacancies will be filled in accordance with the Council's policies and procedures.

- the provider will be responsible for all trade union negotiations.
- the provider will be responsible for all payroll processing.
- the provider will be responsible for arranging absence cover, any referrals of staff to the occupational health unit, and dealing with any DSS benefit inquiries, and requests for references.
- the provider will be responsible for all training.
- Menus and Nutrition
  - the provider will offer a menu choice which meets the nutritional standards advised by the Caroline Walker Trust and the National Nutritional Standards.
  - the provider will administer and provide for any special dietary requirements.
- Equipment
  - the provider will be responsible for the repair and replacement of light equipment, and of heavy equipment as agreed with schools.
  - the provider will be responsible for the electrical testing of portable electrical equipment and gas safety testing of heavy equipment.
- Marketing
  - the provider will undertake continual development of the catering service and the implementation of an effective marketing plan.
- Insurance
  - the provider will arrange all required staff and liability insurance using appropriate insurance policies.
- Income Reconciliation
  - the provider will be responsible for collecting, counting and preparing cash income received in cash cafeteria kitchens.
  - the provider will be responsible for operating cash income reconciliation.

### 8.3 Responsibility of the Authority

- Free and Paid Meals
  - the Authority will be responsible for determining the entitlement to free pupil meals.
  - The Authority will be responsible for funding the cost of all free pupil meals and any net subsidy for paid meals. In

a delegated structure, both these components are delegated to schools.

- the Authority will continue to retain paid meal income except where funding is delegated for school meals.
- Heavy Equipment
  - where funding is retained centrally for meals, it will be for the Authority to continue with whatever equipment programme that can be financed.

## **Appendix 5**

### **LEA CAPITAL/REVENUE SPLIT AND ITEMS WHICH ARE THE SEPARATE RESPONSIBILITY OF GOVERNORS IN VA SCHOOLS**

**ILLUSTRATIVE EXAMPLES IN LINE WITH THE DfEE INTERPRETATION OF THE CIPFA CODE OF PRACTICE**

**NB ACTUAL INTERPRETATION OF CIPFA CODE OF PRACTICE FOR THESE PURPOSES WILL BE FOR EACH LOCAL AUTHORITY**

<b>ELEMENT</b>	<b>CAPITAL: AS CIPFA CODE OF PRACTICE</b>	<b>REVENUE: REPAIRS AND MAINTENANCE</b>	<b>VA SCHOOLS – GOVERNORS RESPONSIBILITIES (full details in DfEE document “Determination of Financial Liability”)</b>
<b>Roofs</b>			
<u>Flat</u>	Structure. New (not replacement) structure	Repair/replacement of small parts of an existing structure	New structure and repair replacement of structure
	Structure. Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure	Replace small areas of rotten or defective timber, make good minor areas of spalling concrete where reinforcing bars exposed	Replacement of structure
	Screed/insulation in a new building/extension	Repair/ replacement of screed/insulation where defective	New screed/ insulation and repairs
	Screed/ insulation. Replacement/repair of substantially all	Work to improve insulation standards, during work to repair/ replace small areas of roof	Replacement/repair of screed/insulation
	Finish on new build. Replacement of all/ substantially all on existing roof	Replacement of roof finish on existing building. Re-coating chippings to improve life expectancy	Finish on new build. Replacement of roof finish on existing building. Re-coating
	Edge trim/fascia on new build	Repairs/replacement. (UPVC) repainting	Edge trim/fascia on New build and repairs/ replacement/ repainting
	Edge trim/fascia,	Repairs/replacement.	Replacement of edge

	replacement of all/ substantially all on existing roof	(UPVC) repainting	trim/fascia on existing building
	Drainage on new build	Clearing out gutters And downpipes. Replacement/repair/ Repainting of/ Individual gutters/ Pipes	Drainage on new building and repairs/ replacement/ repainting ( <u>NOT</u> cleaning gutters/downpipes)
	Other e.g. Flashings, rooflights on new build replacement of all/substantially all on existing roof	Repair/replacement/ Cleaning of individual Items	Flashings/rooflights on new building and repair/replacement ( <u>NOT</u> cleaning)
<u>Pitched</u>	Structure. New (not replacement) structure	Repair/replacement of Small parts of an existing structure	Structure of new rood and all repairs <u>EXCEPT</u> trusses (ie internal repairs)
	Structure Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure	Replace/repair small areas of rotten /defective joists, rafters, purlins etc. Not complete trusses	Replacement of internal structure <u>EXCEPT</u> trusses (ie internal repairs)
	Insulation in a new building/extension	Repair/replacement/ Increasing thickness of insulation in an existing roof	Insulation in new building and repair/ replacement
	Insulation. Replacement/repair of substantially all		Repair/replacement or improve insulation
	Improve insulation to current standards Roof finish in a new building/extension, replacement of all/ Substantially all on existing roof	Replace missing/ damaged	Finish in new building/extension and repair/replacement in existing building
	Bargeboards/fascias in a new building/ Extension, replacement of	Repairs/replacement/ repainting	Bargeboards/fascia in new building/ extension and repairs/ replacement/repainting

	all/substantially all On existing roof Drainage in a new building/extension	Clearing out gutters and downpipes. Replacement/repairs of individual pipes/ gutters	in existing building  Drainage in new building/extension and repair/replacement. ( <u>Not</u> cleaning guttering or downpipes)
	Drainage Replacement of all/ substantially all on existing roof		Drainage replacement in existing roof
	Other e.g. flashings, roof windows in a new building/extension, replacement of all/substantially all on existing roof	Repair/replacement/ cleaning	Flashings, roof windows in new building/extension and repair replacement ( <u>Not</u> cleaning) in existing roof
<u>Other</u>	Provide new covered link etc between existing buildings	Minor repairs, maintenance to existing covered link	Provide new covered link and repairs to existing ( <u>Not</u> cleaning) Rebuild or repair structure of existing covered link
	Rebuild or substantially repair structure of existing covered link Add porch etc to existing building	Minor repairs, maintenance to existing	Add new porch and minor repairs to existing
	Rebuild or substantially repair structure of existing porch		Rebuild or repair existing porch
<b>Floors</b>			
<u>Ground Floor</u>	Structure and dpc in new building	Repair/replacement of small parts of an existing structure	Structure and dpc of new building and replacement of existing structure
	Structure and dpc – Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major		

	failure of the structure		
	Screed and finish in new build, replacement of all/substantially all on existing floor – e.g. replacement of most carpets/tiles in a room	Replacement and repair of screed and finishes/replacement of mats/matwells. Maintenance e.g. revarnishing wooden floors	Provide screed and finish in new buildings ( <u>NOT</u> repairs to finishes, matwells etc)
<u>Upper Floor</u>	Structure – as ground floor	As ground floor	Structure of new buildings and replacement of existing structure
	Screed and finish – as ground floor	Repairs of finishes/ replacement - as ground floor	As ground floor
<b>Ceilings</b>			
<u>Top/only storey</u>	Suspension	Repair/replacement incl from water damage and necessary decoration	Provision ( <u>NOT</u> repair or replacement)
	Membrane		Provision, ( <u>NOT</u> repair or replacement)
	Fixed	Repair/replacement inc from water damage	Provision, ( <u>NOT</u> repair or replacement)
	Access panels	Repair/replacement	Provision, ( <u>NOT</u> repair or replacement)
<u>Lower Storeys</u>	Suspension	Repair/replacement	Provision, ( <u>NOT</u> repair or replacement)
	Membrane		Provision, ( <u>NOT</u> repair or replacement)
	Fixed	Repair/replacement	Provision, ( <u>NOT</u> repair or replacement)

<u>All</u>	Specialist removal/ replacement of damaged/disturbed asbestos based materials, planned or emergency	Inspection/air testing applying sealant coats to asbestos surfaces for protection	Removal/replacement of damaged/disturbed asbestos <u>EXCEPT</u> where part of repair project
<b>External Walls</b>			
<u>Masonry/cladding</u>	Structure underpinning/propping for new build	Repairs preventative measures – e.g. tree removal	Structure, underpinning/propping of new building and repairs, ( <u>NOT</u> tree removal unless part of clearing new site
	External finish on new building	Repair/replacement of small parts of an existing structure e.g. repointing/recladding a proportion of a wall where failure has occurred	External finish on new building and repairs/replacement of existing structure including repointing/recladding
	External finish on existing build where needed to prevent imminent or correct actual major failure of the structure – e.g. repointing/recladding work affecting most of a building/replacement build		External finish on existing building including correcting of structure
<u>Windows and Doors</u>	Framing – new build	Repair/replacement of individual frames. Repainting frames	New window frames and doors in new building and repairs/replacement ( <u>NOT</u> replacement/repair/ repainting of internal doors or windows)
	Framing – structural replacement programme	Repair/replacement of individual windows. Repainting frames	New windows in replacement programme
	Glazing – new build	Replacing broken glass	Glazing new building and replace broken glass
	Glazing		Upgrading existing

	Upgrading existing glazing		glazing
	Ironmongery Improved security	Repair/replacement, upgrading locks etc	Ironmongery to improve security and repair/replacement
	Jointing including mastic joints		Jointing
	Internal and external decorations to new build	Internal and external decoration to include cleaning down and preparation	Internal and external decoration of new provision, external redecoration ( <u>NOT</u> internal redecoration)
<u>Masonry Chimneys</u>	Structure		Structure of chimneys
	Jointing including expansion and mortar joints/pointing/DPC	Repair/repointing	Jointing/pointing and dpc of chimneys and repair/repointing
<b>Internal Walls</b>			
<u>Solid</u>	Complete including various internal finishes, linings and decorations	Repairs and redecoration to internal plaster/linings tiles, pinboards etc	New walls and finishes, ( <u>NOT</u> repair/replacement)
	Refurbishment and alterations	Minor alterations	

<u>Partitions</u>	Complete structure including linings, framing, glazing, decoration etc	Repairs and redecoration	New partitions, ( <u>NOT</u> repair/replacement)
	Refurbishment and alterations	Minor alterations	
<u>Doors and Screens</u>	Framing/screens/doors to new buildings including glazing, ironmongery, jointing and internal decorations	Internal maintenance and redecoration. Repair/replacement of defective doors and screens	Provision of new, ( <u>NOT</u> repair/replacement)
<u>All</u>	Glazing to meet statutory Health & Safety requirements	Replacement of broken glass	New glazing and replacement of broken glass ( <u>NOT</u> internal window repairs)
<b>Sanitary Services</b>			
<u>Lavatories</u>	In new buildings provision of all toilet fittings, waste plumbing and internal drainage	Repair/replacement of damaged sanitary ware, fittings, waste plumbing etc	Provision ( <u>NOT</u> repair/replacement of damaged sanitary ware)
	Large scale toilet refurbishment	Small areas of refurbishment	Provision/ refurbishment ( <u>NOT</u> repair/replacement of damaged fittings etc)
<u>Kitchens</u>	Kitchens in new buildings, complete with fittings, equipment, waste plumbing and internal drainage. Internal finishes and decorations	Maintain kitchen to requirements of LA  Cleaning out drainage systems  Redecoration	
	General refurbishment	Repairs	
	Large and costly items of equipment	Repairs/replacement parts	

## Mechanical Services

### Heating/hot water

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

Safe removal of old/damaged asbestos boiler and pipework insulation, where risk to Health & Safety  
Planned replacement of old boiler/controls systems past the end of their useful life

Emergency replacement of boiler plant/systems

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

Monitoring systems

Health & Safety issues

Replacement of effective parts

Provision of complete system, (NOT repair/replacement or maintenance)

<u>Cold Water</u>	Provision of cold water services, storage tanks, distribution, boosters, hose reels etc in major projects	Maintenance and repair/replacement of defective parts such as servicing pipes. Annual servicing of cold water tanks.	Provision of complete system ( <u>NOT</u> repair/replacement or maintenance)
<u>Gas</u>	Distribution on new and major refurbishments, terminal units	Repairs, maintenance and gas safety  All servicing	
<u>Ventilation</u>	Mechanical ventilation/air conditioning to major projects	Provision of local ventilation. Repair/replacement of defective systems and units	Provision, ( <u>NOT</u> repair/replacement)
<u>Other</u>	Swimming pool plant and its complete installation, including heat recovery systems	Repair/replacement of parts to plant, pumps and controls. Water treatment equipment and all distribution pipework. Simple heat recovery systems. Solar heating plant and equipment	If governors provided
<b>Electrical Services</b>			
<u>General</u>	Main switchgear and distribution in major projects	Testing/replacement of distribution boards. The repair and maintenance of all switchgear and interconnecting cables including that in temporary buildings	Provision ( <u>NOT</u> repair/replacement or maintenance)
	Replacement of obsolete and dangerous wiring systems, including distribution boards	All testing, earthing and bonding to meet Health & Safety. All servicing	

<u>Power</u>	Control gear, distribution, fixed equipment, protection etc	All testing, repair and replacement of small items of equipment	Provision ( <u>NOT</u> repair/replacement)
<u>Lighting</u>	Provision of luminaries and emergency	Replacement of luminaries, all testing, adjustments and improvements to emergency	Provision ( <u>NOT</u> repair/replacement)
<u>Other</u>	Lighting protection in new build	Repair/replacement	Provision and repair
	Alarm systems, CCTV, lifts/hoists etc	Repair and maintenance	Provision ( <u>NOT</u> repair or maintenance)
	New installation of communication systems, radio/TV, call, telephone, data transmission, IT etc and provision in new build	Repair/replacement/ maintenance, including all door access systems	

## External Works

<u>Pavings</u>	Provision of new roads, car parks, paths, court, terraces, play pitches, steps and handrails, as part of major project, including disabled access	Maintenance and repair Car park and playground markings	Provision if part of statutory proposal project ( <u>NOT</u> repair or maintenance)  Provision and repair of ramps and steps
<u>Miscellaneous</u>	Provision of walls, fencing, gates and ancillary buildings as part of major project	Maintenance and repair of all perimeter/boundary/ Retaining walls, fencing and gates	
<u>Drainage</u>	Drains, soakaways, inspection chambers and sewage plant as part of new projects	Maintenance and repair of drains, gullies, grease traps and manholes between buildings and main sewers. Cleaning if the above and unblocking as necessary	Foul drainage plus external gutters and drainpipes. Not maintenance
<u>Open Air Pools</u>	Structure, hygiene/safety in new build	Hygiene, cleaning, maintenance and repairs, including replacement parts. Simple energy saving systems	If governors provided
<u>Service Distribution</u>	Heating mains gas mains water mains electricity mains, renewal of any above	Annual servicing	Provision grant aided but <u>not</u> for repair

## Notes

This illustrative list is the Welsh Assembly Government interpretation of the CIPFA Code of Practice and local authorities should refer to the Code when defining capital and revenue.

Where local authorities use de minimis limits for defining capital and revenue in their financial accounts, the same de minimis limits must be used in defining what is delegated. The application of a de minimis limit may change the examples given in the first two columns of the illustrative list.