



Schools Forum

**Monday, 16 March 2015 4.00 p.m.
Civic Suite, Town Hall, Runcorn**

A handwritten signature in black ink, appearing to read 'David W R', positioned above a grey rectangular stamp.

Chief Executive

COMMITTEE MEMBERSHIP

*Please contact Ann Jones - Tel: 0151 511 8276 or email:
ann.jones@halton.gov.uk for further information.
The next meeting of the Forum is to be confirmed.*

**ITEMS TO BE DEALT WITH
IN THE PRESENCE OF THE PRESS AND PUBLIC**

Part I

Item No.	Page No.
1. APOLOGIES FOR ABSENCE	
2. PREVIOUS MINUTES & MATTERS ARISING	1 - 9
3. MEMBERSHIP UPDATE	
4. SEN FUNDING LEVELS 2014-2015	10 - 14
5. CAPITAL REPORT	15 - 18
6. UPDATE ON ACADEMY BALANCES	
(A) ORMISTON BOLINGBROKE ACADEMY	19 - 62
(B) WADE DEACON HIGH SCHOOL	63 - 112
7. REQUEST FOR FINANCIAL ASSISTANCE	
8. CWAC / LOTC EVOLVE AGREEMENT 2015/16	113 - 115
9. HIGH NEEDS STUDENTS ASSESSMENT FRAMEWORK SUPPORT	116 - 119
10. TOP-UP FUNDING LEVELS FOR 2015-16	120 - 123
11. EARLY YEARS FUNDING FOR 2015-16	124
12. SCHEME FOR FINANCING SCHOOLS REVIEW	125 - 186
13. NURTURE GROUP PILOT FUNDING	187 - 193

In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.

SCHOOLS FORUM

At a meeting of the Schools Forum on Wednesday, 21 January 2015 at The Board Room - Municipal Building, Widnes

Present: J. Rigby (Chairman)
 Councillor Philbin - Observer
 L. Fox, Secondary Academy Representative
 N. Hunt, Pupil Referral Unit Representative
 J. Coughlan, Primary School Representative
 S. Broxton, Primary Governor Representative
 A. McIntyre, Children's Organisation & Provision, HBC
 A. Jones, Democratic Services
 J. Wilson, Secondary Governor Representative
 L. Feakes, Primary School with Nursery Unit
 A. Jones, Financial Services, HBC
 K. Landrum, Primary School Representative - VA School
 A. Brown, Nursery Schools Representative
 N. Unsworth, Financial Services, HBC
 L. Rhodes, Riverside College – 16 – 19 Provision Representative
 A. Hough – Primary Academy Representative (substitute for D Moran)

Action

SCF24 APOLOGIES FOR ABSENCE

Apologies had been received from David Stanley, Richard Collings, Marjorie Constantine and Jill Berry.

SCF25 MINUTES OF THE LAST MEETING & MATTERS ARISING

The minutes of the last meeting were agreed as a correct record.

(SCF19) United Utilities Surface Water and Highways Drainage Charges – Officers advised that United Utilities had held a meeting recently with schools and Local Authority representatives at The Brindley in Runcorn. Officers had not received the invitation to attend in time, so they would try to obtain the minutes to share with the Forum.

SCF26 MEMBERSHIP UPDATE

Ann McIntyre advised members of the following vacancies on the Forum:

- Secondary Academy Representative;
- Small Schools Governor Representative;
- Secondary Representative (School with a 6th Form);
and

- Early Years Private, Voluntary and Independent Sector.

The Forum was advised that Andrew Keeley (Secondary with 6th Form) had now retired and the vacancy would be filled by Deborah Burke, Head of School at St Chads; and Jill Berry (PVI) had submitted her resignation from the Forum on the day of this meeting. Recruitment would take place for the PVI replacement and the first two vacancies mentioned above.

RESOLVED: That the update is noted.

SCF27 EAL FUNDING 2015-16

The Forum received a report on the EAL Service delivered by St Chad's Catholic and Church of England Joint Faith Voluntary Aided High School.

It was reported that the EAL team continued to be hosted by St Chad's High School and worked with new arrivals to Halton LA schools across Key Stages 1 to 5. The EAL team aimed to ensure equality of opportunity, access and inclusion for pupils with EAL needs. The team worked in collaboration with schools in supporting their language work with EAL pupils and encouraged a raised awareness and understanding of cultural diversity. The service also provided information, training, advice and resources regarding cultural and religious matters. School, home and community links were supported by the provision of translated school information in Polish, Russian, Bulgarian, Chinese, French, Spanish and German. Further, attendance and translation at Parent Pupil Review meetings was also available. It was noted that multi-agency work (EWO, speech and Language, Social Services, Police) was also undertaken where there was a need for communicating in the home language.

The Forum was provided with a summary of EAL service delivery and performance in 2013-14 and provided information on the current EAL provision for its 251 pupils in Key Stages 1 – 4. Monitoring reports for 2013-14 and 2014-15 were appended to the report.

Members praised and noted the importance of the EAL service to schools and agreed that the service was good value for money, and that it should be continued.

RESOLVED: That Schools Forum:

1. notes the report and attached additional monitoring information; and
2. agrees that the EAL funding continues to be provided to St Chad's in 2015-16.

SCF28 CONTINGENCY UPDATE

The Forum received an update on the value of the Dedicated School Grant contingencies for 2014-15 as follows:

- General Schools Contingency for 2014-15 was £351,454 and that to date there was a balance of £61,778, after the agreed support had been made, as detailed in the report;
- Pupil Growth Contingency for 2014-15 was £180,000.
- High Needs Contingency budget for 2014-15 was £1,226,420; the carry forward balance for 2013-14 was £2,120,56 giving a total budget of £3,347,276. It was noted that the estimated High Needs Allocation to date would give a deficit of £7,400. A more detailed paper would be submitted to a future Schools Forum meeting explaining this.
- Early Years Contingency Budget for 2014-15 was £730 and a carry forward budget of £821,813. After the deduction of the Early Years Enhanced budget of £80,000 and the support to Ditton Nursery of £54,427 there was a balance of £688,116; and
- Central Contingency carry forward from 2013-14 was £1,170,059. The balance was £810,448 after the allocation of the budgets mentioned in the report.

RESOLVED: That Schools Forum note the current balance on each of the contingencies.

SCF29 ACADEMY BALANCES

The Forum was advised that further to members' requests at previous meetings to know the academy balances, these would be sought via the relevant academy websites, as it was public information.

It was noted that the next set of accounts would be published on 31 January 2015, so officers would collate the information for distribution to the Forum shortly after this. In

the meantime the academy representatives present at the meeting shared their current balances with the Forum.

Anne Jones

RESOLVED: That the information is noted.

SCF30 PUPIL GROWTH FUNDING 2014

The Forum received a report which presented the options available for the Pupil Growth Contingency for 2014-15.

It was noted that the Primary Pupil Growth contingency budget for 2014-15 was set at £100,000 while the Secondary Pupil Growth contingency budget was set at £80,000.

It was reported that within the Primary sector there had been an increase of over 700 pupils from October 2013 to October 2014. In recent years this had been prepared for by increasing the PAN in a number of schools to meet Basic Need.

The Department for Education (DfE) confirmed October 2014 census data was used to compare the pupil numbers with the DfE confirmed October 2013 census data and identified the schools that met the qualifying criteria for Pupil Growth Funding; these were listed in the report.

Officers advised that to make maximum use of the £100,000 budget available, they proposed to fund at £1,754.38 per pupil for the 15th pupil and above. The Forum agreed with this proposal.

With regards to the secondary sector, the Forum noted a reduction in the number of pupils by 497 from October 2013 to October 2014. There was sufficient capacity within the secondary schools for pupil numbers and so pupil growth monies would not be offered to the secondary sector.

The Forum agreed therefore, that the unspent Secondary Pupil Growth Contingency budget of £80,000 be carried forward into 2015-16 and the £80,000 that would have been allocated to Secondary pupil growth for 2015-16 be devolved to secondary schools as part of the schools block allocations.

RESOLVED: That Schools Forum notes the report and:

- 1) agree that the allocations for primary schools as detailed be approved; and
- 2) agree that the allocations for secondary schools as detailed be approved.

SCF31 NOTIONAL SEN FUNDING

The Forum was advised of the Additional Notional SEN funding criteria and allocations for 2014-15.

It was noted that under the new School Funding Regulations local authorities could provide additional targeted support to schools where it would be unreasonable to expect the first £6,000 of additional support for all high needs pupils to be provided due to an exceptional number of such pupils on roll. Local authorities were required to state the qualifying criteria and method of allocation on the School Block Pro-Forma to be submitted to the Education Funding Agency (EFA) by 20 January 2015.

Halton's adopted criteria for Primary and Secondary schools and academies was explained in the report, supported by examples. Schools that met the qualifying criteria for additional notional SEN for 2014-15 were then listed in the report. The Forum discussed the funding in question and the allocations of enhanced provision for schools that had applied. Members agreed that the additional funding for the schools listed be approved.

It was suggested that the allocation policy should be reviewed, as was done in the past, through a working group. In the meantime the Forum requested a detailed analysis of the allocation of SEN across the Board.

Ann McIntyre

RESOLVED: That Schools Forum:

- 1) Notes the report; and
- 2) Agrees that the additional funding for the schools listed be approved.

SCF32 DEDICATED SCHOOLS GRANT 2015-16

Forum members were advised of the indicative allocation of the Dedicated Schools Grant (DSG) settlement for 2015-16.

It was reported that the DSG settlement was split between three notional blocks: Schools Block, High Needs Block and Early Years Block. Details of the allocations for each block were provided in the report. It was noted that

provision for two year olds was not expected until July 2015.

The total DSG settlement for 2015-16 was £102,634,112 which was an increase from the 2013-14 settlement of £101,774,000. It was noted however, that the increased DSG settlement included funding for Sandymoor Free School, for which the DSG had increased by £1,043,223. Therefore, the net position was actually an overall reduction of £143,111. *(Noted that paragraph 3.8 contained typing errors).*

RESOLVED: That the Schools Forum note the DSG settlement for 2015-16.

SCF33 CENTRAL DSG BUDGET

The Forum was updated on the centrally held Dedicated Schools Grant (DSG) Budgets for 2015-16.

Members were advised that the DSG budgets held centrally for 2015-16 were again being scrutinised. Centrally held budgets funded from the Schools Block of the DSG were very tightly restricted whilst the High Needs and Early Years elements were less so.

The report presented updates on the Schools Block; Early Years Block; Two Year Old Funding and High Needs Block. Officers also tabled more detailed information as follows:

- Schools Block – Central DSG budgets totalled £1,356,900 in 2014-15 and this would be reduced by £311,831 to £1,045,069 for 2015–16 to help keep within the overall DSG figure. The changes made were noted.
- Early Years Block – The centrally retained Early Years block for 3 and 4 year olds totalled £2,600,570 in 2014-15 and was increasing by £325,439 to £2,926,009 for 2015-16. The main changes were noted.
- High Needs Block – The centrally retained High Needs Block for 2014-15 totalled £5,994,288 and was reducing by £747,000 to £5,247,170 in order to balance the DSG budget. The main changes were noted.
- Two Year Old funding – Announcement not expected until July 2015.

Members noted that it had become increasingly difficult to set the DSG budgets for both schools and the required central budgets and still balance to the funding given due to the increase in pupil numbers and the net decrease in grant received. The High Needs and Early Years budgets (approx. £18.7M) were indicative allocations and would be adjusted in line with the January census. It was reported that this census was also used to set the Early Years and High Needs budgets for schools so estimates had to be used when setting the Schools Block budgets to ensure that it was kept within the overall expected grant.

RESOLVED: That the report be noted.

SCF34 SCHOOLS BLOCK FUNDING FORMULA

The Forum received the final funding formula for Primary and Secondary schools for 2015-16.

Members were reminded that at the October Schools Forum meeting decisions were taken on how the funding formula should be adopted for Halton's Primary and Secondary maintained schools, Academies and Free School. Work was underway to calculate the case value for each element of the schools block funding formula for 2015-16.

The report presented the following information:

- Budget availability for Primary and Secondary Schools;
- Budget availability for Looked After Children (LAC);
- De-delegated Budgets; and
- Early Years and High Needs Funding.

Officers tabled a paper containing further information on the Schools Block Funding Formula for 2015-16. After reviewing this, the Forum was asked to make a decision regarding the LAC cash value to be used for 2015-16. It was agreed that this would be kept at the same level as 2014-15, however, the Forum requested to see the comparison of the funding factors from 2014-15 to 2015-16. This would be distributed to Members.

Anne Jones

Members were also asked to make a decision regarding the amount of funding to be de-delegated to the Local Authority for Schools Contingency, Free School Meal eligibility and staff responsibility; the Forum agreed with the proposals in the report. The Forum also agreed that the cash value per pupil of the de-delegated items for 2015-16

would remain at the same level as for 2014-15, as detailed in the report.

RESOLVED: That Schools Forum:

- 1) note the report;
- 2) agree that the LAC cash value to be used for 2015-16 continue at £1,517.25
- 3) agree that the amount of funding to be de-delegated to the Local Authority for Schools Contingency, Free School Meal eligibility and staff responsibility is £207,966, £26,632 and £7,491 respectively.

SCF35 PUPIL PREMIUM GRANT 2015-16

The Forum received an update on the final levels of Pupil Premium funding for 2014-15; and funding levels for 2015-16 as follows:

2014-15 Funding levels were:	£
FSM Ever 6 (Primary)	1,300 per pupil
FSM Ever 6 (Secondary)	935 per pupil
Service Children Ever 3	300 per pupil
Post – Looked After Children	1,900 per pupil
Looked After Children	Up to 1,900 per pupil

2015-16 Funding levels were:	£
FSM Ever 6 (Primary)	1,320 per pupil
FSM Ever 6 (Secondary)	935 per pupil
Service Children Ever 3	300 per pupil
Post – Looked After Children	1,900 per pupil

It was noted that no information had been provided with regards to LAC.

Members were referred to Appendix A which provided information from the DfE website relating to funding for the financial year 2015-16.

RESOLVED: That the report be noted.

SCF36 CAPITAL UPDATE

The Forum was advised that the Council had not received any updates with regards to Capital spend? If available in time for the next meeting, this information will be provided at the March.

RESOLVED: That the update be noted.

SCF37 RECRUITMENT OF SCHOOL ADMISSION AND EXCLUSION APPEAL PANEL MEMBERS

The Forum received a report which provided information on the process involved in carrying out Independent School Admission Appeals and advised of the recruitment drive for additional volunteer Panel Members.

It was noted that the Council was seeking nominations for volunteer members to sit on such panels from one of two categories:

- 1) Lay Persons – those without experience in the management of any school or the provision of education; and
- 2) Persons with experience in education such as a School Governor, Teacher or Head Teacher (past or present). This would also include parents with a child registered and attending a Halton school.

A brief explanation of the role and training provided was stated in the report and that further information from interested parties could be obtained from Angela Scott – Independent School Admissions Appeals Team Manager on 0151 511 8670 or email: angela.scott@halton.gov.uk

RESOLVED: That members of the Forum consider the request for the nomination of volunteers for Halton's Independent School Admission Appeals Panel.

Meeting ended at 5.50 p.m.

REPORT TO: School Forum

DATE: 16th March 2015

REPORTING OFFICER: Finance Officer, Financial Management Division

SUBJECT: SEN Funding Levels 2014-15

1.0 PURPOSE OF REPORT

1.1 To report to the School Forum on the SEN funding levels in 2014-15.

2.0 RECOMMENDATION

RECOMMENDED:

(1) The report is noted.

3.0 SUPPORTING INFORMATION

3.1 Background

Schools Forum were made aware at the last meeting that we are projecting an overspend on the enhanced provision funding and the Financial Management Team were asked to provide a report analysing this overspend.

3.2 2014-15 expenditure

As you can see from the pie chart in Appendix A, as at 23rd February there is forecast expenditure of £1,679,366.21 for 2014-15. Nursery schools have received 3.46% of the total spend, Primary schools have received 68.55%, Secondary schools have received 12.85% and Special schools received 1.20% of the total spend. Academies have received in total £233,813.11 which is 13.94% of the total spend, this includes both Primary and Secondary phases.

3.3 2014-15 pupil figures

The bar chart in Appendix A shows that to date there have been payments made for a total of 387 pupils. Nursery schools have 19 pupils, Primary schools have 234, Secondary schools have 64, Special schools have 6 and Academies have 64 pupils in receipt of enhanced provision.

Within the Primary phase, including academies, 46.75% of pupils

receive funding for 7 hours per week from the LA, therefore receiving 20 hours per week support in total while 37.4% of pupils receive 12 hours per week from the LA, 25 hours in total.

Within the Secondary phase, again including academies, 39.1% of pupils receive 4 hours per week from the LA, 20 hours per week in total while 33.9% of pupils receive 9 hours per week from the LA, 25 hours per week in total.

3.4 2013-14 expenditure

Using the pie chart in Appendix B, there was a total spend of £1,522,042.32 in 2013-14. Nursery schools were in receipt of 2.53% of the total spend, Primary schools received 69.62%, Secondary schools received 15.49% and Special schools received 2.62% of the total spend. Academies received in total £147,984.53 which is 9.74% of the total spend, this includes both Primary and Secondary phases.

3.5 2013-14 pupil figures

As you can see from the pie chart in Appendix B, payments were made in 2013-14 for a total number of 380 pupils. Nursery schools had 14 pupils, Primary schools had 253, Secondary schools had 68, Special schools had 8, and Academy schools had 37 pupils in receipt of enhanced provision.

Within the Primary phase, including academies, 44.66% of pupils received funding for 7 hours per week from the LA, therefore receiving 20 hours per week support in total. Also 36.75% of pupils received 12 hours per week from the LA which is 25 hours in total.

In the Secondary phase, again including academies, 36.63% of pupils received 4 hours per week from the LA, which is 20 hours in total. Lastly 33.66% of pupils also received 9 hours support from the LA, which is a total of 25 support hours per week.

3.6 2014-15 and 2013-14 comparison

For the Primary phase the overall number of pupils that receive funding has gone up in 14/15 by 7 compared to the number of pupils in 13/14. This is reflected in the expenditure in 14/15 as it has increased by £91,495.14 when compared to 13/14. This does fit in with the figures that show the average per pupil amount for 14/15 is £4,339.45 compared to the lesser £4,005.37 in 13/14.

In the Secondary phase the overall number of pupils that receive funding has gone down by 4. This has also been reflected in the expenditure as there has been a decrease of £19,925.75 in 14/15 when compared to 13/14. This again is reflected in the average amount paid

per pupil as the figure for 14/15 is £3,373.93 compared to the higher amount of £3,468.49 per pupil in 13/14.

In the Nursery phase the overall number of pupils that receive funding has gone up by 5 in 14/15 when compared to the pupils in 13/14. This has again been reflected in the expenditure as there is an increase of £19,590.53 for 14/15 when compared to 13/14. It is worth noting that in the nursery phase the figures that we have given above are for the maintained sector only. The PVI sector has received £77,000 to date with a forecast of a further £60,000 to be allocated before the end of the financial year.

It should also be noted that academies and maintained sector pupils are all treated in the same manner in each phase.

Using the information provided therefore:

- Are we getting better at identifying need
- Are we getting more children with need
- Are schools getting better at successfully applying for funding

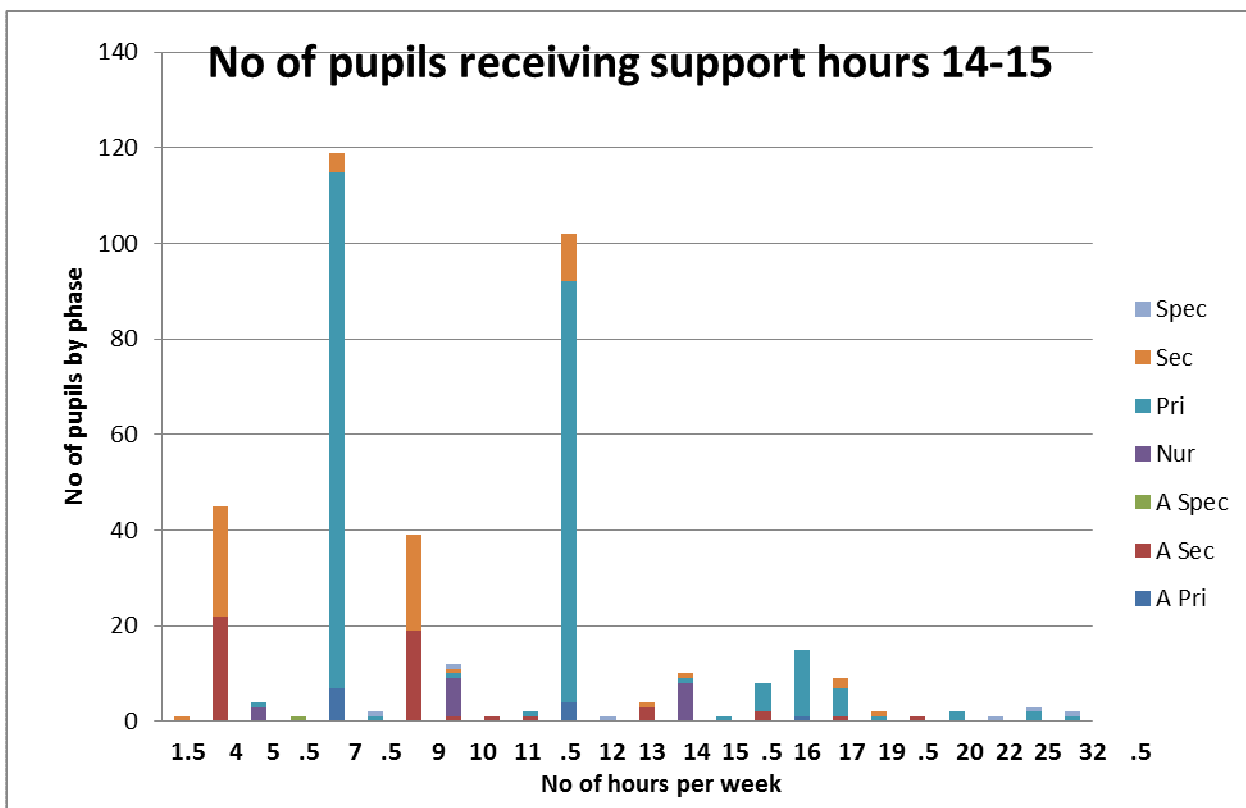
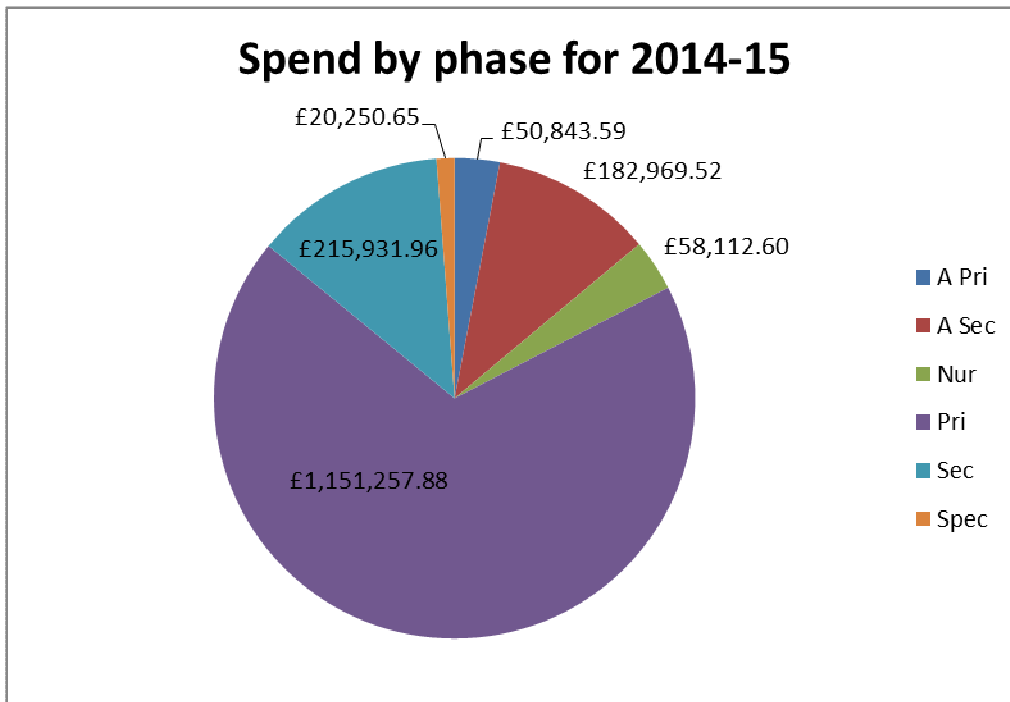
4.0 **POLICY IMPLICATIONS**

4.1 None

5.0 **OTHER IMPLICATIONS**

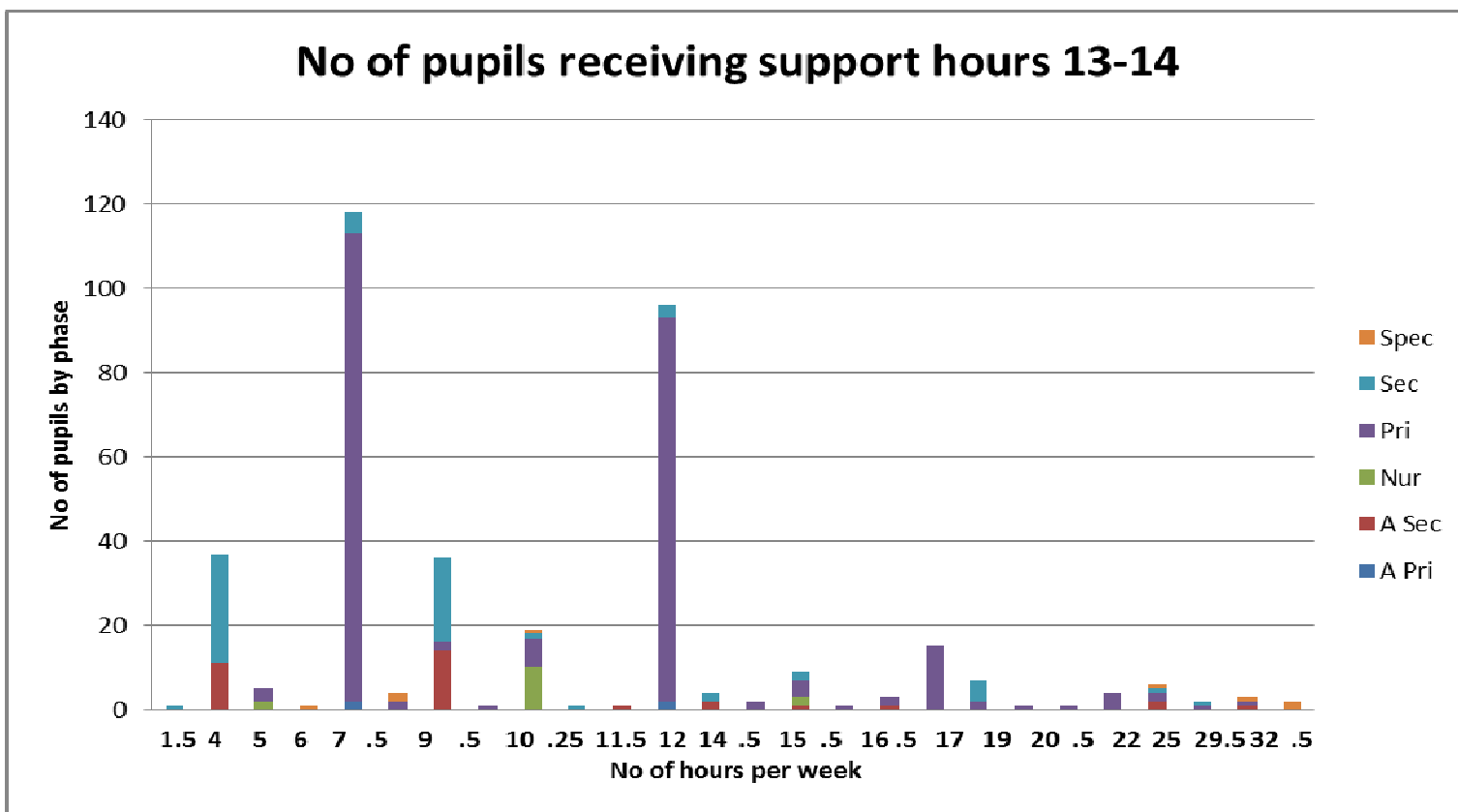
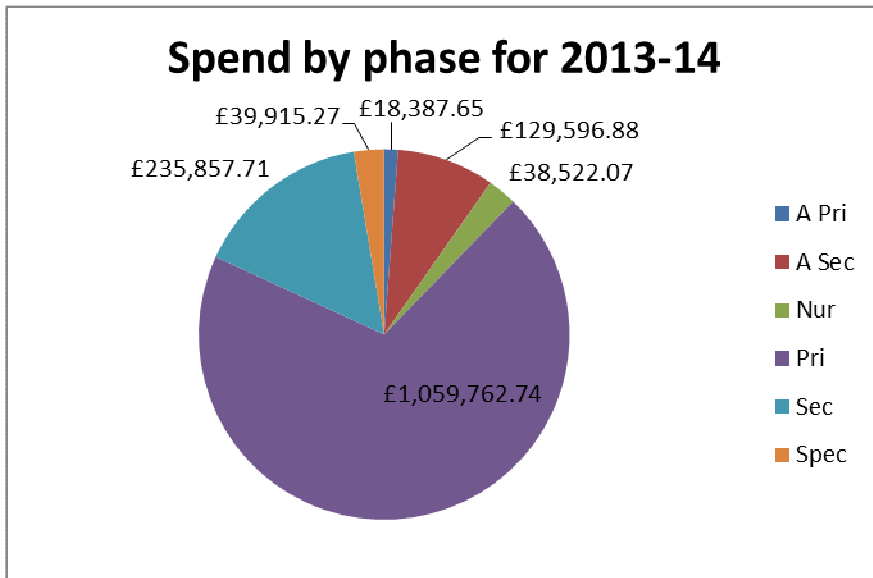
5.1 None

Appendix A



Spec = special, Sec = secondary, Pri = primary, Nur = nursery, A Spec, = academy special, A Sec = academy secondary, A Pri = academy primary

Appendix B



Spec = special, Sec = secondary, Pri = primary, Nur = nursery, A Spec, = academy special, A Sec = academy secondary, A Pri = academy primary

REPORT TO: Schools Forum

DATE: 16 March, 2015

REPORTING OFFICER: Operational Director

SUBJECT: Capital Programme 2015/16 - Update

WARDS: Borough-wide

1.0 PURPOSE OF THE REPORT

To provide School Forum with a summary and progress update of the Capital Programme 2015/16 for the Children & Enterprise Directorate.

2.0 RECOMMENDATION: That the report be noted.

3.0 SUPPORTING INFORMATION

- 3.1 In February 2015 the Department for Education announced the schools capital grant allocations for 2015/16. Executive Board, 26th March, 2015, is being recommended to approve the implementation of the capital programme. The table below details the funding received.

TYPE OF FUNDING	AMOUNT OF FUNDING (2015/16)
GOVERNMENT FUNDING	
School Condition Allocation – Local Authority maintained schools Allocated to fund condition and suitability projects at Local Authority maintained schools.	£1,097,187
School Condition Allocation – Voluntary Aided maintained schools Allocated to fund condition and suitability projects at Voluntary Aided schools.	£858,851
Devolved Formula Capital – Local Authority maintained schools Allocated directly to Local Authority maintained schools for their own use to address school building and Information Communication Technology needs.	£246,343

TYPE OF FUNDING	AMOUNT OF FUNDING (2015/16)
GOVERNMENT FUNDING	
Devolved Formula Capital – Voluntary Aided maintained schools Allocated directly to Voluntary Aided maintained schools for their own use to address school building and Information Communication Technology needs.	£165,161
LOCAL AUTHORITY FUNDING	
Capital Expenditure Revenue Account funding In addition to the funding outlined above, the Local Authority makes a contribution towards capital works in schools.	£345,821

4.0 The sections below and attached appendix detail the key capital programmes and projects this funding is supporting.

School Condition Allocation – LA maintained schools.	£843,008	Programme of planned maintenance (mechanical, electrical & building) works to address condition issues at various community schools – see appendix 1.
School Condition Allocation – VA maintained schools.	£858,851	Programme of works to address condition & suitability issues at voluntary aided schools – programmes to be agreed with Liverpool Archdiocese, Chester Diocese & Shrewsbury Diocese.
School Modernisation Projects (Funded from School Condition Allocation).	£400,000	A programme to address modernisation & suitability issues. Schools invited to bid for funding.
Access Initiative Projects.	£70,000	Improvements to buildings & grounds at schools. Schools to be invited to bid for funding.
Fairfield Primary School.	£250,000	Contribution to extension & remodelling works (£125,000 to be funded in 15/16 & 16/17).

In addition to the above main programmes, capital funding is also used to fund some minor programmes of work including asbestos management, fire compartmentation and a contingency fund is held to address emergency health and safety issues.

- 5.0 In addition to the above capital programmes Halebank CE VC Primary School is to be rebuilt as part of the Government's Priority School Building Programme. The Education Funding Agency is due to complete the Financial Business Case by the end of March. At this stage it is anticipated the construction of the new school will start in June 2015 & be complete by April 2016.

6.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
DfE Capital Allocations 15/16 – February 2015. Priority School Building Programme – May 2012.	Rutland House	Phil Dove

School	Main Element	Estimated cost inc Fees
Retentions from 14/15		21,925
Moore Primary	Electrical upgrade Phase 2 of 3	55,593
Brookvale Primary School	Electrical upgrade Phase 2 of 3	61,022
Victoria Road Primary School	Fire alarm replacement	16,730
Pewithall Primary	Fire alarm replacement	18,402
Victoria Road Primary School	Window Replacement phase 1 of 2	42,092
Windmill Hill Primary School	Window Replacement	13,384
Chesnut Lodge School	Electrical upgrade Phase 3 of 3	66,451
The Bridge School, Astmoor	Electrical upgrade phase 3 of 4	33,245
Simms Cross Primary School	Electrical upgrade phase 5 of 7	76,766
Hallwood Park Primary School and Nursery	Boiler replacement	106,111
Farnworth CE Controlled Primary School	Window Replacement	27,475
Beechwood Primary School	Boiler replacement	60,262
Windmill Hill Primary School	Fan convector replacement phase 1 of 2	56,462
Halton Lodge Children Centre	Boiler replacement	12,268
Astmoor Primary School	Fan convector replacement phase 1 of 2	50,005
Brookfields School	Fan convector replacement phase 1 of 2	50,005
Hillview Primary School	Fan convector replacement phase 1 of 2	44,235
Victoria Road Primary School	Fan convector replacement	30,575
		843,008

Financial Statements
Ormiston Bolingbroke Academy
Trust

For the year ended 31 August 2014

Ormiston Bolingbroke Academy Trust

Contents

	Page
Reference and Administrative Details	1 - 2
Governors' report	3 - 9
Governance statement	10 - 12
Statement on regularity, propriety and compliance	13
Governors' responsibilities statement	14
Independent auditor's report	15 - 16
Independent reporting accountant's assurance report on regularity	17 - 18
Statement of financial activities	19
Balance sheet	20
Cash flow statement	21
Notes to the financial statements	22 - 42

Ormiston Bolingbroke Academy Trust

Reference and Administrative Details

For the year ended 31 August 2014

Members

The Ormiston Trust
University of Chester

Governors

* A Lewis, Chair (deceased 26 January 2014)
A Collier, Staff Trustee
S Crane, Staff Trustee
M Lloyd-Jones
P Lloyd-Jones
P Meehan (resigned 25 March 2014)
* S Murphy, Chair
* J Rigby, Principal
* A Walker
J Burke
T Humby, Staff Trustee (resigned 20 March 2014)
* D Watson
* D Wilkinson (resigned 11 December 2013)

* members of the Finance and General Purpose committee

Company registered number

07349394 (England and Wales)

Principal and registered office

Barnfield Avenue
Runcorn
Cheshire
WA7 6EP

Senior management team

J Rigby, Principal
M Wyss, Vice Principal
B Barry, Assistant Principal
S Easton, Assistant Principal
L Handley, Assistant Principal
J Hough, Assistant Principal
S Oulton, Assistant Principal
T Humby, Assistant Principal
J Mooney, Assistant Principal
J Smith, Assistant Principal
S Hughes, Director of Finance
S Powell, Director of Data
S Snagg, Director of Transition and Community Development

Ormiston Bolingbroke Academy Trust

Reference and Administrative Details of the Academy, its Governors and Advisers

For the year ended 31 August 2014

Administrative details (continued)

Independent auditor

Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
4 Hardman Square
Spinningfields
Manchester
M3 3EB

Bankers

Santander
Bridle Road
Bootle
Merseyside
L30 4GB

Lloyds TSB Bank Plc
5 St Paul's Square
Old Hall Street
Liverpool
L3 9SJ

Solicitors

Stone King LLP
16 St John's Lane
London
EC1M 4BS

Internal auditors

Mazars LLP
Chartered Accountants
45 Church Street
Birmingham
B3 2RT

Ormiston Bolingbroke Academy Trust

Governors' Report

For the year ended 31 August 2014

The governors present their annual report together with the audited financial statements and auditor's report of Ormiston Bolingbroke Academy Trust ('the Academy' or 'the Charitable Company') for the period 1 September 2013 to 31 August 2014. The annual report serves the purpose of both a governors' report, and a directors' report under company law.

Structure, governance and management

Constitution

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles are the primary governing documents of the Academy. The governors of Ormiston Bolingbroke Academy Trust are also the directors of the Charitable Company for the purposes of company law.

The charitable company is known as Ormiston Bolingbroke Academy ('the Academy').

Details of the governors who served throughout the year are included in the Reference and Administrative Details page of the financial statements.

Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

The Academy has put in place policies which indemnify the Governors when acting in that capacity on behalf of the Academy.

Insurance cover is provided by Zurich Municipal under policy number KSC 242039 9893.

Method of recruitment and appointment or election of Governors

The Sponsors shall appoint the Sponsor Governors. The Local Authority (LA) may appoint the LA Governor. The Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time of election. The Staff Governors shall be elected by the staff members at the Academy. One of the Staff Governors shall be elected from among the teaching staff of the Academy and the other Staff Governor from among the non teaching staff. A Staff Governor must be a member of staff at the time when he is elected. The Governors may appoint up to 3 co opted Governors.

Governors are elected for a term of four years but are eligible for re election at the meeting at which they retire.

The Governors who served throughout the year ended 31 August 2014 and who were appointed subsequently are listed in the Reference and Administrative Details page of the financial statements.

Ormiston Bolingbroke Academy Trust

Governors' Report (continued)

For the year ended 31 August 2014

Policies and procedures adopted for the induction and training of Governors

The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Governors are welcome to visit the Academy and to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two to three new Governors a year, induction will be done informally and is tailored specifically to the individual.

Organisational structure

A unified management structure is in place which consists of three levels: the Governors, the Senior Management and the Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Principal is the Accounting Officer of the Academy.

Connected organisations

The Ormiston Trust and The University of Chester are sponsors of the Academy.

Risk management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy and its finances. The Governors have implemented a number of systems to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and discipline) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. staff conduct policies) and internal financial controls in order to minimise risk.

Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of financial controls and this is explained in more detail in the following statement.

Objectives and Activities

Objects and aims

In accordance with the articles of association the Charitable Company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on English and Applied Learning.

Ormiston Bolingbroke Academy Trust

Governors' Report (continued)

For the year ended 31 August 2014

Objectives, strategies and activities

The Academy is implementing an approach to deliver its transformational agenda in a challenging and deprived community by:

- personalised learning experiences integrated with the new technologies;
- admissions based on the concept of a community Academy serving all the children of its community;
- strengthening the links with primary schools to ensure effective transition;
- development of a learning community model that brings together agencies, voluntary sector and academy resources to meet the needs of the whole community, offering innovative and far reaching practices;
- providing value for money for the funds expended;
- providing a programme of sporting and after school activities for all students;
- providing a broad and diverse curriculum and staffing provision to meet the needs of all students.

Public benefit

The Academy is an exempt charity with the charitable purpose of advancement of education to pupils between the ages of 11 to 19 within the borough of Halton.

The Academy's Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic report

Achievements and performance

The total number of students in the Academy continued to increase from 830 in 2012-2013 to 896 in 2013-2014. The attendance for 2013-14 was 94.6%.

The Academy again achieved very good results in the year, with 99% of all Yr. 11 students achieving 5 or more GCSEs at grades A* to C. In addition, 67% of pupils achieved 5 or more GCSEs at grades A* to C including English and Maths. This has put the Academy at the very top of the league table for Runcorn and significantly above local and national average scores. Students' expected rates of progress in both English and Maths were well above national averages, with those making more than expected progress matching national averages.

The sixth form has once more achieved excellent results with the A level pass rate of 99%, well above the national average. All year 13 students who were applying to university were successful with most achieving their first choice of university.

Ofsted visited the Academy in November 2012 and judged it to be 'Good', with all four categories in the inspection judged as 'Good'. With the maintained level of Achievement in the 2014 examinations mentioned above, we have the foundation to realistically secure an 'Outstanding' judgement at the next inspection. The Ormiston Review in January 2014 supported this overall judgement but deemed Leadership and Management to be 'Outstanding'.

The Academy achieved the Continuous Professional Development Mark award in October 2013, as well as The SSAT's Cultural Diversity Quality Standard at the top Gold level in November 2013. Finally, it also achieved the top Gold level award for The SSAT's Parental Engagement Quality Standard in March 2014.

Ormiston Bolingbroke Academy Trust

Governors' Report (continued)

For the year ended 31 August 2014

Key Stage 3 Students in years 7 & 8 follow the National Curriculum and a thinking skills programme in English based on Philosophy for Children. There are also short courses in Mandarin Chinese and the Classics (Latin, Greek and Ancient Civilisations) on offer within the Humanities and Modern Foreign Languages curriculum.

Key Stage 4 – this stage lasts for three years to allow a greater depth and choice of subjects. Pupils follow one of two curriculum pathways, determined by their ability, skills, interests and choices. All students will study English, Mathematics, Science, ICT, PE, RE and Citizenship (within the Every Child Matters curriculum) along with three options choices from a variety of optional academic and vocational subjects.

A comprehensive range of subjects delivered by high quality teachers and with some high technology resources is available for sixth form students. School improvements include a designated sixth form area, a dynamic multi media learning space incorporating the most cutting edge technologies, a variety of new ICT facilities, a new dining room with a sixth form cyber café, a T.V. green screen studio, a music recording studio and an off site construction centre.

Half-termly Project Days give Year Groups the chance to explore real-life connections with industry, business and further education. These have included multimedia work with the BBC and Creamfields, learning about the value of careers with Modern Languages via collaboration with local University graduates, as well as Science, Technology, Engineering and Maths (STEM) work via forensic science 'Murder Mystery' and pyrotechnics days.

There is a vast and diverse after school Enrichment programme for all students in place which features a plethora of sporting, academic, vocational and leisure activities. The Academy's staff lead these sessions, with external providers such as Liverpool Football Club and our own Chinese Assistant also contributing.

Following a £6.7 million award to partially re-build, re-model and refurbish the existing buildings, the new Academy had its hand over for the start of the new academic year in September 2013. The new building incorporates a learning street, a dedicated performance hall, a new library, state of the art science laboratories and a sixth form study, café and social area.

The Academy runs an award winning Saturday Academy that provides opportunities for primary students to attend a variety of workshops and induction activities. Many of the local primary schools spend taster days at the Academy and have taken part in English, Maths, Spanish, Enterprise, and ICT. These days have been a massive success and the academy will continue to provide this high quality transition programme.

In addition, the Academy's new Hair and Beauty Salon in the Learning Street is now open for business to the public during the Academy day and at weekends. This is staffed and operated by the Academy's students.

A fruitful partnership with the neighbouring community sports centre has seen the Academy hosting a 'Smoking Cessation' course and wellbeing sessions for the local community.

Key financial performance indicators

96% of total income in the year (excluding restricted fixed asset funds) was received from the EFA or DFE (2013: 97%).

Salary expenditure for the year ended 31st August 2014 represented 71% (2013: 69%) of total spend and 68% (2013: 61%) of total income, excluding restricted fixed asset funds. Pupil to teacher ratio for the year was 12.6, an increase from 11.3 in 2013/14.

Ormiston Bolingbroke Academy Trust

Governors' Report (continued)

For the year ended 31 August 2014

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Financial review

Principal funding

Most of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants from the DfE during the year ended 31st August 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005) such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Financial review

During the year ended 31st August 2014, total expenditure of £7,276,000 was more than covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £275,000.

At 31st August 2014 the net book value of fixed assets was £15,645,000 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Expenditure in the Academy is budgeted in conjunction with the Academy's development plan to ensure that all expenditure is aligned with the key objectives of the Academy.

Reserves policy

The Academy held fund balances at 31st August 2014 of £16,841,000 comprising £16,539,000 of restricted funds and £302,000 of unrestricted funds. Included within restricted fixed asset funds is £14,537,000 relating to donated land and buildings. These reserve amounts will be reduced in accordance with the depreciation policy for the assets transferred.

The Governors have reviewed the reserves of the Academy. This review encompassed the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves. Following the completion of the partial new build and refurbishment, funds have been set aside to support the school development plan and to support the capital investment required to modernise and upgrade the remaining building and sporting facilities. The level of reserves will be kept under review by the Governors.

Ormiston Bolingbroke Academy Trust

Governors' Report (continued)

For the year ended 31 August 2014

Principal risks and uncertainties

The Governors have a comprehensive risk management policy to identify, evaluate and manage risk. Risks are categorised into strategic risks and operational risks. Strategic risks include political, economic, social, technological, legal, environmental, competitive and customer. Managing these risks is a core responsibility of the senior leadership team in liaison with Governors. Operational risks include professional, financial, legal, physical, contractual and technological. Risks are assessed in terms of impact and likelihood and risk control measures are identified and assigned to an appropriate member of staff. Principal risks identified are those involving fire risk assessments, recruitment procedures, financial planning and procedures, the school development plan, loss of IT equipment and systems and exam results.

Investment policy

Investments will only be made that are consistent with the Academy's charitable status and line with policies that have been approved by the governing body. During the year cash investments were split between interest bearing accounts with Lloyds Banking Group and Santander UK Plc.

Financial and Risk Management Objectives and Policies

The defined benefit pension scheme liability is £457,000 at 31st August 2014 (2013: £236,000).

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The Academy uses a variety of financial instruments, including cash and items such as trade debtors and trade creditors that arise directly from day to day activities. The main purpose of these financial instruments is to ensure liquidity for the Academy's operations.

Plans for future periods

The Academy will continue to strive to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students get jobs or a place in higher education or training once they leave. The Academy will also increase its recruitment up to the maximum capacity, accepting transfers from other schools and colleges where possible.

Auditor

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the Charitable Company's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the Charitable Company's auditor is aware of that information.

Ormiston Bolingbroke Academy Trust

Governors' Report (continued)

For the year ended 31 August 2014

Approval

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487 (2) of the Companies Act 2006 unless the Charitable Company receives notice under section 488 (1) of the Companies Act 2006.

This report, incorporating the Strategic report, was approved by order of the Governing Body, as the company directors, on 10 December 2014 and signed on the board's behalf by:



S Murphy
Chair of Governors

Ormiston Bolingbroke Academy Trust

Governance Statement

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Ormiston Bolingbroke Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Ormiston Bolingbroke Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Governors' responsibilities statement. The Governing Body has formally met 3 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
A Lewis, Chair (deceased 26 January 2014)	0	1
A Collier, Staff Trustee	3	3
S Crane, Staff Trustee	3	3
M Lloyd-Jones	3	3
P Lloyd-Jones	3	3
P Meehan (resigned 25 March 2014)	2	2
S Murphy, Chair	2	3
J Rigby, Principal	3	3
A Walker	2	3
J Burke	0	2
T Humby, Staff Trustee (resigned 20 March 2014)	1	1
D Watson	2	3
D Wilkinson (resigned 11 December 2013)	0	0

Governance reviews:

The Governors intend to carry out a self evaluation of their effectiveness in the coming year.

The Finance and General Purposes Committee is a sub-committee of the main Governing Body. Its purpose is to consider the Academy's budget and funding for the year, to monitor and review expenditure and financial procedures and to instruct and receive internal audit reports on a regular basis.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
A Lewis (deceased 26 January 2014)	0	1
S Murphy	3	3
J Rigby	3	3
A Walker	2	3
D Wilkinson (resigned 11 December 2013)	0	1
A Collier (not as a member)	1	1
S Crane (not as a member)	1	1
D Watson	0	2

Ormiston Bolingbroke Academy Trust

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ormiston Bolingbroke Academy Trust for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided to appoint Mazars LLP as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the internal auditor reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The internal auditor has delivered their schedule of work as planned. No material control issues were identified as a result of the internal auditor's work.

Ormiston Bolingbroke Academy Trust

Governance Statement (continued)

Review of Effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

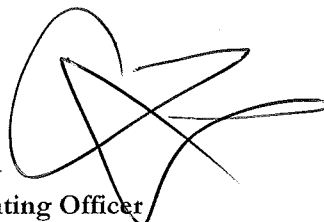
- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 10 December 2014 and signed on its behalf, by:



S Murphy
Chair of Governors



J Rigby
Accounting Officer

Ormiston Bolingbroke Academy Trust

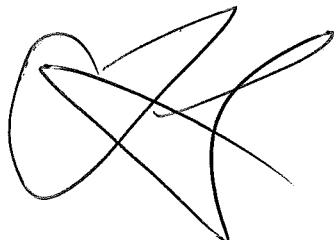
Statement on Regularity, Propriety and Compliance

As Accounting Officer of Ormiston Bolingbroke Academy Trust I have considered my responsibility to notify the Academy Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the Academy Governing Body are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2013).

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Governing Body and EFA.

J Rigby
Accounting Officer

A handwritten signature in black ink, appearing to be 'J Rigby', written over a large, faint circular watermark or stamp.

Date: 10 December 2014

Ormiston Bolingbroke Academy Trust

Governors' Responsibilities Statement

For the year ended 31 August 2014

The Governors (who act as trustees of Ormiston Bolingbroke Academy Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/DfE have been applied for the purposes intended.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Governing Body on 10 December 2014 and signed on its behalf by:



S Murphy
Chair of Governors



Independent Auditor's Report to the Members of Ormiston Bolingbroke Academy Trust

We have audited the financial statements of Ormiston Bolingbroke Academy Trust for the year ended 31 August 2014 which comprise the Statement of Financial Activities incorporating the Income and Expenditure Accounts and Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency and applicable law.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Governing Body and Auditor

As explained more fully in the Governors' responsibilities statement set out on page 14, the Governors (who are also the directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.



Independent Auditor's Report to the Members of Ormiston Bolingbroke Academy Trust

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

A handwritten signature in cursive script that reads "Joanne Love".

Joanne Love
for and on behalf of Grant Thornton UK LLP

Statutory Auditor
Chartered Accountants
Manchester

15 December 2014

Independent Reporting Accountant's Assurance Report on Regularity to Ormiston Bolingbroke Academy Trust and the Education Funding Agency (continued)

The work undertaken to draw our conclusion includes:

- an assessment of the risk of material irregularity and impropriety across the Academy Trust's activities;
- evaluation of the processes and controls established and maintained in respect of regularity, propriety and compliance of the use of public funds through observation and testing of the arrangements in place and enquiry of the Accounting Officer;
- consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance; and
- detailed testing on a sample basis of income and expenditure for the areas identified as high risk.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to the purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Grant Thornton UK LLP

Grant Thornton UK LLP

Chartered Accountants
Statutory Auditor
Manchester
4 Hardman Square
Spinningfields
Manchester
M3 3EB

Date: 15 December 2014.

Independent Reporting Accountant's Assurance Report on Regularity to Ormiston Bolingbroke Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 15 October 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ormiston Bolingbroke Academy Trust during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Ormiston Bolingbroke Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ormiston Bolingbroke Academy Trust and the EFA those matters we are required to state to them in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Ormiston Bolingbroke Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Ormiston Bolingbroke Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Ormiston Bolingbroke Academy Trust's funding agreement with the Secretary of State for Education dated 24 October 2010, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

Ormiston Bolingbroke Academy Trust

Statement of Financial Activities

(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
For the year ended 31 August 2014

	Note	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	3	-	-	-	-	49
Activities for generating funds	4	168	-	-	168	59
Investment income	5	10	12	-	22	12
Incoming resources from charitable activities	6	10	6,414	898	7,322	11,736
Total incoming resources		188	6,426	898	7,512	11,856
Resources expended						
Costs of generating funds:						
Costs of generating voluntary income	7	-	-	-	-	29
Charitable activities	8	25	6,149	937	7,111	6,046
Governance costs	9	-	165	-	165	154
Total resources expended	10	25	6,314	937	7,276	6,229
Net incoming resources before transfers		163	112	(39)	236	5,627
Transfers between Funds	18	-	(295)	295	-	-
Net income for the year		163	(183)	256	236	5,627
Actuarial gains and losses on defined benefit pension schemes		-	(213)	-	(213)	96
Net movement in funds for the year		163	(396)	256	23	5,723
Total funds at 1 September 2013		139	1,290	15,389	16,818	11,095
Total funds at 31 August 2014		302	894	15,645	16,841	16,818

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 22 to 42 form part of these financial statements.

Ormiston Bolingbroke Academy Trust

Registered number: 07349394 (England and Wales)

Balance Sheet

As at 31 August 2014

	Note	£000	2014 £000	£000	2013 £000
Fixed assets					
Tangible assets	14		15,645		15,389
Current assets					
Stocks	15	24		23	
Debtors	16	302		143	
Cash at bank		1,804		1,647	
		<u>2,130</u>		<u>1,813</u>	
Creditors: amounts falling due within one year	17	<u>(477)</u>		<u>(148)</u>	
Net current assets			<u>1,653</u>		<u>1,665</u>
Total assets less current liabilities			<u>17,298</u>		<u>17,054</u>
Defined benefit pension scheme liability	26		<u>(457)</u>		<u>(236)</u>
Net assets including pension scheme liabilities			<u><u>16,841</u></u>		<u><u>16,818</u></u>
Funds of the academy					
Restricted funds:					
Restricted funds	18	1,351		1,526	
Restricted fixed asset funds	18	15,645		15,389	
Restricted funds excluding pension liability		<u>16,996</u>		<u>16,915</u>	
Pension reserve		<u>(457)</u>		<u>(236)</u>	
Total restricted funds			<u>16,539</u>		<u>16,679</u>
Unrestricted funds	18		<u>302</u>		<u>139</u>
Total funds			<u><u>16,841</u></u>		<u><u>16,818</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 10 December 2014 and are signed on their behalf, by:

S Murphy
Chair of Governors



The notes on pages 22 to 42 form part of these financial statements.

Ormiston Bolingbroke Academy Trust

Cash Flow Statement

For the year ended 31 August 2014

	Note	2014 £000	2013 £000
Net cash flow from operating activities	20	442	741
Returns on investments and servicing of finance	21	10	12
Capital expenditure and financial investment	21	(295)	(89)
Increase in cash in the year		<u>157</u>	<u>664</u>

Reconciliation of Net Cash Flow to Movement in Net Funds

For the year ended 31 August 2014

	2014 £000	2013 £000
Increase in cash in the year	<u>157</u>	<u>664</u>
Movement in net funds in the year	157	664
Net funds at 1 September 2013	<u>1,647</u>	<u>983</u>
Net funds at 31 August 2014	<u>1,804</u>	<u>1,647</u>

The notes on pages 22 to 42 form part of these financial statements.

Ormiston Bolingbroke Academy Trust

Notes to the Financial Statements

For the year ended 31 August 2014

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Charity Commission Statement of Recommended Practice (SORP), 'Accounting and Reporting to Charities' published in 2005 (SORP 2005), the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 Going concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Governors make this assessment in respect of a period of not less than one year from the date of approval of the financial statements.

The activities of the Academy, together with the factors likely to affect its future development are set out in the Governors' Report. The Academy's forecasts and financial projections indicate that it will be able to operate for the foreseeable future and for this reason will continue to adopt the going concern basis in the preparation of its financial statements.

1.3 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy at the discretion of the Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

Ormiston Bolingbroke Academy Trust

Notes to the Financial Statements

For the year ended 31 August 2014

1. Accounting Policies (continued)

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income, including the sale of uniforms, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Ormiston Bolingbroke Academy Trust

Notes to the Financial Statements

For the year ended 31 August 2014

1. Accounting Policies (continued)**1.5 Resources expended**

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the Academy's educational operations.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

Assets costing more than £1,000 are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

A review for impairment is carried out annually for assets which are depreciated over a period in excess of 50 years and for other assets if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Depreciation on tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold buildings	-	30 years straight line
Leasehold land	-	Straight line over the length of the lease
Motor vehicles	-	15% straight line
Furniture and equipment	-	15% straight line
Computer equipment	-	20% - 50% straight line

Ormiston Bolingbroke Academy Trust

Notes to the Financial Statements

For the year ended 31 August 2014

1. Accounting Policies (continued)

The Academy's land and buildings are held under a 125 year lease from Halton Borough Council. The leased land and buildings have been recognised on the Balance Sheet at depreciated replacement cost. Upon recognition of the land and buildings a corresponding entry to voluntary income within the restricted fixed asset funds has been recognised. This represents a gift in kind from Halton Borough Council.

Assets under construction are accounted for at cost. They are not depreciated until they are brought into use.

1.7 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.8 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.9 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Ormiston Bolingbroke Academy Trust

Notes to the Financial Statements

For the year ended 31 August 2014

1. Accounting Policies (continued)

1.10 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 26, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to Resources Expended within the Statement of Financial Activities are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the Statement of Financial Activities.

2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy has not exceeded these limits during the year ended 31 August 2014.

Ormiston Bolingbroke Academy Trust

Notes to the Financial Statements

For the year ended 31 August 2014

3. Voluntary income

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Other donations	-	-	-	49
Voluntary income	-	-	-	49

4. Activities for generating funds

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Uniform sales	18	-	18	16
Other income	127	-	127	19
Catering income	-	-	-	11
Bus ticket sales	23	-	23	13
	168	-	168	59

5. Investment income

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Interest receivable	10	-	10	12
Interest on pension scheme assets/liabilities	-	12	12	-
	10	12	22	12

Ormiston Bolingbroke Academy Trust

Notes to the Financial Statements

For the year ended 31 August 2014

6. Funding for Academy's educational operations

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
DfE/EFA revenue grants				
General Annual Grant (GAG) (Note 2)	-	5,683	5,683	5,387
Start Up Grants	-	232	232	371
Other DfE grants	-	454	454	388
EFA capital grant	-	898	898	5,496
	<u>-</u>	<u>7,267</u>	<u>7,267</u>	<u>11,642</u>
Other government grants				
Special Educational Needs from Local Authority	-	36	36	60
Other	10	9	19	34
	<u>10</u>	<u>45</u>	<u>55</u>	<u>94</u>
	<u>10</u>	<u>7,312</u>	<u>7,322</u>	<u>11,736</u>

7. Costs of generating voluntary income

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Costs of generating voluntary income	-	-	-	29
	<u>-</u>	<u>-</u>	<u>-</u>	<u>29</u>

Ormiston Bolingbroke Academy Trust

Notes to the Financial Statements

For the year ended 31 August 2014

8. Expenditure by charitable activity**Summary by fund type**

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Direct costs	25	4,641	4,666	4,015
Allocated support costs	-	2,445	2,445	2,031
	<u>25</u>	<u>7,086</u>	<u>7,111</u>	<u>6,046</u>

Detail by fund type

	Unrestricted funds £000	Restricted funds £000	2014 £000	2013 £000
Direct costs				
Teaching and educational support staff costs	-	3,728	3,728	3,201
Educational supplies	25	483	508	406
Examination fees	-	94	94	107
Staff development	-	54	54	54
Educational consultancy	-	144	144	110
Special facilities	-	138	138	134
Pension costs	-	-	-	3
Total	<u>25</u>	<u>4,641</u>	<u>4,666</u>	<u>4,015</u>

	Unrestricted funds £000	Restricted funds £000	2014 £000	2013 £000
Allocated support costs				
Support staff costs	-	765	765	682
Depreciation	-	937	937	595
Recruitment and support	-	39	39	34
Maintenance of premises and equipment	-	142	142	92
Bought in support costs	-	29	29	11
Rates and utilities	-	108	108	123
Insurance	-	39	39	36
Administrative costs	-	149	149	145
Catering	-	164	164	162
Other support costs	-	72	72	118
Loss on sale of fixed assets	-	1	1	33
Total	<u>-</u>	<u>2,445</u>	<u>2,445</u>	<u>2,031</u>

Ormiston Bolingbroke Academy Trust

Notes to the Financial Statements

For the year ended 31 August 2014

9. Governance costs

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Auditor's remuneration	-	12	12	11
Ormiston Academy Trust costs	-	153	153	143
	<u>-</u>	<u>165</u>	<u>165</u>	<u>154</u>

10. Analysis of resources expended

	Staff costs 2014 £000	Premises 2014 £000	Other costs 2014 £000	Total 2014 £000	Total 2013 £000
Costs of generating voluntary income	-	-	-	-	29
Costs of generating funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29</u>
Direct costs	3,728	-	938	4,666	4,015
Allocated support costs	765	1,227	453	2,445	2,031
Charitable activities	<u>4,493</u>	<u>1,227</u>	<u>1,391</u>	<u>7,111</u>	<u>6,046</u>
Governance	<u>-</u>	<u>-</u>	<u>165</u>	<u>165</u>	<u>154</u>
	<u>4,493</u>	<u>1,227</u>	<u>1,556</u>	<u>7,276</u>	<u>6,229</u>

11. Net incoming resources

This is stated after charging:

	2014 £000	2013 £000
Depreciation of tangible fixed assets:		
- owned and held under lease including loss on disposal	937	628
Auditor's remuneration	12	11
Operating lease rentals	9	9
	<u>958</u>	<u>648</u>

Of the £937,000 depreciation charge £475,000 is in respect of leased assets and £462,000 is in respect of assets owned by the Academy.

Ormiston Bolingbroke Academy Trust

Notes to the Financial Statements

For the year ended 31 August 2014

12. Staff costs**a. Staff costs**

Staff costs were as follows:

	2014 £000	2013 £000
Wages and salaries	3,719	3,215
Social security costs	270	243
Pension costs	504	425
	<u>4,493</u>	<u>3,883</u>

b. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2014 No.	2013 No.
Teachers	71	60
Administration and support	50	44
Management	10	13
	<u>131</u>	<u>117</u>

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2014 No.	2013 No.
In the band £110,001 - £120,000	0	1
In the band £120,001 - £130,000	1	0
	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for this staff member amounted to £14,967 (2013: £14,457).

Ormiston Bolingbroke Academy Trust

Notes to the Financial Statements

For the year ended 31 August 2014

13. Governors' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim.

The cost of this insurance is included in the total insurance cost.

14. Tangible fixed assets

	Leasehold land and buildings £000	Assets under constructio n £000	Motor vehicles £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation						
At 1 September 2013	9,817	5,496	55	463	258	16,089
Additions	111	-	-	76	1,006	1,193
Disposals	-	-	-	-	(45)	(45)
Transfer between classes	4,993	(5,496)	-	503	-	-
At 31 August 2014	<u>14,921</u>	<u>-</u>	<u>55</u>	<u>1,042</u>	<u>1,219</u>	<u>17,237</u>
Depreciation						
At 1 September 2013	301	-	10	185	204	700
Charge for the year	475	-	8	151	303	937
On disposals	-	-	-	-	(45)	(45)
At 31 August 2014	<u>776</u>	<u>-</u>	<u>18</u>	<u>336</u>	<u>462</u>	<u>1,592</u>
Net book value						
At 31 August 2014	<u>14,145</u>	<u>-</u>	<u>37</u>	<u>706</u>	<u>757</u>	<u>15,645</u>
At 31 August 2013	<u>9,516</u>	<u>5,496</u>	<u>45</u>	<u>278</u>	<u>54</u>	<u>15,389</u>

Included in land and buildings is land at valuation of £837,000 (2013 - £837,000).

Academy land and buildings are held under a 125 year lease from Halton Borough Council and as such are treated as donated assets.

Ormiston Bolingbroke Academy Trust

Notes to the Financial Statements

For the year ended 31 August 2014

15. Stocks

	2014 £000	2013 £000
Uniforms	19	17
Bus tickets	5	6
	<u>24</u>	<u>23</u>

16. Debtors

	2014 £000	2013 £000
Trade debtors	25	10
Other debtors	99	30
Prepayments and accrued income	178	103
	<u>302</u>	<u>143</u>

17. Creditors:**Amounts falling due within one year**

	2014 £000	2013 £000
Trade creditors	292	52
Other creditors	33	-
Accruals and deferred income	152	96
	<u>477</u>	<u>148</u>

Deferred income

	£000
Deferred income at 1 September 2013	40
Resources deferred during the year	18
Amounts released from previous years	(7)
Deferred income at 31 August 2014	<u>51</u>

Deferred income relates to devolved formula capital funding received in advance.

Ormiston Bolingbroke Academy Trust

Notes to the Financial Statements

For the year ended 31 August 2014

18. Statement of funds

	Brought Forward As restated £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted funds						
General Funds - all funds	139	188	(25)	-	-	302
Restricted funds						
General Annual Grant (GAG)	412	5,683	(5,265)	(295)	-	535
Start Up Grant	766	232	(478)	-	-	520
Other DfE/EFA Grants	117	454	(486)	-	-	85
Other restricted LEA and other grants	231	45	(65)	-	-	211
Pension reserve	(236)	12	(20)	-	(213)	(457)
	1,290	6,426	(6,314)	(295)	(213)	894
Restricted fixed asset funds						
Restricted Fixed Asset Funds	341	898	(426)	295	-	1,108
DfE/EFA Capital grants	36	-	(36)	-	-	-
Donated assets	15,012	-	(475)	-	-	14,537
	15,389	898	(937)	295	-	15,645
Total restricted funds	16,679	7,324	(7,251)	-	(213)	16,539
Total of funds	16,818	7,512	(7,276)	-	(213)	16,841

The specific purposes for which the funds are to be applied are as follows:

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy at the discretion of the Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Under the funding agreement with the Secretary of State, the academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2014. Note 2 discloses whether the limit was exceeded.

Ormiston Bolingbroke Academy Trust

Notes to the Financial Statements

For the year ended 31 August 2014

18. Statement of funds (continued)**Summary of funds**

	Brought Forward As restated £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
General funds	139	188	(25)	-	-	302
Restricted funds	1,290	6,426	(6,314)	(295)	(213)	894
Restricted fixed asset funds	15,389	898	(937)	295	-	15,645
	<u>16,818</u>	<u>7,512</u>	<u>(7,276)</u>	<u>-</u>	<u>(213)</u>	<u>16,841</u>

19. Analysis of net assets between funds

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Tangible fixed assets	-	-	15,645	15,645	15,389
Current assets	304	1,826	-	2,130	1,813
Creditors due within one year	(2)	(475)	-	(477)	(148)
Pension scheme liability	-	(457)	-	(457)	(236)
	<u>302</u>	<u>894</u>	<u>15,645</u>	<u>16,841</u>	<u>16,818</u>

Ormiston Bolingbroke Academy Trust

Notes to the Financial Statements

For the year ended 31 August 2014

20. Net cash flow from operations

	2014	2013
	£000	£000
Net income	236	5,627
Interest received	(10)	(12)
Capital grants	(898)	(5,496)
Depreciation of tangible fixed assets	937	595
Loss on disposal of tangible fixed assets	-	33
Increase in stocks	(1)	(7)
Increase in debtors	(159)	(39)
Increase in creditors	329	37
FRS 17 pension finance income	(12)	-
FRS 17 pension cost less contributions payable	20	-
FRS 17 pension finance cost	-	3
	<u>442</u>	<u>741</u>
Net cash inflow from operations	<u><u>442</u></u>	<u><u>741</u></u>

21. Analysis of cash flows for headings netted in cash flow statement

	2014	2013
	£000	£000
Returns on investments and servicing of finance		
Interest received	10	12
	<u><u>10</u></u>	<u><u>12</u></u>
	2014	2013
	£000	£000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,193)	(89)
Capital grants from DfE	898	-
	<u>(295)</u>	<u>(89)</u>
Net cash outflow capital expenditure	<u><u>(295)</u></u>	<u><u>(89)</u></u>

22. Analysis of changes in net funds

	1	Cash flow	Other	31 August
	September		non-cash	2014
	2013		changes	
	£000	£000	£000	£000
Cash at bank and in hand:	1,647	157	-	1,804
Net funds	<u><u>1,647</u></u>	<u><u>157</u></u>	<u><u>-</u></u>	<u><u>1,804</u></u>

Ormiston Bolingbroke Academy Trust

Notes to the Financial Statements

For the year ended 31 August 2014

23. Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education and Skills the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

(a) the value at the time of the Academy's site and premises and other assets held for the purpose of the Academy; and

(b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

24. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted for before he/she ceases to be a member.

25. Capital commitments

At 31 August 2014 the Academy had capital commitments as follows:

	2014 £000	2013 £000
Contracted for but not provided in these financial statements	-	-

26. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cheshire West and Chester Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although

Ormiston Bolingbroke Academy Trust

Notes to the Financial Statements

For the year ended 31 August 2014

26. Pension commitments (continued)

they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge) (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

Ormiston Bolingbroke Academy Trust

Notes to the Financial Statements

For the year ended 31 August 2014

26. Pension commitments (continued)

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £167,000, of which employer's contributions totalled £130,000 and employees' contributions totalled £37,000. The agreed contribution rates for future years are 20.6 - 21.1% for employers and 5.5 - 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £000	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £000
Equities	6.30	1,121	6.60	1,313
Bonds	3.40	392	3.50	228
Property	4.50	131	4.70	105
Cash	3.30	224	3.60	105
Total market value of assets		<u>1,868</u>		<u>1,751</u>
Surplus in the scheme		<u>1,868</u>		<u>1,751</u>

The amounts recognised in the Balance sheet are as follows:

	2014 £000	2013 £000
Present value of funded obligations	(2,325)	(1,987)
Fair value of scheme assets	<u>1,868</u>	<u>1,751</u>
Net liability	<u>(457)</u>	<u>(236)</u>

Ormiston Bolingbroke Academy Trust

Notes to the Financial Statements

For the year ended 31 August 2014

26. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2014 £000	2013 £000
Current service cost	(150)	(123)
Interest on obligation	(94)	(73)
Expected return on scheme assets	106	70
	<u> </u>	<u> </u>
Total	(138)	(126)
	<u> </u>	<u> </u>
Actual return on scheme assets	231	207
	<u> </u>	<u> </u>

Movements in the present value of the defined benefit obligation were as follows:

	2014 £000	2013 £000
Opening defined benefit obligation	1,987	1,717
Current service cost	150	123
Interest cost	94	73
Contributions by scheme participants	37	33
Actuarial losses	120	41
Benefits paid	(63)	-
	<u> </u>	<u> </u>
Closing defined benefit obligation	2,325	1,987
	<u> </u>	<u> </u>

Movements in the fair value of the Academy's share of scheme assets:

	2014 £000	2013 £000
Opening fair value of scheme assets	1,751	1,388
Expected return on assets	106	70
Actuarial gains and (losses)	(93)	137
Contributions by employer	130	123
Contributions by employees	37	33
Benefits paid	(63)	-
	<u> </u>	<u> </u>
	1,868	1,751
	<u> </u>	<u> </u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £155,000 (loss) (2013 - £58,000 gain).

The Academy expects to contribute £142,000 to its Defined benefit pension scheme in 2015.

Ormiston Bolingbroke Academy Trust

Notes to the Financial Statements

For the year ended 31 August 2014

26. Pension commitments (continued)

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
Equities	60.00 %	75.00 %
Bonds	21.00 %	13.00 %
Property	7.00 %	6.00 %
Cash	12.00 %	6.00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Rate of increase in salaries	3.50 %	5.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.80 %
Inflation assumption (CPI)	2.70 %	2.80 %

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2014	2013
Retiring today		
Males	22.3	22.9
Females	24.4	25.7
Retiring in 20 years		
Males	24.1	24.9
Females	26.7	27.7

Amounts for the current and previous three periods are as follows:

Defined benefit pension schemes

	2014	2013	2012	2011
	£000	£000	£000	£000
Defined benefit obligation	(2,325)	(1,987)	(1,717)	(1,297)
Scheme assets	1,868	1,751	1,388	1,112
Deficit	<u>(457)</u>	<u>(236)</u>	<u>(329)</u>	<u>(185)</u>
Experience adjustments on scheme assets	<u>(93)</u>	<u>137</u>	<u>39</u>	<u>1</u>

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Ormiston Bolingbroke Academy Trust

Notes to the Financial Statements

For the year ended 31 August 2014

27. Operating lease commitments

At 31 August 2014 the academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014	2013
	£000	£000
Expiry date:		
Between 2 and 5 years	<u>9</u>	<u>9</u>

28. Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a governors has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

The charitable company is related to Ormiston Academies Trust by virtue of common sponsor, The Ormiston Trust.

During the year Ormiston Bolingbroke Academy received services amounting to £153,000 from Ormiston Academies Trust.

29. Governors' remuneration and expenses

The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy in respect of their role as Governors.

	2014	2013
	£000	£000
J Rigby, Principal (Highest Paid Director)	120-130	110-115
T Humby	50-55	40-45
A Collier	20-25	20-25
S Crane	10-15	10-15

During the year, travel and subsistence expenses totalling £209 (2013 - £374) were reimbursed to 1 (2013 - 2) governors.

REGISTERED COMPANY NUMBER: 08278808 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014
FOR
INNOVATION ENTERPRISE ACADEMY**

Howard Worth
Chartered Accountants and
Statutory Auditors
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

INNOVATION ENTERPRISE ACADEMY
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

	Page
Reference and Administrative Details	1 to 2
Strategic Report	3 to 8
Report of the Trustees	9 to 12
Governance Statement	13 to 15
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees Responsibilities	17
Report of the Independent Auditors	18 to 19
Independent Accountant's Report on Regularity	20
Statement of Financial Activities	21
Balance Sheet	22 to 23
Cash Flow Statement	24
Notes to the Cash Flow Statement	25 to 26
Notes to the Financial Statements	27 to 45
Detailed Statement of Financial Activities	46 to 48

INNOVATION ENTERPRISE ACADEMY
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

MEMBERS

J K Woodroofe
 C McLeod
 I Hann

TRUSTEES

I Hann
 C McLeod
 Mrs L Scott
 J K Woodroofe

All of the Trustees are members of the Finance, Audit and Premises committees

GOVERNORS

J Woodroofe (Chairman)
 C McLeod (Vice Chairman)
 D Findon (Responsible Officer)
 I Hann
 L Scott
 J Hockenhill
 R Wilde
 P Jones
 C Fone
 A Brothers
 B Fisher
 L Fox
 M Bacon
 I Critchley
 I Kirkham

Executive Principal (Accounting Officer)
 Principal Head of School
 Vice Principal
 School Business Manager and Company Secretary

REGISTERED OFFICE

Wade Deacon High School
 Birchfield Road
 Widnes
 Cheshire
 WA8 7TD

REGISTERED COMPANY NUMBER

08278808 (England and Wales)

SENIOR STATUTORY AUDITOR

Stephen Grayson FCCA

AUDITORS

Howard Worth
 Chartered Accountants and
 Statutory Auditors
 Drake House
 Gadbrook Park
 Northwich
 Cheshire
 CW9 7RA

INNOVATION ENTERPRISE ACADEMY
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

SOLICITORS

Business Services Group
Hill Dickinson LLP
No.1 St. Paul's Square
Liverpool
L3 9SJ

BANKERS

HSBC BANK PLC HBEU
Cheshire Commercial Centre,
'Vista', St Davids Park,
Ewloe,
Chester,
CH5 3DT
Operating Branch Runcorn

INNOVATION ENTERPRISE ACADEMY
STRATEGIC REPORT
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

The trustees present their strategic report for the period 1 March 2013 to 31 August 2014.

For this inaugural report an 18 month will be undertaken, moving forward from this point this will be an ongoing 12 month period.

REVIEW OF BUSINESS

The principal objective of the Trust is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the Academies, offering a broad and balanced curriculum. In setting the Trusts objectives and planning its activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The current Trust Board of Directors are from a diverse range of backgrounds and each one has a different type of expertise to offer however they all have one thing in common and that is a commitment to an exceptional education where tradition is respected and innovation is encouraged. The vision is for every school in the Trust to be an outstanding school where every child receives an exceptional education.

As the Trust develops and grows, the Directors will have regard for the operational processes of the schools within the Trust and will make adjustments to both the structure and membership of the relevant bodies in order to ensure that the Trust can manage the schools in accordance within the required Ofsted framework and ensure that the core principles are sustained.

The membership of Innovation Enterprise Academy is currently Wade Deacon High School. However the Trust through its National Leader of Education has provided school to school support to a number of establishments including a high level to West Bank Primary School.

Wade Deacon High School carried forward into the Academy its commitments to the specialisms of technology, mathematics and computing. The Wade Deacon campus is situated on a large new build and refurbished site offers state of the art facilities both internally and externally.

We believe in giving every student the opportunity to develop his or her talents to the full and we expect every student to work very hard in order to achieve this. We are committed to an exceptional education where tradition is respected and innovation is encouraged. The academy is committed to training and the life-long learning of all our members of staff and the community. Students and staff work side-by-side with the latest technological developments to enhance further the quality of our teaching and learning.

Students are helped to develop real life solutions to real life problems, using industry standard equipment to achieve their goals. As a major contributor to the concept of lifelong learning, we are a school that makes a difference within our community. We achieve this by engaging in collaborative projects with our community partners and sharing our resources with them.

Throughout school, students are encouraged to take pride in themselves, their actions and their achievements. We have high expectations of students' academic work and the manner in which they conduct themselves around the school campus and in the community beyond. An orderly and disciplined environment is a key feature of our work in school.

The success of this is based on promoting and maintaining excellent standards of self-discipline, school uniform and the promotion of a sense of pride and belonging to our school.

High levels of attendance are expected throughout each year in school so that everyone can take full advantage of the range of curricular and extracurricular opportunities available.

INNOVATION ENTERPRISE ACADEMY

**STRATEGIC REPORT
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**

The success we achieve in the classroom is enhanced by a wide range of enrichment courses which are made available to all students. We encourage everyone to use part of their recreation time for participation in one or more of these opportunities. Clubs and societies, clinics and extra classes are all designed to broaden the experiences of our young people outside of their compulsory curriculum diet.

A full range of individual and team games is offered to boys and girls of all age groups and abilities, with team games represented in District and County competitions. Recreation activities such as fitness programmes, self-defence classes, swimming and aerobics are available to complement the full range of competitive team sports.

We continue a long and successful tradition of Outdoor Education with students involved in sailing, canoeing, climbing and abseiling. Students also have the opportunity to participate in the Duke of Edinburgh Award Scheme.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks to the Trust are documented and managed using a risk management policy and a risk register which is regularly reviewed.

The main risks are seen as the loss of reputation through failing standards at the academies, falling student numbers, failure to safeguard our students, and failure on high profile school to school support commissions. Key controls in place to mitigate these risks are:

- An organisational structure with clearly defined roles, responsibilities and authorisation levels,
- Documented terms of reference for the committees and sub-committees of the Trust,
- Financial planning, budgeting and regular management reporting highlighting key areas of financial risk,
- Formal written and published policies for employees,
- Vetting procedures as required by legislation for the protection of the vulnerable, and
- Robust due diligence procedures in place for new contracts and commissions.

ACHIEVEMENTS AND PERFORMANCE

The Chief Executive Officer holds National Leader of Education status and this has enabled the Academy to influence the forming of curriculum policy through national engagement at a senior level.

Reviewing the Academy Trusts priorities for the 18 month period, there were areas of great success and outstanding achievements for our staff and students.

- Completion of the new school build project to create an outstanding learning environment with state of the art facilities. This project was fully funded as part of the former Building Schools for the Future programme, it was undertaken as design and build project to the value of approximately £26 million pounds therefore this means the Academy has no private finance initiative liabilities moving forward.

- A successful transition of 1500 students in the new school building. Staff and students were assimilated into the new building promptly and without disruption to learning.

- Successful application for awarding of teaching school status (to commence Sept 2014). As an outstanding academy and teaching school we will work with others to provide high-quality training and development to new and experienced school staff. The teaching school will provide a central role in raising standards by developing a self-improving and sustainable school-led system.

- DFE recognition as an academy sponsor. As a sponsor the Directors will appoint all or the majority of the members and governors of the academy trust which will run each academy school. As a sponsor this will provide a large degree of control in setting and implementing the strategic vision and school improvement plan for the academy trust.

INNOVATION ENTERPRISE ACADEMY
STRATEGIC REPORT
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

- Forming of a strategic alliance with partner schools to further enhance school to school support mechanisms. Teaching school alliances are led by a teaching school and include schools that are benefiting from support, as well as strategic partners who lead some aspects of training and development. Strategic partners may include:

- other schools from any phase or sector
- universities
- academy chains
- local authorities
- dioceses
- private sector organisations

Key Performance Indicators

Summary of school attainment with a comparison against national and local data.

	5+ A* - C inc English & Mathematics					5+ A* - C				
	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014
Local Authority										
Average**	50%	56%	59%			82%	87%	87%		
England Average***	54%	59%	59%	59%		75%	80%	82%	82%	
Wade Deacon High School	77%	78%	76%	77%	78%*	100%	100%	98%	96%	83%*

	EBACC				
	2010	2011	2012	2013	2014
Local Authority					
Average**	7%	5%	13%		
England Average***	16%	18%	18%	23%	
Wade Deacon High School	9%	7%	24%	33%	47%*

*Maximum of 2 equivalences used for all pupils.

	Expected Level of Progress in English					Expected Level of Progress in Maths				
	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014
Local Authority										
Average**	66%	70%	71%			64%	62%	69%		
England Average***	69%	72%	68%	69%		62%	65%	69%	70%	
Wade Deacon High School	86%	90%	84%	76%	86%	89%	86%	82%	86%	80%

**2010 Figures for LA based on assumed average (2011&12 published figures)

*** All State Funded Mainstream Schools

2012-13

Scope: Whole School

Group	Percentage of sessions				Possible	% Attend
	Presents	AEA	Authorised Absences	Unauthorised Absences		
Whole School	92.9	1.7	4.3	1.1	100	94.6
Totals	92.9	1.7	4.3	1.1	100	94.6

INNOVATION ENTERPRISE ACADEMY
STRATEGIC REPORT
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

2013-14

Scope: Whole School

Group	Presents	AEA	Percentage of sessions		Possible	% Attend
			Authorised Absences	Unauthorised Absences		
Whole School	91.5	4	3.4	1.1	100	95.5
Totals	91.5	4	3.4	1.1	100	95.5

Admissions

During the primary to secondary transfer process 2014 the school was heavily oversubscribed with 464 first choice applications received for the schools planned admission number of 300. Following an independent appeals process 9 additional students were admitted to the school.

Year	Pupil Numbers September 2014
7	309
8	300
9	300
10	300
11	300

1,509

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

The majority of the Trust and Academy income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA in the period ended 31st August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also received grants from the EFA and other organisations. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the restricted general fund and fixed asset fund. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned.

During the period ended 31st August 2014, total expenditure, excluding depreciation, of £12,675,000 was more than covered by recurrent, non capital, grant income from the EFA together with other incoming resources which totalled £13,665,000. The total income for the year was £48,893,000 inclusive of funds transferred upon conversion. The excess of income over expenditure, excluding depreciation and capital grant income, for the period was £990,000. Total funds carried forward amount to £33,954,000. This is in line with the Trust's strategy to build and maintain adequate reserves to fund an ambitious plan of future improvements and development of the organisation and its infrastructure.

Unrestricted income and expenditure in the period ended 31st August 2014 amounted to £13,000 and £0 respectively.

At 31st August 2014 the net book value of fixed assets amounted to £34,182,000 and movements in fixed assets are shown in note 11 to the financial statements. The cost of fixed asset additions in the period ended 31st August 2014 amounted to £35,747,000.

INNOVATION ENTERPRISE ACADEMY
STRATEGIC REPORT
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

FUTURE DEVELOPMENTS

The overall performance in this reporting period was extremely robust and as a consequence will directly reinforce the Trust's medium to long-term strategy. The Trust's main annual objectives for the next year are:

- To facilitate a smooth and effective transition to Academy at West Bank Primary School
- To implement teaching school status with effect from 1st September 2014.
- To build on the excellent reputation of our Academy.
- To grow in line with strategic plan the membership of the MAT
- To strive for continuous improvement in examinations results and all indicators of performance in all of the Trust's academies.
- To increase numbers on roll at West Bank School
- To build adequate financial reserves to fund building and other investment needs

Key to success is the leadership and management of the Trust ensuring that high quality leaders are in place through a rigorous recruitment system and also identifying future leaders within the Academy members and supporting them through to middle and senior leadership opportunities to add to the strengths of the Trust and all its academies.

Excellent standards of behaviour will be maintained to create a well ordered community with learning and the support of students at the heart.

Teaching and learning will continue to have pace, purpose, variety and rigour. Students will be able to progress as a result of a suitable curriculum and relevant personalised programmes of study.

Staff will be confident practitioners with appropriate professional development opportunities. Educational outcomes in all performance indicators will be well above national averages and the Academies will be in the "high performing" category. The strategic development of the Academies will be effectively planned, monitored and supported by well-equipped and committed local governing bodies and the main board of Trustees.

Reserves Policy

The Trustees and Governors review the level of reserves on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Trusts current level of revenue reserves (total reserves less the amounts held in fixed asset reserves) is £1,458,000. The amount is kept secure for a time when it is needed to self-finance a scheme of major capital projects and the expansion of the Trust.

The Trustees have decided to adopt a prudent approach to reserves and aim to build a group reserve of designated funds of at least 5% of annual income to safeguard against unforeseen circumstances, capital improvements or developments, late EFA payments, emergencies and other catastrophes. This is sound commercial practice designed to safeguard the quality of education received at the academies within the Trust.

The current reserve is higher than would normally be expected due to historic savings and a large capital project due for completion in September 2014. This building work is recognised on the financial statements as Assets under construction in the fixed assets note. The reserves will also be used to finance further construction work and to support work needed in future partner schools.

In addition the net liability due to the Trusts participation in the Local Government Pension Scheme (LGPS) amounts to £1,236,000. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013. This guarantee provides comfort to the Trustees in the unlikely event of an academy closure.

INNOVATION ENTERPRISE ACADEMY
STRATEGIC REPORT
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

Investment Policy

In accordance with the Articles of Association, the directors can deposit or invest funds not immediately required. It has been decided that cash balances are to be safeguarded by investing them in interest bearing current and deposit accounts with a recognised sound commercial bank, HSBC.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The main financial risks are mitigated through the employment of sound financial management and internal control processes. Balanced budgets are set for each of the academies within the Trust and limited budgets are further delegated to departments and faculties. Actual performance against agreed budgets is closely monitored by the Trust's central finance team and via regular (termly) meetings of the finance committee of each LGB.

Bank and cash reconciliations are carried out routinely and signed by the authorised officers of the Trust's central finance team. All orders and cheques are signed off by the finance team with appropriate segregation of duties in place. Fixed asset registers are in place and there are processes in place for the acquisition, adaptation and disposal of assets. Payroll is outsourced and checked by more than one individual each month. The appropriateness and integrity of internal controls is assessed and reported to the Trustees by the responsible officer and external auditors.

The security of data is administered by an in house team of IT professionals. Remaining risks are mitigated to a large extent via comprehensive insurance policies.

Approved by order of the board of trustees on 16 December 2014 and signed on its behalf by:


.....
K. Hann Trustee

INNOVATION ENTERPRISE ACADEMY
REPORT OF THE TRUSTEES
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

The Trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the period 1 March 2013 to 31 August 2014. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency.

COMMENCEMENT OF ACTIVITIES

Certificate of Incorporation 2nd November 2012.

Multi Academy Trust operational from 1st March 2013

For the period 1st March 2013 to 31st August 2014 the trust operated as an academy for pupils aged 11 to 16, predominantly serving the town of Widnes in the borough of Halton. It has a planned pupil capacity of 1500 and had a single registration roll of 1509 in the Autumn 2014 school census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Directors undertake the strategic review of the Academy Trust and powers are delegated to local Governing Bodies.

Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they ceased to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

Subject to the provisions of the Companies Act 2006 every Governor or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

Professional indemnity insurance is in place to protect Trustees, Governors, and officers from claims arising from negligent acts, errors or omissions occurring on Trust business.

Principal activities

The principal objective of the Trust is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the Academies, offering a broad and balanced curriculum. In setting the Trusts objectives and planning its activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Recruitment and appointment of new trustees

Consideration is given to the skills of Directors and Governors which would enhance the effectiveness of the Trust in line with the articles of association.

The appointment of Directors may be made by the Members passing a resolution as contained within the articles of association

With regards to the appointment of parent and staff governors, procedures are in place for their nomination, election and appointment.

INNOVATION ENTERPRISE ACADEMY
REPORT OF THE TRUSTEES
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

New Trustees are inducted into the workings of the Academy, including policies and procedures, together with an appropriate training schedule depending upon their existing area of expertise.

Organisational structure

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust and Academies by the use of financial management information, making strategic decisions about the direction of the Trust and capital expenditure, making senior appointments, and approving the Annual Report and Financial Statements.

The Directors and Chief Executive Officer delegate the leadership and management of the Trust to the Executive Principal and the Executive Management Team (EMT). The EMT currently consists of the Executive Principal, Principal Head of School, Vice Principal and School Business and Finance Officer.

As at 31st August the MAT consists on a single academy but it is intended that the he EMT will delegate responsibilities to the Senior Leadership Team (SLT) of each Academy. The SLT, as appropriate to each Academy, consisting of Principals, Vice Principals, Assistant Principals and Business Manager (or equivalent post). These leaders control the Trust and Academies at an executive level implementing the policies laid down by the Directors & Governing Bodies and reporting back to them. As a group the SLT is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels for posts in the Executive team will be required to contain Directors.

The management teams will include the EMT, the SLT at each academy in the Trust, faculty leaders and administration and support managers. These managers are responsible for the day to day operation of the Trust and the Academies, in particular organising the staff (teaching and non-teaching), facilities and students.

The Academy Board will meet at least each term with an appropriate meeting in each academic being used to hold the annual general meeting following the submission of accounts.

Local Governing bodies and committees meet on at least a termly basis and report relevant decisions to the Academy Board which ratifies appropriate decisions.

Roles and responsibilities of Trustees, governors, and senior managers are defined in the relevant Terms of Reference and Academy Scheme of Delegation.

Wider network

The Academy holds teaching school status and engages with a wider strategic alliance with partner schools to further the development of the teaching school and school to school support.

Risk management

The Trustees have assessed the major risks to which the Trust and the Academies are exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimize risk. Where significant financial risk still remains they have ensured that they have adequate insurance cover.

INNOVATION ENTERPRISE ACADEMY

**REPORT OF THE TRUSTEES
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**

Risk management

The key controls used by the Trust include:

- Formal agendas for all Directors and Governing Body including sub-committee meetings,
- Detailed and documented terms of reference for all Committees,
- Comprehensive strategic planning, budgeting and management accounting,
- Established organisational structure and clear lines of accountability and reporting,
- Formal written policies,
- Clear authorisation and approval levels,
- Vetting procedures as required by legislation,
- Reporting systems
- Independent assurance provided for Audit & Finance and Health & Safety

OBJECTIVES AND ACTIVITIES

Objectives and aims

The main objectives of the summarised below:

- To facilitate a smooth transition to Academy status
- To raise the standard of educational achievements of all pupils in the Trust's academies
- To ensure that every child enjoys the same high quality education in terms of resourcing, teaching and learning
- To improve the effectiveness of the Academies by keeping the curriculum and organisational structures under continual review
- To comply with all appropriate statutory and curriculum requirements
- To provide value for money for the funds expended
- To conduct the Trust and Academy business in accordance with the highest standards of integrity, probity and openness.

Objectives, Strategies and Activities

The Trusts' main strategy is to develop and maintain a culture of excellence across our organisation that continues to provide opportunities for our students.

Wade Deacon High School converted to 'academy' status in March 2013, founding the Innovation Enterprise Academy trust. This status was adopted because of our quest to continually improve the quality of learning and teaching for the benefit of all students. In addition, we are committed to training and the life-long learning of all our members of staff and the community.

Students and staff work side-by-side with the latest technological developments to enhance further the quality of our teaching and learning. We help students to develop real life solutions to real life problems, using industry standard equipment to achieve their goals.

As a major contributor to the concept of lifelong learning, we are a school that makes a difference within our community. We achieve this by engaging in collaborative projects with our community partners and sharing our resources with them.

Throughout school, students are encouraged to take pride in themselves, their actions and their achievements. We have high expectations of students' academic work and the manner in which they conduct themselves around the school campus and in the community beyond. An orderly and disciplined environment is a key feature of our work in school. The success of this is based on promoting and maintaining excellent standards of self-discipline, school uniform and the promotion of a sense of pride and belonging to our school.

High levels of attendance are expected throughout each year in school so that everyone can take full advantage of the range of curricular and extracurricular opportunities available.

INNOVATION ENTERPRISE ACADEMY

**REPORT OF THE TRUSTEES
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**

Objectives, Strategies and Activities

Levels of attainment are most easily raised when students attend all lessons, allowing continuity of the teaching and learning environment.

Regular extended learning is an integral part of the learning culture of the school. Tasks set are intended to broaden and develop an individual's scope for independent learning as well as reinforcing work completed during the school day.

Public benefit

The Trust's purpose is to advance, for public benefit, education as described in principal activities above. The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their duties.

AUDITORS

The auditors, Howard Worth, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 16 December 2014 and signed on its behalf by:



I Hann - Trustee

INNOVATION ENTERPRISE ACADEMY
GOVERNANCE STATEMENT
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Innovation Enterprise Academy has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement of loss.

The board of the trustees has delegated the day-to-day responsibility to the Executive Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Innovation Enterprise Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 5 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
I Hann	5	5
J K Woodroffe	5	5
C McLeod	5	5
Mrs L Scott	5	5

Governing Body Attendance (Committee & Full Governors)

	Meetings attended	Out of a possible	Meetings attended	Out of a possible
	Full Governors		Finance & Audit Committee	
Mr J.Woodroffe	5	5	4	4
Mr I. Hann	5	5	4	4
Mrs P. A. Wright	4	5	4	4
Mr C. McLeod	5	5	4	4
Mrs L. Scott	5	5	4	4
Mrs P. Jones	4	5	4	4
Mrs C. Fone	5	5	4	4
Mr R. Wilde	4	5	3	4
Mr A. Brothers	4	5	4	4
Mr J. Hockenhull	2	5	2	4
Mr D. Findon	5	5	4	4
Mr B. Fisher	5	5	4	4

The Finance & Audit Committee which is a committee of the Governing Body, is responsible for overseeing the financial affairs of the Academy and reporting to the Governing Body. The Finance & Audit Committee meets at least once a term or more frequently should the need arise.

The main responsibilities and issues dealt with during the period were as follows:

- The initial review and authorisation of the annual budget;
- The regular monitoring of actual expenditure and income against budget;
- Ensuring the annual financial statements are produced in accordance with the requirements of the Companies Act 2006, the Charities SORP, the Academies Accounts Direction and other guidance issued by the EFA;
- Ensuring that all of the financial returns required by the EFA are correctly prepared and submitted on time;

INNOVATION ENTERPRISE ACADEMY

**GOVERNANCE STATEMENT
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**

- Capital project monitoring, procurement and reporting;
- Authorising changes to the Academy's personnel establishment;
- Reviewing the reports of the Responsible officer on the effectiveness of the financial procedures and internal controls, which are also reported to the full Governing Body.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of charitable company policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Innovation Enterprise Academy for the period 1 March 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1 March 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- Regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, Governors have appointed David Findon, who is a member of the Audit & Finance Committee, to undertake the role of Responsible Officer (RO). Reports provided by David Findon are shared with the Finance & Audit Committee as well as the main board of Governors, and any actions required are agreed through this Committee. The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

Review of Effectiveness

As accounting officer, Mrs L Fox has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:-

- The work of the Responsible Officer;
 - The work of the external auditor;
 - The financial management and governance self assessment process;
 - The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.
-

INNOVATION ENTERPRISE ACADEMY
GOVERNANCE STATEMENT
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

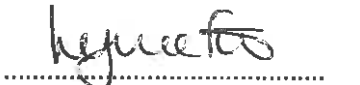
Review of Effectiveness

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 16 December 2014 and signed on its behalf by:



I Hann - Trustee


.....
Lynne Fox - Accounting Officer

INNOVATION ENTERPRISE ACADEMY

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**

As accounting officer of Innovation Enterprise Academy I have considered my responsibility to notify the charitable company board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the charitable company and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.



.....
Lynne Fox - Accounting Officer

Date: 16 December 2014

INNOVATION ENTERPRISE ACADEMY

**STATEMENT OF TRUSTEES RESPONSIBILITIES
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**

The trustees (who act as governors of Innovation Enterprise Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the board of trustees on 16 December 2014 and signed on it's behalf by:


I Harro - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INNOVATION ENTERPRISE ACADEMY**

We have audited the financial statements of Innovation Enterprise Academy for the period ended 31 August 2014 on pages twenty one to forty five. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2013 to 2014 issued by the Education Funding Agency (EFA).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page seventeen, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INNOVATION ENTERPRISE ACADEMY**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Stephen Grayson FCCA (Senior Statutory Auditor)
for and on behalf of Howard Worth
Chartered Accountants and
Statutory Auditors
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

Date: 16 December 2014

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
INNOVATION ENTERPRISE ACADEMY AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Innovation Enterprise Academy during the period 1 March 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Innovation Enterprise Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Innovation Enterprise Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Innovation Enterprise Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Innovation Enterprise Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Innovation Enterprise Academy's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 March 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matter that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the charitable company's income and expenditure.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 March 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Howard Worth
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

Date: 16 December 2014

**INNOVATION ENTERPRISE ACADEMY
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME & EXPENDITURE ACCOUNT)
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**

	Notes	Unrestricted fund £'000	Restricted funds £'000	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 Total funds £'000
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income - Transfer from Local Authority on conversion		-	35,169	35,169	-
Activities for generating funds	2	11	-	11	-
Investment income	3	2	-	2	-
Incoming resources from charitable activities					
Academy's educational operations	4	-	13,711	13,711	-
Total incoming resources		13	48,880	48,893	-
RESOURCES EXPENDED					
Charitable activities					
Academy's educational operations		-	14,228	14,228	-
Governance costs	7	-	12	12	-
Total resources expended	5	-	14,240	14,240	-
NET INCOMING RESOURCES					
		13	34,640	34,653	-
Other recognised gains/losses					
Actuarial losses on defined benefit schemes	18	-	(699)	(699)	-
Net movement in funds		13	33,941	33,954	-
RECONCILIATION OF FUNDS					
Total funds brought forward		-	-	-	-
TOTAL FUNDS CARRIED FORWARD		13	33,941	33,954	-

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

The notes form part of these financial statements

INNOVATION ENTERPRISE ACADEMY
REGISTERED COMPANY NUMBER: 08278808 (England and Wales)
BALANCE SHEET
AT 31 AUGUST 2014

	Notes	Unrestricted fund £'000	Restricted funds £'000	31/8/14 Total funds £'000	28/2/13 Total funds £'000
FIXED ASSETS					
Tangible assets	11	-	34,182	34,182	-
CURRENT ASSETS					
Debtors	12	-	125	125	-
Cash at bank		<u>13</u>	<u>1,514</u>	<u>1,527</u>	<u>-</u>
		13	1,639	1,652	-
CREDITORS					
Amounts falling due within one year	13	-	(349)	(349)	-
		<u>13</u>	<u>1,290</u>	<u>1,303</u>	<u>-</u>
NET CURRENT ASSETS					
		13	35,472	35,485	-
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS					
Amounts falling due after more than one year	14	-	(295)	(295)	-
PENSION LIABILITY					
	18	-	(1,236)	(1,236)	-
		<u>13</u>	<u>33,941</u>	<u>33,954</u>	<u>-</u>
NET ASSETS					
FUNDS					
	17				
Unrestricted funds:					
General fund				13	-
Restricted funds:					
DfR/EFA Capital grants				33,732	-
Other DfE/EFA grants				1,004	-
General annual grant				441	-
Pension reserve				<u>(1,236)</u>	<u>-</u>
				<u>33,941</u>	<u>-</u>
TOTAL FUNDS					
				<u>33,954</u>	<u>-</u>

The notes form part of these financial statements

INNOVATION ENTERPRISE ACADEMY

**BALANCE SHEET - CONTINUED
AT 31 AUGUST 2014**

The financial statements were approved by the Board of Trustees on 16 December 2014 and were signed on its behalf by:


I Hann - Trustee

The notes form part of these financial statements

INNOVATION ENTERPRISE ACADEMY
CASH FLOW STATEMENT
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

	Notes	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 £'000
Net cash inflow from operating activities	1	1,087	-
Cash transferred on conversion to an academy		967	-
Returns on investments and servicing of finance	2	1	-
Capital expenditure and financial investment	2	(380)	-
		<u>1,675</u>	-
Financing	2	(160)	-
		<u>1,515</u>	-
Increase in cash in the period		<u>1,515</u>	-
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		1,515	-
Cash inflow from increase in debt and lease financing		<u>(409)</u>	-
Change in net debt resulting from cash flows		<u>1,106</u>	-
Movement in net debt in the period		1,106	-
Net debt at 1 March		<u>-</u>	<u>-</u>
Net debt at 31 August		<u>1,106</u>	<u>-</u>

The notes form part of these financial statements

INNOVATION ENTERPRISE ACADEMY
NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 £'000
Net incoming resources	34,653	-
Depreciation charges	1,565	-
Transfer from Local Authority on conversion	(35,169)	-
Interest received	(2)	-
Finance costs	1	-
Increase in debtors	(125)	-
Increase in creditors	164	-
Net cash inflow from operating activities	<u>1,087</u>	<u>-</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 £'000
Returns on investments and servicing of finance		
Interest received	2	-
Finance costs	(1)	-
Net cash inflow for returns on investments and servicing of finance	<u>1</u>	<u>-</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(380)	-
Net cash outflow for capital expenditure and financial investment	<u>(380)</u>	<u>-</u>
Financing		
Loan repayments in year	(160)	-
Net cash outflow from financing	<u>(160)</u>	<u>-</u>

INNOVATION ENTERPRISE ACADEMY
NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/3/13 £'000	Cash flow £'000	At 31/8/14 £'000
Net cash:			
Cash at bank	-	1,527	1,527
Bank overdrafts	<u>-</u>	<u>(12)</u>	<u>(12)</u>
	<u>-</u>	<u>1,515</u>	<u>1,515</u>
Debt:			
Debts falling due within one year	-	(114)	(114)
Debts falling due after one year	<u>-</u>	<u>(295)</u>	<u>(295)</u>
	<u>-</u>	<u>(409)</u>	<u>(409)</u>
Total	<u>-</u>	<u>1,106</u>	<u>1,106</u>

INNOVATION ENTERPRISE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, the Companies Act 2006, the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the academy trust is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Other Income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Assets transferred on conversion to an academy trust

On conversion the company received a transfer of assets from Halton Borough Council. The following assets have been received.

Leasehold land & buildings - the land & buildings have been transferred on a 125 year lease. The construction of the building was completed in 2013, hence the value transferred is the actual build cost. The land has been valued at open market value.

Equipment, furniture & fittings - the assets were on the whole new, these assets have been transferred at cost. Legacy items have been transferred at replacement cost after allowing for their age and condition.

Cash balances - the cash balances have been recognised at the value of the amount transferred.

INNOVATION ENTERPRISE ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**

1. ACCOUNTING POLICIES - continued

Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

These are costs incurred on the academy trust's educational operations.

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 2% on cost
Assets under construction	- not provided
Plant and machinery	- 20% on cost and 10% on cost
Computer equipment	- 20% on cost and 10% on cost

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

INNOVATION ENTERPRISE ACADEMY**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014****1. ACCOUNTING POLICIES - continued****Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 18, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

INNOVATION ENTERPRISE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**2. ACTIVITIES FOR GENERATING FUNDS**

	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 £'000
Hire of facilities	<u>11</u>	<u>-</u>

3. INVESTMENT INCOME

	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 £'000
Deposit account interest	<u>2</u>	<u>-</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	Period 1/3/13 to 31/8/14 Total funds £'000	Period 2/11/12 to 28/2/13 Total funds £'000
Other education income	-	27	27	-
Teacher training income	-	23	23	-
Professional services income	-	40	40	-
Grants	<u>-</u>	<u>13,621</u>	<u>13,621</u>	<u>-</u>
	<u>-</u>	<u>13,711</u>	<u>13,711</u>	<u>-</u>

INNOVATION ENTERPRISE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

- continued

An analysis of grants received is given below:

	Unrestricted funds £'000	Restricted funds £'000	Period 1/3/13 to 31/8/14 Total funds £'000	Period 2/11/12 to 28/2/13 Total funds £'000
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	12,656	12,656	-
Other DfE/EFA grants	-	906	906	-
	-	13,562	13,562	-
DfE/EFA capital grant				
EFA Capital grant	-	59	59	-
	-	13,621	13,621	-

5. RESOURCES EXPENDED

	Staff costs £'000	Non-pay expenditure		Period 1/3/13 to 31/8/14 Total £'000	Period 2/11/12 to 28/2/13 Total £'000
		Premises £'000	Other costs £'000		
Charitable activities					
Academies educational operations					
Direct costs	8,316	861	1,607	10,784	-
Allocated support costs	1,537	786	1,121	3,444	-
	9,853	1,647	2,728	14,228	-
Governance costs including allocated support costs	-	-	12	12	-
	9,853	1,647	2,740	14,240	-

INNOVATION ENTERPRISE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

5. RESOURCES EXPENDED - continued

Net resources are stated after charging/(crediting):

	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 £'000
Auditors' remuneration	8	-
Depreciation - owned assets	1,565	-
Hire of plant and machinery	21	-
Other operating leases	<u>177</u>	<u>-</u>

6. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES

	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 £'000
Direct costs - academy's educational operations		
Teaching and educational support staff	8,316	-
Depreciation	1,565	-
Educational supplies	304	-
Examination fees	222	-
Staff development	55	-
Goods and services	262	-
Other direct costs	<u>60</u>	<u>-</u>
	10,784	-
Allocated support costs - academy's educational operations		
Support staff costs	1,537	-
Technology costs	261	-
Recruitment and support	65	-
Maintenance of premises and equipment	282	-
Cleaning	42	-
Rent and rates	140	-
Energy costs	185	-
Insurance	108	-
Security and transport	30	-
Catering	232	-
Legal and professional fees	84	-
Lease of equipment	138	-
Other support costs	<u>340</u>	<u>-</u>
	<u>3,444</u>	<u>-</u>
	<u>14,228</u>	<u>-</u>

INNOVATION ENTERPRISE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

7. GOVERNANCE COSTS

	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 £'000
Accountancy	2	-
Auditors' remuneration	8	-
Training	<u>2</u>	<u>-</u>
	<u>12</u>	<u>-</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the period ended 31 August 2014 nor for the period ended 28 February 2013.

Trustees' expenses

There were no trustees' expenses paid for the period ended 31 August 2014 nor for the period ended 28 February 2013.

INNOVATION ENTERPRISE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

9. STAFF COSTS

	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 £'000
Wages and salaries	8,044	-
Social security costs	574	-
Other pension costs	<u>1,115</u>	-
	9,733	-
Supply teacher costs	66	-
Other staff costs	16	-
External tutors	<u>38</u>	-
	<u>9,853</u>	-

The average number of persons (including senior management team) employed by the charitable company during the period expressed as full time equivalents was as follows:

	Period 1/3/13 to 31/8/14	Period 2/11/12 to 28/2/13
Teachers	122	-
Administration & support	42	-
Management	<u>16</u>	-
	<u>180</u>	-

The number of employees whose emoluments fell within the following bands was:

	Period 1/3/13 to 31/8/14	Period 2/11/12 to 28/2/13
£60,001 - £70,000	3	-
£130,001 - £140,000	<u>1</u>	-
	<u>4</u>	-

10. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,085. The cost of this insurance is included in the total insurance cost.

INNOVATION ENTERPRISE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

11. TANGIBLE FIXED ASSETS

	Long leasehold £'000	Assets under construction £'000	Plant and machinery £'000	Computer equipment £'000	Totals £'000
COST					
Additions	<u>32,634</u>	<u>244</u>	<u>1,687</u>	<u>1,182</u>	<u>35,747</u>
DEPRECIATION					
Charge for year	<u>861</u>	<u>-</u>	<u>444</u>	<u>260</u>	<u>1,565</u>
NET BOOK VALUE					
At 31 August 2014	<u>31,773</u>	<u>244</u>	<u>1,243</u>	<u>922</u>	<u>34,182</u>
At 28 February 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/8/14 £'000	28/2/13 £'000
Other debtors	32	-
VAT	<u>93</u>	<u>-</u>
	<u>125</u>	<u>-</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/8/14 £'000	28/2/13 £'000
Bank loans and overdrafts (see note 16)	12	-
Other loans (see note 16)	114	-
Trade creditors	57	-
Other creditors	57	-
Accruals and deferred income	48	-
Accrued expenses	<u>61</u>	<u>-</u>
	<u>349</u>	<u>-</u>

The loan represents the value of the remaining payments for a contribution by the school to the cost of the ICT assets agreed at conversion. The agreement for the ICT contribution is in the form of an SLA between the Innovation Enterprise Academy and Halton Borough Council.

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31/8/14 £'000	28/2/13 £'000
Other loans (see note 16)	<u>295</u>	<u>-</u>

INNOVATION ENTERPRISE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**15. LOANS**

An analysis of the maturity of loans is given below:

	31/8/14 £'000	28/2/13 £'000
Amounts falling due within one year on demand:		
Bank overdraft	12	-
Other loans	<u>114</u>	<u>-</u>
	<u>126</u>	<u>-</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>114</u>	<u>-</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>181</u>	<u>-</u>

16. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Other operating leases	
	31/8/14 £'000	28/2/13 £'000
Expiring:		
Between one and five years	<u>41</u>	<u>-</u>

17. MOVEMENT IN FUNDS

	At 1/3/13 £'000	Net movement in funds £'000	At 31/8/14 £'000
Unrestricted funds			
General fund	-	13	13
Restricted funds			
DfR/EFA Capital grants	-	33,732	33,732
Other DfE/EFA grants	-	1,004	1,004
General annual grant	-	441	441
Pension reserve	<u>-</u>	<u>(1,236)</u>	<u>(1,236)</u>
	<u>-</u>	<u>33,941</u>	<u>33,941</u>
TOTAL FUNDS	<u>-</u>	<u>33,954</u>	<u>33,954</u>

INNOVATION ENTERPRISE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

17. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
General fund	13	-	-	13
Restricted funds				
DfR/EFA Capital grants	35,297	(1,565)	-	33,732
Other DfE/EFA grants	1,457	(453)	-	1,004
General annual grant	12,656	(12,215)	-	441
Pension reserve	<u>(530)</u>	<u>(7)</u>	<u>(699)</u>	<u>(1,236)</u>
	48,880	(14,240)	(699)	33,941
	-----	-----	-----	-----
TOTAL FUNDS	<u>48,893</u>	<u>(14,240)</u>	<u>(699)</u>	<u>33,954</u>

Nature of material funds**General fund**

Represents amounts derived from the hire of facilities and investment income.

General Annual Grant

This represents the balance remaining from core funding provided by the EFA for the schools core educational activities.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

Pension Reserve

This is the Local Government Pension Scheme deficit attributable to the school and is derived from the report of the actuary produced as at 31st August 2014.

DfE/EFA Capital Grant

This represents the value of fixed assets purchased from specific capital grants. The assets underlying the fund are the school's furniture, fixtures & fittings and computer equipment.

Other DfE/EFA Grant

This represents the balance remaining from other funding provided by the EFA/DfE for the schools educational activities.

INNOVATION ENTERPRISE ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**

18. PENSION AND SIMILAR OBLIGATIONS

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cheshire West & Chester Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 August 2013. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full - time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis - these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts.

First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

INNOVATION ENTERPRISE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**18. PENSION AND SIMILAR OBLIGATIONS - continued**

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

INNOVATION ENTERPRISE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**18. PENSION AND SIMILAR OBLIGATIONS - continued****Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee - administered funds.

The total contribution made for the period ended 31 August 2014 was £383,000 of which employer's contributions totalled £303,000 and employees' contributions totalled £80,000. The agreed contribution rates for future years are 18.4 per cent for employers and 5.5 to 7.5 per cent for employees.

Financial assumptions

Principal actuarial assumptions at the balance sheet date:

	31/8/14 % p.a	31/8/13 % p.a
Inflation/pension increase rate	2.7%	2.8%
Salary increase rate	3.5%	5.1%
Expected return on assets	5.2%	5.9%
Discount rate	3.7%	4.6%

Breakdown of expected return by category of assets

	31/8/14 % p.a	31/8/13 % p.a
Equities	6.3%	6.6%
Bonds	3.4%	3.5%
Property	4.5%	4.7%
Cash	3.3%	3.6%

Mortality

Life expectancy is based on the SAPS year of birth tables, with improvements in line with the Medium Cohort and a 1.25% p.a underpin from 2007. Mortality loadings were applied to the SAPS tables based on membership class. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	22.3 years	24.4 years
Future pensioners	24.1 years	26.7 years

INNOVATION ENTERPRISE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

18. PENSION AND SIMILAR OBLIGATIONS - continued

Historic mortality

Life expectancies for the prior period end are based on the SAPS tables. The allowance for future life expectancies are shown below.

Period ended	Prospective Pensioners year of birth, medium cohort and 1% p.a minimum improvements from 2007	Pensioners year of birth, medium cohort and 1% p.a minimum improvements from 2007
31st August 2013		

Mortality loadings are applied to the SAPS tables based on membership class.

Please note that the mortality assumptions are identical to those used in the previous accounting period.

Commutation

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

Analysis of projected amount to be charged to the SOFA for the year to 31st August 2015

	31/8/15 £'000	31/8/15 % of pay
Projected current service cost	303	25.9%
Interest obligation	133	11.3%
Expected return on employer assets	<u>(121)</u>	<u>(10.3)</u>
Total	<u>315</u>	<u>26.9%</u>

The employers contribution for the year to 31st August 2015 is expected to be approximately £242,000.

Employee benefit obligations**Fair value of employer assets**

	31/8/14 £'000	31/3/13 £'000
Equities	1,310	1,511
Bonds	458	262
Property	153	121
Cash	<u>262</u>	<u>121</u>
Total	<u>2,183</u>	<u>2,015</u>

The above asset values at 31st August 2014 are at a bid value as required under FRS 17.

INNOVATION ENTERPRISE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

18. PENSION AND SIMILAR OBLIGATIONS - continued

The amounts recognised in the balance sheet are as follows:

	31/8/14 £'000	31/8/13 £'000
Fair value of employer assets	2,183	2,015
Present value of funded liabilities	<u>(3,419)</u>	<u>(2,536)</u>
Net under funded plans	(1,236)	(521)
Present value of unfunded liabilities	-	-
Unrecognised past service costs	-	-
Amount included in the balance sheet as liabilities	<u>(1,236)</u>	<u>(521)</u>
Net liabilities	<u>(1,236)</u>	<u>(521)</u>

The amounts recognised in the statement of financial activities are as follows:

Recognition in the profit or loss

	31/8/14 £'000	31/8/14 % of pay	31/8/13 £'000	31/8/13 % of pay
Current service cost	258	23.6%	104	22.6%
Interest cost	124	11.3%	55	12.0%
Expected return on employer assets	(127)	(11.6%)	(49)	(10.7%)
Past service costs	-	-	-	-
Total	<u>255</u>	<u>23.3%</u>	<u>110</u>	<u>23.9%</u>

Actual return on plan assets 276 67

The service cost figures include an allowance for administration expenses of 0.4%.

Reconciliation of defined benefit obligation:

	31/8/14 £'000	31/8/13 £'000
Opening defined benefit obligation	2,536	2,349
Current service cost	258	104
Interest cost	124	55
Contributions by members	66	28
Actuarial (gains)/ losses	451	-
Estimated benefits paid	<u>(16)</u>	<u>-</u>
Closing defined benefit obligation	<u>3,419</u>	<u>2,536</u>

INNOVATION ENTERPRISE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

18. PENSION AND SIMILAR OBLIGATIONS - continued

Reconciliation of fair value of employer assets:

	31/8/14 £'000	31/8/13 £'000
Opening fair value of employer assets	2,015	1,810
Expected return on assets	127	49
Contributions by members	66	28
Contributions by the employer	248	110
Actuarial gains/(losses)	(257)	18
Benefits paid	(16)	-
	<u>2,183</u>	<u>2,015</u>
	100%	
	<u>100%</u>	

Amounts for the current and previous accounting periods

	31/8/14 £'000	31/8/13 £'000
Fair Value of Employer Assets	2,183	2,015
Present Value of Defined Benefit Obligation	(3,419)	(2,536)
Surplus/(Deficit)	(1,236)	(521)
Experience Gains/(Losses) on Assets	(257)	18
Experience Gains/(Losses) on Liabilities	(478)	-
	<u>31/8/12 £'000</u>	<u>31/8/11 £'000</u>
Fair Value of Employer Assets	-	-
Present Value of Defined Benefit Obligation	-	-
Surplus/(Deficit)	-	-
Experience Gains/(Losses) on Assets	-	-
Experience Gains/(Losses) on Liabilities	-	-

Amounts recognised in Statement of Total Recognised Gains & Losses

	31/8/14 £'000	31/8/13 £'000
Actuarial Gains/(Losses)	(708)	18
Increase in Irrecoverable Surplus from Membership fall & other factors	-	-
Actuarial Gains/(Losses) recognised in STRGL	<u>(708)</u>	<u>18</u>
Cumulative Actuarial Gains and Losses	<u>(690)</u>	<u>18</u>

On conversion the cumulative actuarial gains were £9,000. The actuarial loss since the date of conversion is £699,000, with the cumulative loss being £690,000.

INNOVATION ENTERPRISE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**18. PENSION AND SIMILAR OBLIGATIONS - continued**

Increase in Irrecoverable Surplus from Membership fall & other factors

	31/8/12 £'000	31/8/11 £'000	31/8/10 £'000
Actuarial Gains/(Losses)	-	-	-
Increase in Irrecoverable Surplus from Membership fall & other factors	-	-	-
Actuarial Gains/(Losses) recognised in STRGL	-	-	-
	-	-	-

Unfunded benefits

There were no unfunded benefits at 31 August 2014.

Bulk transfers

No allowance has been made for any bulk transfer in the accounting period.

19. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.

This page does not form part of the statutory financial statements

INNOVATION ENTERPRISE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**20. CONVERSION TO AN ACADEMY TRUST**

On 1 March 2013 the Wade Deacon High School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Innovation Enterprise Academy from the Halton Borough Council Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total £'000
Tangible fixed assets				
- Leasehold land and buildings	-	-	32,435	32,435
- Other tangible fixed assets	-	-	2,302	2,302
Budget surplus on LA funds	-	962	-	962
LGPS pension deficit	-	(530)	-	(530)
Net assets	-	432	34,737	35,169

The above net assets include £1,132,304 that was transferred as cash. The other tangible fixed assets transfer value is net of the ICT contribution of £570,000 agreed with Halton Borough Council at the date of transfer.

21. CAPITAL COMMITMENTS

At 31 August 2014 the school had a capital commitment of £177,000 in relation to the completion of the remodelling of the art block.

This page does not form part of the statutory financial statements

INNOVATION ENTERPRISE ACADEMY
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 £'000
INCOMING RESOURCES		
Voluntary income - Transfer from Local Authority on conversion	35,169	-
Activities for generating funds		
Hire of facilities	11	-
Investment income		
Deposit account interest	2	-
Incoming resources from charitable activities		
Other education income	27	-
Teacher training income	23	-
Professional services income	40	-
Grants	<u>13,621</u>	<u>-</u>
	<u>13,711</u>	<u>-</u>
Total incoming resources	48,893	-
RESOURCES EXPENDED		
Charitable activities		
Wages	6,789	-
Social security	512	-
Pensions	895	-
Supply teacher costs	66	-
Other staff costs	16	-
External tutors	38	-
Vehicle hire	21	-
Hire of equipment	39	-
Educational supplies	304	-
Examination fees	222	-
Staff development	55	-
Goods and services	262	-
Long leasehold depreciation	861	-
Carried forward	10,080	-

This page does not form part of the statutory financial statements

INNOVATION ENTERPRISE ACADEMY

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 £'000
Charitable activities		
Brought forward	10,080	-
Furniture & equipment depreciation	444	-
Computer equipment depreciation	260	-
Expected return on pension scheme assets	(152)	-
Interest on pension scheme liabilities	152	-
	<u>10,784</u>	-
Governance costs		
Accountancy	2	-
Auditors' remuneration	8	-
Training	2	-
	<u>12</u>	-
Support costs		
Management		
Wages	567	-
Social security	36	-
Pensions	109	-
Security and transport	29	-
Consultancy	118	-
Marketing & advertising	23	-
Printing, postage & stationery	93	-
Telephone	16	-
Staff uniforms	7	-
Support staff training	17	-
Legal and professional	84	-
Lease of equipment	138	-
Other support costs	66	-
	<u>1,303</u>	-
Information technology		
Wages	338	-
Social security	19	-
Pensions	57	-
Technology costs	261	-
	<u>675</u>	-
Human resources		
Recruitment and support	65	-
	<u>65</u>	-

This page does not form part of the statutory financial statements

INNOVATION ENTERPRISE ACADEMY
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 £'000
Property costs		
Wages	350	-
Social security	7	-
Pensions	54	-
Maintenance of premises and equipment	282	-
Cleaning	42	-
Rent and rates	140	-
Energy costs	185	-
Insurance	<u>108</u>	<u>-</u>
	1,168	-
Catering		
Catering costs	221	-
Staff duty meals	<u>11</u>	<u>-</u>
	232	-
Finance		
Bank charges	<u>1</u>	<u>-</u>
Total resources expended	14,240	-
	<u> </u>	<u> </u>
Net income	<u><u>34,653</u></u>	<u><u>-</u></u>

This page does not form part of the statutory financial statements

REPORT TO: Schools Forum

DATE: 16 March 2015

REPORTING OFFICER: Ann McIntyre

PORTFOLIO: Children and Enterprise

SUBJECT: Shared Service Arrangements Academic Year 2015/16 and subsequent years:
Learning Outside the Classroom (LOtC), Visits and Outdoor Education Advice and Guidance

WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To consider the continuation of the provision from Cheshire West and Chester Council (CWaC) and Edufocus to provide Learning Outside the Classroom, Visits and Outdoor Education advice and guidance to Halton schools, and for Halton School Forum to make permanent their previous decision to fund this provision from April 2015 and subsequent years from the Dedicated Schools Grant.

2.0 **RECOMMENDED: That the Forum supports the continued provision of the LOtC Service provided by CWaC and associated trading subsidiaries, supported by Edufocus, funded via the Dedicated Schools Grant for the 2015/16 financial year and subsequent years, until such time as the Forum requests a review of these arrangements.**

3.0 SUPPORTING INFORMATION

3.1 At the School Forum meeting held on 17th March 2014, members agreed to continue with the Learning Outside the Classroom service provided by Cheshire West and Chester Council (supported by the Edufocus system), and agreed that those services be funded via the Dedicated Schools Grant. This paper seeks to confirm those arrangements for the 2015/16 financial year and subsequent years.

3.1 Learning outside the classroom and off site activities provide a valuable opportunity for pupils and young people to encounter experiences that are not available to them in the classroom. They are an opportunity to extend the learning of all pupils and can enable young people to learn through new experiences and develop their initiative and independence, and enrich their understanding of themselves, others and the world around them. They can be a catalyst for positive engagement in education, improved personal performance, and promote a lifetime interest and in some cases lead to professional fulfilment.

3.2 Such visits need to be carried out within a robust planning framework that promotes the safety and security of all participants and manages the risk. The Authority has a policy for the Management of Learning Outside the Classroom

and has adopted, as its' employer guidance, National Guidance for the Management of Outdoor Learning, Off-site visits and Learning Outside the Classroom produced by the Outdoor Education Advisers' Panel (OEAP) which provides a source of guidance, information and support for schools and establishments organising educational and offsite visits.

- 3.3 It is a legal expectation that employees must work within the requirements their employer's guidance. The national guidance strongly recommends that all employers appoint or retain the services of a competent and experienced technical adviser to oversee all aspects of their provision of outdoor learning, off-site visits and LOtC. Employers must understand that they carry full legal responsibility. Choosing not to appoint a technical expert leaves employers in a vulnerable position. In the event of any proven civil negligence, this can result in the payment of heavy damages. In the case of criminal negligence under the Health and Safety at Work etc Act (1974) or under Corporate Manslaughter legislation (2008), the ultimate sanction is a custodial sentence.
- 3.4 For the past 6 years Halton has engaged the services provided by CWaC Quality Learning Partnership Outdoor Education Adviser (QLP OEA) and Edufocus to manage the risks associated with LOtC activities and to operate within the requirements of legal frameworks governing the health, safety and welfare of employees and pupils/young people in the context of LOtC, educational visits and outdoor education. In 2012/13 the service supported 95,430 Halton pupils taking part in 4632 visits and in 2013/14 supported 110,498 Halton pupils taking part in 5,137 visits.
- 3.5 The QLP OEA's service provides independent technical advice, guidance regarding health, safety and current best practice regarding LOtC and educational visits. Through this service Halton maintains representation on the OEAP (the national forum for sharing of good practice relating to LOtC for all Children's Service establishments). The QLP OEA also gives LA approval and support to establishments for visits of a complex nature and routinely monitors visits as part of the Authority wide sampling procedure.

The QLP OEA delivers high quality training and development courses for educational visit co-ordinators, visit leaders and governors in all Children's service establishments. Administrative support is also included in the specification.

- 3.6 The QLP OEA service is delivered by a team of professionally qualified teachers with significant experience in delivering LOtC and leading outdoor educational activities and offsite visits. They provide a flexible, proactive and responsive LOtC service that supports statutory and risk management obligations and maintains best practice.
- 3.7 To underpin service delivery Evolve has been commissioned. This is a web-based educational visits notification, approval and database system provided by Edufocus to support schools and establishments in planning any kind of off-site activity. The system facilitates the LA's approval requirements for complex visits and includes reporting tools and access to guidance and resources for establishments. Edufocus is used by over 19,000 schools in England and Wales

and has a fully managed and reliable service infrastructure.

- 3.8 The combined service provided by CWaC and Edufocus provides outstanding support for LOtC, offers good value for money and delivers the service in a cost effective way for schools and establishments. The selection of the current providers is based on past performance, their ability to deliver a flexible and responsive service and a proven record of subject knowledge, experience and expertise.

REPORT TO: Schools Forum

DATE: 16 March 2015

REPORTING OFFICER: Divisional Manager Post 16 Development & 14-19 Entitlement Strand

SUBJECT: High Needs Students Assessment Framework support

WARD(S) Borough-wide

1.0 **PURPOSE OF THE REPORT**

1.1 **To inform School Forum of:**

- **The implementation of the High Needs Students (HNS) Assessment Framework and its success in managing applications from Post 16 institutions.**
- **The use of support to implement the HNS Assessment Framework.**

2.0 **RECOMMENDATION: That School Forum agree to fund from the High Needs budget additional support to implement the High Needs assessment process up to £18,000 for financial year 2015/16.**

3.0 **SUPPORTING INFORMATION**

3.1 In April 2013 Halton Local Authority introduced the High Needs Students Assessment Framework in response to each local authority becoming responsible for managing the funding for education support for high needs students aged 0-25, as outlined in the document School funding reform: Next Steps towards a fairer system, published on 26th March 2012.

3.2 The post 16 element of the Assessment Framework has been managed by the 14-19 (post 16 entitlement) Division. Through this assessment framework a total of 91 applications were received in 2013/14 and 101 applications were received in 2014/15 for high needs funding for Post 16 students from colleges and Independent Specialist Providers. These were evaluated through assessment panels.

3.3 By applying the rigour of the HNS Assessment Framework the costs for Post 16 High Needs provision in 2013/14 was £850,000 and despite more applications being received in 2014/15 the forecast is £850,554. This has been achieved through challenging providers on their identified costs. The budget previously funded by the Education

Funding Agency was £1,240,000 in the 2011/2012 financial year.

- 3.4 The process of managing this significant change in post-16 provision and funding has required support from the administration, commissioning and 14-19 team. However, due to the volume of work, the number of meetings and the detailed assessment process there is insufficient capacity across these teams to continue to support the process without additional support. In March 2014 School Forum agreed to fund a High Need Support Officer, at a cost of £14,000. This was the necessary sum to cover an 8 month period of support, until it was better understood how Education Health and Care Plans would impact on the high needs funding process.
- 3.5 Since we have had support in place this had led to better scrutiny of applications and challenging providers to ensure fair costs across all students, as seen in reduced costs. Joint commissioning across education, health and social care with contributions of £37,594 from social care and £27,190 from health has also been achieved. Appropriate contract management arrangements in place for the 89 agreed placements have also included scrutiny part way through courses.
- 3.6 The current position of 2014/15 applications is:
- Contracts and individual place agreements issued to 11 providers for 89 students, 2 contract and 8 individual place agreements have not been signed or returned to date.
 - Outstanding queries on 8 applications before an individual place agreements can be issued
 - 89 Monitoring forms will be due in Spring 2015.
- 3.7 To implement the quality assurance process the following tasks will require action from January 2015:
- Adapt Quality Assurance Framework used in SEN pre 16 to ensure quality of placements
 - Attend all individual student Review Meetings.
 - Ensure all appropriate documentation is received for each individual student.
 - Scrutinise all Monitoring forms received from institutions and use knowledge and expertise to judge if evidence of progress made by students is apparent, follow up all queries.
 - Record all outcomes of the scrutiny, queries and actions.
- 3.8 It is essential to carry out this scrutiny to ensure provision is being monitoring against the contract and costs are still appropriate.

The High Needs Assessment Framework will be required for 2015/16 to process all applications for High Needs Funding for students with a Learning Difficulty Assessment who have not yet transferred to an

Education Health and Care Plan. Therefore the resource still required is £18,000 to support the process throughout the financial year. There will be less applications than in 2014/15 but the funding has increased from 2014/15 so support can be in place for the full financial year.

4.0 **POLICY IMPLICATIONS**

4.1 The High Needs Assessment Framework sets out the process by which applications from Further Education, Sixth Form Colleges and Independent Specialist Providers will be assessed and funding agreed. Managing applications is essential to ensure a robust and auditable process is followed.

5.0 **OTHER IMPLICATIONS**

None.

6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

6.1 **Children & Young People in Halton**

Supports key priorities to ensure that Children and Young people with SEND access appropriate education opportunities.

6.2 **Employment, Learning & Skills in Halton**

Providing additional capacity to ensure the work of the team to continue to reduce the number of vulnerable young people Not in Education, Employment and Training (NEET) can progress.

Ensuring the development of employability skills as a key outcome for many young people will ensure they can achieve their ambition of gaining employment.

6.3 **A Healthy Halton**

Provide the capacity to continue to further reduce NEET, young people in NEET are at a higher risk of ill health.

6.4 **A Safer Halton**

Young people who are NEET are more likely to be involved in criminal activity.

6.5 **Halton's Urban Renewal**

With the significant investment in Urban Renewal project in Halton partnerships are ensuring that employment, learning and skills opportunities are written into key performance indicators within all new development contracts. Linking through the Employment, Learning and Skills Strategic Partnership opportunities for pathways from education, including Alternative Provision, into employment opportunities can be identified in addition to opportunities for employer mentoring.

7.0 **RISK ANALYSIS**

7.1 If additional support is not provided the provision of appropriate placements for the most vulnerable post-16 learners will be delayed. This will also impact on the funding of the providers.

7.2 The capacity to scrutinise the Monitoring forms is an essential element of managing contract compliance and ensuring value for money from providers.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 Halton Borough Council has a statutory duty to secure that it makes available to young people aged 13-19 and to those aged 20-24 with a Learning Difficulty Assessment support that will encourage, enable or assist them to participate in education or training.

9.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None.

REPORT TO: Schools Forum

DATE: 16 March 2015

REPORTING OFFICER: Senior Finance Officer, Financial Management Division

SUBJECT: Top-Up Funding Levels for 2015-16

1.0 **PURPOSE OF REPORT**

1.1 To report to the School Forum on the Top-Up Funding Rates for 2015-16.

2.0 **RECOMMENDATION: That the report be noted.**

3.0 **SUPPORTING INFORMATION**

The High Needs Block is under increasing pressure, especially the top-up funding costs. In order to bring the forecast spend into line with budget, we have had to apply a 1.5% reduction to top-up rates for Special Schools and Resource Bases. This has produced estimated savings of just under £50,000 in total. We have not increased the Enhanced Provision rates from their 2014-15 levels.

3.1 **Special Schools**

These are funded at £10,000 per place plus a top-up dependent upon each pupil's category of need and level of support. We want to review the banding structure of top-up funding within the Special Schools during 2015-16 to come into effect for 2016-17.

Appendix A shows the 2015-16 top-up values.

3.2 **Resource Bases**

Also funded at £10,000 per place plus a top-up dependent upon the unit. We have continued to use the 2012-13 funding level as the baseline and have re-calculated the top-up values based on pupil numbers as at January 2015. This gives each school funding that is as close as possible to their baseline.

Schools have been asked to confirm the numbers of pupils in each Resource Base. Some schools have yet to confirm the details so the finalised top-up values will be tabled at the meeting.

Appendix B shows the 2015-16 top-up values.

3.3 Resource Base Service Level Agreements

We are keeping the ASD Outreach and HI Signer SLA values at the same levels as for 2014-15. The KS2 and KS3/4 ASD units at Simms Cross and Saints Peter & Paul are funded for Outreach provision at £63,966.65. For The Grange we are funding at £127,933.30. The HI Signer SLA will be funded at £20,623.

3.4 The Pupil Referral Unit

PRU's are funded at £8,000 per place plus a top-up per pupil for the Summer Term, then at £10,000 per place plus a top-up for the Autumn and Spring Terms. Following the review of provision top-up values will be based on bands for each Key Stage, including a Bespoke Service band. Exact cash values have not yet been finalised.

3.5 Enhanced Provision funding

Schools are required to fund the first £6,000 of support for each pupil with SEN. It is only if a pupil requires support in excess of this £6,000 of Notional SEN (equivalent to 13 hours support in Primary schools or 16 hours support in Secondary schools) that top-up funding will be paid. The majority of schools receive top-up funding for Enhanced Provision either with or without a Statement.

As for previous years, the Financial Management Team will circulate details to Head Teachers of pupils in their schools who we believe are eligible for top-up funding each term. It is very important that these details are checked and the Financial Management Team notified whether they are correct or not. Incorrect details will result in incorrect funding.

4.0 POLICY IMPLICATIONS

4.1 None

5.0 OTHER IMPLICATIONS

5.1 None

Appendix A

Summary of Special School Top-up Funding 2

Ashley	CI	Level 1	£ 7,982.11
	CI	Level 2	£ 28,618.79
	LC	Level 1	£ 3,563.43
	LC	Level 2	£ 24,200.12
	BESD	Level 1	£ 5,722.88
	BESD	Level 2	£ 26,359.57
	SPN	Level 1	£ 6,702.83
	SPN	Level 2	£ 27,339.51
Chesnut Lodge	CI	Level 1	£ 7,590.65
	CI	Level 2	£ 28,227.33
	LC	Level 1	£ 2,403.69
	LC	Level 2	£ 24,025.37
	BESD	Level 1	£ 5,442.22
	BESD	Level 2	£ 26,078.91
	SPN	Level 1	£ 6,374.11
	SPN	Level 2	£ 27,010.80
Brookfields	CI	Level 1	£ 5,755.57
	CI	Level 2	£ 26,392.26
	LC	Level 1	£ 2,569.45
	LC	Level 2	£ 23,206.14
	BESD	Level 1	£ 4,126.54
	BESD	Level 2	£ 24,763.23
	SPN	Level 1	£ 4,833.14
	SPN	Level 2	£ 25,469.82
Cavendish	CI	Level 1	£ 8,650.89
	CI	Level 2	£ 29,287.58
	LC	Level 1	£ 3,862.01
	LC	Level 2	£ 24,498.69
	BESD	Level 1	£ 6,202.38
	BESD	Level 2	£ 26,839.06
	SPN	Level 1	£ 7,264.42
	SPN	Level 2	£ 27,901.11

Appendix B

Special Unit Calculations 2015-16									
				Jan 15					
	Unit	No places	funding 12-13	Actual nos	1st pupil	subsequent	cash value	difference	
Primary									
The Grange	ASD KS1/2	14	£193,831.94	11	£5,891.61	£5,891.61	£204,807.71	-£10,975.77	
Simms Cross	ASD KS1/2	14	£200,453.36	10	£4,580.51	£4,580.51	£185,805.10	£14,648.26	
The Brow	Assessment	7	£88,475.62	7	£3,033.08	£3,033.08	£91,231.56	-£2,755.94	
Oakfield	Assessment	7	£91,069.06	6	£4,150.60	£4,150.60	£94,903.60	-£3,834.54	
Weston Point	EBD	7	£90,783.18	7	£5,117.85	£5,117.85	£105,824.95	-£15,041.77	
Woodside	EBD	7	£91,011.75	4	£4,139.31	£4,139.31	£86,557.24	£4,454.51	
Westfield	HI	6	£86,056.13	7	£5,133.06	£5,133.06	£95,931.42	-£9,875.29	
The Brow	SPL	10	£95,881.82	10	£0.00	£0.00	£100,000.00	-£4,118.18	
Palacefields Acad	SPL	10	£94,404.52	10	£0.00	£0.00	£100,000.00	-£5,595.48	
Oakfield	SPL	10	£99,504.39	8	£0.00	£0.00	£100,000.00	-£495.61	
The Grange	ASD outreach	5	£63,966.65		£0.00	£0.00	£127,933.30	£63,966.65	
Simms Cross	ASD outreach	5	£63,966.65		£0.00	£0.00	£63,966.65	£0.00	
Westfield	HI Signer	6	£20,623.00		£0.00	£0.00	£20,623.00	£0.00	
	Total budget		£1,280,028.07				£1,377,584.53	£30,376.84	
Secondary									
The Grange	ASD KS3/4	6	£94,172.98	6	£6,732.08	£6,732.08	£100,392.48	-£6,219.50	
Sts Peter & Paul	ASD KS3/4	6	£93,458.39	1	£19,700.00	£5,492.75	£79,700.00	£13,758.39	
Wade Deacon Acad	HI	6	£90,554.66	1	£19,700.00	£5,016.05	£79,700.00	£10,854.66	
The Grange	SLCN	10	£107,222.50	8	£1,422.83	£1,422.83	£111,382.64	-£4,160.14	
The Bankfield	SLCN	10	£107,318.88	4	£1,029.87	£1,029.87	£104,119.48	£3,199.40	
The Grange	ASD outreach	5	£63,966.65		£0.00	£0.00	£127,933.30	£63,966.65	
Sts Peter & Paul	ASD outreach	5	£63,966.65		£0.00	£0.00	£63,966.65	£0.00	
Wade Deacon Acad	HI Signer	6	£20,623.00		£0.00	£0.00	£20,623.00	£0.00	
	Total budget		£641,283.71				£687,817.55	£81,399.46	

REPORT TO: School Forum

DATE: 16th March 2015

REPORTING OFFICER: Senior Finance Officer, Financial Management
Division

SUBJECT: Early Years Funding for 2015-16

1.0 PURPOSE OF REPORT

1.1 To report to the School Forum the Additional Notional SEN funding criteria and allocations for 2014-15

2.0 RECOMMENDATION

RECOMMENDED:

- (1) The report be noted.
- (2) That the funding formula for Maintained Early Years settings is agreed.
- (3) That the funding formula for the PVI settings is agreed

3.0 SUPPORTING INFORMATION

3.1 Background

Under the new School Funding Regulations we are required to gain agreement from Schools Forum on the funding factors used for the Early Years settings.

3.2 Maintained Sector

It is proposed that we do not change the funding factors used – namely Basic per pupil, Deprivation (using IDACI), Lump Sum and LA Rates (for Nursery Schools only).

3.3 Private, Voluntary and Independent Sector

Again it is proposed that we do not change the funding factors used – Basic per pupil, Deprivation (IDACI) and LA Rates.

3.4 The cash values for the funding factors for Maintained settings still being calculated and we are awaiting the PVI data to calculate their funding values. Therefore, the cash values will be tabled at the meeting.

4.0 POLICY IMPLICATIONS

4.1 None

5.0 OTHER IMPLICATIONS

5.1 None

REPORT TO: School Forum

DATE: 16th March 2015

REPORTING OFFICER: Senior Finance Officer, Financial Management Division

SUBJECT: Revision of Halton Scheme For Financing Schools

1.0 PURPOSE OF REPORT

1.1 **To report to the School Forum on the revision of the Halton Scheme For Financing Schools (SFFS).**

2.0 RECOMMENDATION

RECOMMENDED:

- (1) The report be noted,
- (2) That the revised Scheme be put out to consultation to Head Teachers and Governing Bodies as per Section 1.4.

3.0 SUPPORTING INFORMATION

The Halton Scheme For Financing Schools and Financial Guidance for Schools have not been reviewed or updated for some time. Representatives from maintained schools plus Internal Audit, Schools Support and Financial Management met during the Autumn Term and went through the document discussing changes that were needed.

We have amalgamated the two documents to ensure that all financial guidance is easily accessible in just one document. Changes have been made in line with Statutory Guidance issued by the Department for Education in February 2014.

3.1 MAJOR CHANGES

- Clarification has been given as to which schools the Scheme applies to, specifically excluding Academies.
- Clarification regarding orders requirement payment in foreign currency.
- Deletion of the section regarding the payment of GTC registration fees by deduction from salary.
- Insertion of the Notice of Concern section as per the DfE guidance.
- Insertion of the Schools Financial Value Standards section.
- Insertion of the Fraud section.
- Insertion of ability of schools in financial difficulties to apply to Schools Forum for additional funding.
- Deletion of the section regarding the Schools Loan Scheme.
- Clarification on the Charging of School Budget Shares.

- The PFI section is being worked on and will be included for consultation with Head Teachers and Governing Bodies of schools maintained by the LA.
- The Insurance section is also being finalised to ensure it complies with the Council's current policy.
- Insertion of the Redundancy/Early Retirement costs section.
- Deletion of the Grant-Maintained Schools section.
- Deletion of the S255 loans section.
- A new Annex to be inserted regarding Procurement (updated from the Financial Guidance regulations)
- A new Annex to be inserted regarding the operation of Local Bank Accounts (updated from the Financial Guidance regulations).

3.2 **OTHER CHANGES**

There has been a general updating of the Scheme with regard to post titles, board titles etc.

3.3 **CONSULTATION**

It is our aim to consult with Head Teachers and Governing Bodies of all maintained schools after the Spring Break. This will allow time to finalise certain areas of the SFFS. Only after this consultation can we bring the SFFS back to Schools Forum (in June) and ask for it to be approved. We are therefore aiming to bring the SFFS into effect from 1st September 2015.

4.0 **POLICY IMPLICATIONS**

4.1 None

5.0 **OTHER IMPLICATIONS**

5.1 None

**HALTON BOROUGH
COUNCIL**

**SCHEME FOR
FINANCING
SCHOOLS**

**REVISED
April 2015**



HALTON LA SCHEME FOR FINANCING SCHOOLS

LIST OF CONTENTS – to be updated

FAIR FUNDING - SCHEME FOR FINANCING SCHOOLS

1 INTRODUCTION

1.1 THE FUNDING FRAMEWORK

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

Under this legislation, local authorities determine for themselves the size of their schools budget and their non-schools education budget – although at a minimum an authority must appropriate its entire Dedicated Schools Grant to their schools budget. The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, but included within the two, taken together, is all expenditure, direct and indirect, on an authority's maintained schools except for capital and certain miscellaneous items. Authorities may deduct funds from their schools budget for purposes specified in regulations made by the Secretary of State under s.45A of the Act (the centrally retained expenditure). The amounts to be deducted for these purposes are decided by the authority concerned, subject to any limits or conditions (including gaining the approval of their Schools Forum or the Secretary of State in certain instances) as prescribed by the Secretary of State. The balance of the schools budget left after deduction of the centrally retained expenditure is termed the Individual Schools Budget (ISB). Expenditure items in the non-schools education budget must be retained centrally (although earmarked allocations may be made to schools).

Authorities must distribute the ISB amongst their maintained schools using a formula which accords with regulations made by the Secretary of State, and enables the calculation of a budget share for each maintained school. This budget share is then delegated to the governing body of the school concerned, unless the school is a new school which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with s.51 of the Act. The financial controls within which delegation works are set out in a scheme made by the authority in accordance with s.48 of the Act and regulations made under that section. All proposals to revise the scheme must be approved by the Schools Forum, though the authority may apply to the Secretary of State for approval in the event of the forum rejecting a proposal or approving it subject to modifications that are not acceptable to the authority.

Subject to any provision made by or under the scheme, governing bodies of schools may spend such amounts of their budget shares as they think fit for any purposes of their school* and for any additional purposes prescribed by the Secretary of State in regulations made under s.50 of the Act. (*Section 50 has been amended to provide that amounts spent by a governing body on providing community facilities or services under section 27 of the Education Act 2002 are treated as if they were amounts spent for the purposes of the school (s50(3A) of the Act.)

An authority may suspend a school's right to a delegated budget if the provisions of the authority's financial scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. A school's right to a delegated budget share may also be suspended for other reasons (schedule 17 to the Act).

Each authority is obliged to publish each year a statement setting out details of its planned Schools Budget and other expenditure on children's services, showing the amounts to be centrally retained and funding delegated to schools. After each financial year the authority must publish a statement showing out-turn expenditure at both central level and for each school, and the balances held in respect of each school.

The detailed publication requirements for financial statements are set out in directions issued by the Secretary of State, but each school must receive a copy of each year's budget and out-turn statements so far as they relate to that school or central expenditure.

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

1.2 THE ROLE OF THE SCHEME

The Scheme for Financing Schools sets out the financial relationship between the local authority and the maintained schools which it funds. The requirements within the scheme relate to financial management and associated issues, and are binding on both the local authority and on schools.

1.2.1 APPLICATION OF THE SCHEME TO LA AND MAINTAINED SCHOOLS

This scheme applies to all community, nursery, special, voluntary, foundation (including trust), foundation special schools and pupil referral units maintained by the authority. It does not apply to schools situated in the authority's area which are maintained by another authority. Nor does it apply to academies.

1.3 PUBLICATION OF THE SCHEME

A copy of the scheme will be supplied to the executive head teacher / head teacher and the governing body of each school covered by the scheme and listed in Annex A, and any approved revisions will be notified to each such school.

The scheme will be published on the Halton Borough Council website and any revised version will be published by the date the revisions come into force, together with a statement that the revised scheme comes into force on that date.

1.4 REVISION OF THE SCHEME

The scheme will be reviewed annually.

Any proposed revisions to the scheme will be the subject of consultation with the governing body and the executive head teacher / head teacher of every school maintained by the authority before they are submitted to the schools forum for their approval.

All proposed revisions must be submitted to the schools forum for approval by members of the forum representing maintained schools. Where the schools forum does not approve them or approves them subject to modifications which

are not acceptable to the authority, the authority may apply to the Secretary of State for approval.

1.5 DELEGATION OF POWERS TO THE Executive Head Teacher / HEADTEACHER

Full or partial management of the school's budget may be delegated to the executive head teacher / head teacher and other members of the school's staff, where this is considered appropriate and enhances control over the budget. In such circumstances, references in this scheme to "governing bodies" or "governors" also apply to these staff. However, the extent of such delegation, and the limits of financial authorisation, should be documented in a formal Scheme of Delegation for the school, approved and minuted by the full governing body. This should be reviewed on an annual basis by the governing body. Revisions to the Scheme of Delegation should be recorded in the minutes of the governing body.

The first formal budget plan of each financial year must be approved by the Governing body or by a committee of the governing body.

1.6 MAINTENANCE OF SCHOOLS

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

1.7 DUTIES AND RESPONSIBILITIES

The Strategic Director of Policy and Resources has statutory responsibility to ensure the proper administration of the LA's financial affairs, including those of schools. To fulfill this responsibility governing bodies will provide the Strategic Director of Policy and Resources with all necessary access to information, documents and records. In addition, the Strategic Director of Policy and Resources, or a representative, has the right to attend governors' meetings to give advice or information on financial matters, which may affect these statutory responsibilities.

The Strategic Director of Children and Enterprise is responsible for the management of the Halton Scheme, for monitoring the effectiveness of the scheme, and for recommending to the LA withdrawal of delegation where appropriate.

Governing bodies have a statutory responsibility to ensure the proper administration of their school's financial affairs and management of their delegated budget within the terms of the Scheme. They are responsible for ensuring that these financial regulations are observed in schools and that a system of internal controls is established, which ensures all activities under their control are conducted in a proper, efficient and well-ordered manner. These internal controls should be formalised within a Manual of Internal Procedures, detailing the roles and responsibilities of the governing body and staff involved in the finances and administration of the school. Legal costs and other costs e.g. fines, which are incurred by the LA, because the governing body did not accept

the advice of the LA, may be recharged to the school's budget share. The governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share providing they act in good faith, since the governing body is a corporate body and such liability is excluded under the terms of s.50(7) of the SSAF Act.

2 FINANCIAL CONTROLS

2.1 GENERAL PROCEDURES

2.1.1 APPLICATION OF FINANCIAL CONTROLS TO SCHOOLS

Governing bodies have a statutory responsibility to ensure the proper administration of their school's financial affairs within the terms of the Scheme. In the management of their delegated budgets, schools are required to abide by the LA's requirements on financial controls and monitoring, not only those in the scheme but those requirement contained in more detailed publications referred to in the scheme but outside and compatible with it. These include the Procurement Guidance, Standing Orders, Employers Guide for Managers and the Employee Handbook. However, if these are inconsistent with the provisions of this scheme, then the provisions of the scheme will prevail.

Governing bodies are responsible for ensuring that the Scheme is observed in schools and that a system of internal controls is established, which ensures all activities under their control are conducted in a proper, efficient and well-ordered manner.

In the management of their delegated budgets schools must comply with Halton's requirements on financial controls and monitoring. These requirements relate not only to those in the scheme but also those requirements in more detailed publications referred to in the scheme.

2.1.2 PROVISION OF FINANCIAL INFORMATION AND REPORTS

Financial records and accounts kept by schools and governing bodies must be in a form compatible with those of the LA, as it is the latter which form the statutory records and accounts of each school.

The LA has a responsibility to ensure governing bodies are exercising effective financial control over the school's delegated budget, and may therefore at any time request details of actual and anticipated expenditure and income to be produced and for a full explanation of any figures therein to be given. These details may be requested in a form and at times determined by the authority. The request for submission of such details will not be made more often than every three months except those connected with tax or banking reconciliation, or unless the LA has notified the school in writing that in its view the school's financial position requires more frequent submission or the school is its first year of operation.

All accounting codes used shall conform to the approved standard code list, copies are available from the Children and Enterprise team, Financial Management Division. Schools are also required to abide by the general accounting principles recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA). More detailed guidance on these principles will be issued by the LA as appropriate.

All financial transactions which affect the school's budget must be processed through the LA's bank account, the school's bank account or imprest bank account, as approved by the Strategic Director of Policy and Resources under an appropriate local financial processing scheme.

2.1.3 PAYMENT OF SALARIES; PAYMENT OF BILLS

Governing Bodies are required to follow the LA's financial procedures for payment of salaries, expenses and creditors. These procedures will vary according to the different buy back arrangements of each school and whether a school has opted for a local bank account.

2.1.4 CONTROL OF ASSETS

Recording assets, ensuring their safe custody and their proper management, is the responsibility of the governing body who should maintain proper security for all furniture, equipment, plant, stores and other assets. Any assets worth over £1,000 must be recorded in accordance with the LA guidance. Schools may determine the form of the asset register they maintain for assets worth less than £1,000 but a register of some form should be kept.

The governing body is also responsible for the security of the school's buildings and land, and should ensure that procedures are operated to control access to the buildings and land at all times. Keys should be held by a responsible officer who should ensure that buildings are securely locked when not in use. A list of key holders should be kept.

Governing bodies should ensure that procedures are operated within the school to check the inventory at least annually and certify it as correct. This check should be undertaken by someone independent of the person who maintains the inventory. Any major discrepancies in the inventory should be investigated and reported to the Internal Audit Term. Assets should only be disposed of in accordance with the Authority's guidance.

Items should be clearly and permanently marked as being Borough Council property and should be included in the inventory as soon as they are received. A copy of the inventory should be kept away from the school site.

Any surplus furniture, equipment, vehicles and plant, may be disposed of by the governing body in order to obtain the best return for the item. The maximum values of stock and equipment which the head teacher may write-off or dispose of without reference to the governing body must be resolved by the governing body and this should be formally recorded in the Scheme of Delegation. Such disposals should be recorded within the inventory. Above these values, governing body approval is required.

No Borough Council property should be removed from the school except in the ordinary course of school business and no items can be used for other than school business without specific written permission from the governing body, when the items' removal should be fully documented including signature of the person removing the item and full documentation of its subsequent return.

All sales to a third party and write-offs must be approved by the Governing body or a nominated sub-committee. VAT must be recovered where applicable. The

Authority's write off procedures should be followed in such cases. No leased item is to be disposed of in any way without the express permission of the leasing company (via the Operational Director for Finance). This includes: sale, part exchange, scrapping, writing off, donating, re-leasing, sub-letting or any other form of "give away".

Stocks

The governing body is responsible for the control of all school stocks and for ensuring that these do not exceed reasonable requirements. Where the governing body considers the level of stocks held to be significant, they should ensure that full stock records are maintained and that an independent annual stock take is performed, with any significant discrepancies being reported to the governing body.

Cash

The amount of cash held on school premises shall be minimized by at least weekly banking, shall be held securely and shall not exceed the limits of the school's insurance cover. Any loss resulting from unauthorized entry, burglary or theft must be reported immediately to the police to comply with insurance requirements. Circumstances which suggest the possibility of financial irregularity or loss should be immediately reported to the Chief Internal Auditor. Keys for safes, alarm systems etc should be held by a responsible officer and shall never be left on the premises overnight.

2.1.5 ACCOUNTING POLICIES (including year-end procedures)

Schools are required to abide by the accounting policies and year-end procedures as issued by Halton LA.

At the year-end, governing bodies will submit any information requested as part of the process to close the LA's accounts and to comply with those requirements of the SSAF Act which relate to the publication of financial information. Information supplied at year-end should be on an accruals basis. Accounting records and associated documents must be retained in accordance with the LA Records Retention Policy which is available on Halton's Intranet.

2.1.6 WRITING OFF OF DEBTS

The governing body should establish which named members of the school's staff are authorised to cancel, replace or write-off invoices, and their respective financial limits for such action. Requests to write off invoices raised through the LA's Sundry Debtor system should be referred to the Strategic Director of Policy and Resources. The write-off of bad debts should be reported to the governing body with full explanation of the reasons for the write-off. Debts relating to school meal income cannot be written off without consultation with the School Meals Service.

2.2 BASIS OF ACCOUNTING

Reports and accounts furnished to the LA must be on an accruals basis. Separate guidance as to the level of detail and frequency of submission will be issued. Schools may operate their internal systems on either a cash or an accruals basis.

2.3 SUBMISSION OF BUDGET PLANS

Each school will receive notification of its budget for the following financial year by 31 March each year.

The full governing body must prepare and formally approve a budget plan and a detailed allocation of its budget. These should reflect all anticipated expenditure and income during the forthcoming financial year, and should facilitate the achievement of the schools' educational objectives in line with the School Development Plan. Schools are permitted to take account of estimated balances in submitting the annual budget plan. The budget allocation shall be prepared in the format specified by the Strategic Director of Policy and Resources and sent to the Children and Enterprise Team in Financial Management Division by 30th June each year following approval by the board of Governors. Schools with a local bank account facility may be required to submit a budget plan before 31st May. This budget plan will be provisional and marked accordingly.

Governing Bodies must formally consider and approve any variation from their spending plan which results from significant policy changes.

Under the SSAF Act 1988, the budget delegated to schools may only be used to meet expenditure incurred for the educational benefit of pupils.

The LA will supply schools with all income and expenditure data it holds which is necessary to efficient planning by schools.

BUDGETARY CONTROL

The governing body is responsible for the management and direction of the delegated school budget, so as to achieve their objectives for the school. This involves monitoring and control of expenditure and income and the regular review of performance. The LA will provide the school with regular reports of income and expenditure to aid this process. This responsibility may be delegated to the Executive Head Teacher / Headteacher and other members of the school's staff via a written Scheme of Delegation approved by the full governing body, which details the extent of each person's financial authorisation.

The Executive Head Teacher / Head teacher should seek approval of the governing body, before any expenditure commitment is made which is likely to have a material effect upon the school's finances in the current or future years, or which constitutes a new or significantly different policy.

The Headteacher (assisted by the Financial Management Division if purchased via an SLA) should provide the governing body with regular reports, in a suitable format, of the school's financial position. The report should present as a minimum level of detail, actual and committed expenditure, comparison with the budget and an explanation of any variances.

Governing bodies may plan to carry resources forward for projects such as the replacement of equipment.

Provided they can continue to meet future commitments, governing bodies may use their delegated budget to meet 'excepted' revenue items, when they wish to secure a service over and above that provided by the LA.

Prior to entering into a commitment which affects spending in a subsequent year the governing body must be satisfied that any such expenditure can be met from its likely budget for that year.

Where a governing body wishes to enter into an agreement to lease or hire goods or services for a period of more than 12 months, approval must be sought from the Financial Management Division before any contract is signed.

2.3.1 Submission of Financial Forecasts

While it is beneficial for schools to have a three-year financial forecast in place, it is recognised that this is only possible when the LA is advised of indicative budgets for that three-year period.

In coding and recording any expenditure and income schools must ensure they use the appropriate LA code for Consistent Financial Reporting returns.

2.4 Efficiency and Value for Money

Schools must seek to achieve efficiencies and value for money, to optimize the use of their resources and to invest in teaching and learning, taking into account the Authority's purchasing, tendering and contracting requirements. It is for heads and governors to determine at school level how to secure better value for money.

There are significant variations in efficiency between similar schools, and so it is important for schools to review their current expenditure, compare it to other schools and think about how to make improvements.

2.5 VIREMENT

Provided overall spending is contained within the total delegated budget, the governing body may approve transfers of budget between account codes to facilitate a more effective deployment of resources and thereby aid their budget management.

Budget virements should not however be undertaken merely to match budgets to actual expenditure and income.

The governing body should establish and approve a written policy in terms of budget virements. This should state which members of the school's staff have authority to undertake virements and at what financial level, and that the governing body's approval is necessary for any virements in excess of a specified amount or which relates to a significant change of policy.

The governing body must formally consider and approve any variations from spending plans which result from significant policy changes. Where such a significant change is approved by the governing body, a virement should be requested to effect the change to the detailed allocation, along with a revised budget plan to support the change.

Schools with a local bank account choosing to change the levels of pay and non-pay budgets must do so through a virement submitted to the Children and Enterprise team in the Financial Management Division in order that a cash adjustment can be made in the next advance. No budget virements can be accepted from Local Bank Account schools after the 15th February each financial

year, as it is not possible to process the cash adjustment before the final cash advance is made to schools.

2.6 AUDIT: GENERAL

The audit regime for schools will be determined by the local authority as regards internal audit, and by the Council's appointed external auditor. Schools are required to co-operate with this regime.

An independent internal audit of the school's activities will be provided by the Operational Director - Finance as part of the Section 151 Officer's statutory obligations to ensure the correct use of public funds. The main purpose of the audit is to review, assure, alert and advise the governing body on the control and systems employed by them in carrying out the schools activities, and to assist the school in achieving optimum economy, efficiency and effectiveness as well as to assist schools in managing the risks that they face.

The LA's internal auditors shall have full access to school's assets, records and transactions. They are entitled to ask for any information and explanations from any staff member to help them complete their research.

The Headteacher will be provided with a report following every internal audit review of the school's activities, which the Headteacher shall present to the next meeting of the full governing body. A copy of the final audit report will be distributed to Strategic and Operational Directors in both the Policy & Resources and Children & Enterprise Directorates as well as being presented at the Council's Business Efficiency Board (Audit Committee).

Any matters which involve, or are thought to involve irregularities affecting cash, stores, other school property or the unofficial fund, shall be notified by the Headteacher to the Chair of Governors and to the Council's internal auditors. The latter will then advise as to the best course of action to be followed.

Written reports on the investigation of irregularities will be presented to the governing body, the Headteacher and the Strategic Director – Children & Enterprise as soon as practicable by the Divisional Manager – Audit & Operational Finance.

The governing body shall ensure that the staff of the local authority's External Auditors are also granted full access to schools' assets, records and transactions. They are entitled to ask for any information and explanations from any staff member to help them complete their research.

2.7 SEPARATE EXTERNAL AUDITS

The governing body may spend funds from its budget share to obtain independent external audit certification of its accounts for its own purposes. This certification would be separate from any Council internal or external audit process, and would not in any way replace the Council's processes.

2.8 AUDIT OF VOLUNTARY AND PRIVATE FUNDS

The end of year audited accounts for voluntary and private school funds, comprising an income and expenditure account, balance sheet and audit certificate (complying with any relevant Charity Commission requirements) shall

be presented annually to a meeting of the full governing body. A copy of the audit certificate must be sent to Internal Audit (internal.audit@halton.gov.uk)..

A voluntary or private (unofficial) school fund is defined as any fund established to support school activities but generated by funds which are independent of school's official resources. It is controlled partly or wholly by a person appointed by the governors, and therefore parents, students and supporters of such funds are entitled to expect the fund to be well-managed and controlled with the school demonstrating prudent stewardship of the funds in the same way as public funds. The common example of such a fund is the School Fund.

The unofficial fund monies shall at all times be kept completely separate from the school's delegated budget. Payments relating to the school's delegated budget should not be made via unofficial funds, and vice versa. Under no circumstances shall payments in respect of salaries, wages, travelling or other employee related expenses, be made out of an unofficial fund.

2.9 REGISTER OF BUSINESS INTERESTS

It is important that governors and staff not only act impartially, but are also seen to act impartially. The governing body and school staff have a responsibility to avoid any conflict between their business and personal interests and affairs and those of the school. There is a legal duty on the Head teacher and all governors to declare an interest likely to lead to questions of bias when considering any item of business at a meeting and for the individual concerned to withdraw, if necessary, whilst the matter is considered.

To help put this duty into practice, a governing body is required to establish and maintain a register of pecuniary interests indicating, for all governors and the head teacher, any business interests. There is no comprehensive definition of what constitutes a business interest, but declarations should include any links with individuals, businesses, contractors, directorships, shareholdings or other appointments where the school may purchase goods or services from or who are directly employed by the school. It should also include interests of related persons such as parent, spouse, co-habitee, child or business partners where influence could be exerted by that person over a governor or a member of staff.

Completed individual declarations should be maintained together in a register of interests. The register will enable governors to demonstrate that in spending public money they do not benefit personally from decisions that they make.

Governing bodies should ensure the register is up to date, complete and includes the Head teacher all governors as a minimum. Dated nil returns are, therefore, required. There should be notification of changes from governors, as appropriate, and through an annual review of entries. To ensure evidence of completeness the register should be signed off annually by the chair of governors.

The completed register should be retained in school and made available on request to members of the governing body, the Head teacher, staff, parents and the Director Children's Services.

It is the responsibility of each individual governor to declare their interest. The register is not a substitute for declaring an interest at meetings. Any governor, Head teacher or other member of staff who has a personal or material interest in any contract affecting the school shall declare that interest to the governing body,

or its relevant committee, and not vote when a decision is being made. If there is uncertainty as to whether or not to disclose an interest, the safest course is to disclose.

2.10 PURCHASING, TENDERING AND CONTRACTING REQUIREMENTS

Governing bodies are required to abide by the LA's financial rules including standing orders in purchasing, tendering and contracting matters. Schools should assess in advance, where relevant the Health and Safety competence of contractors, taking account of the authority's policies and procedures.

Any sections of the LA's financial regulations and standing orders will be disapplied which would require schools:-

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

Prior to contracting with a provider of labour, schools are required to carry due diligence checks expected by HMRC. A questionnaire (Form HMRC LP1) must be completed for each supplier of labour and returned to HMRC directly. Further information can be obtained from the Purchase to Pay Team.

The governing body is responsible for all orders raised in relation to the school budget. Authority to sign such orders up to given financial limits should be restricted to a small number of persons approved by the governing body.

In order to ensure that the school obtains value for money, except where a School opts to retain services provided by the Local Authority. The governing body must formally agree and document the value above which written quotations should be obtained, For purchases of less than the agreed amount, quotations are advisable where appropriate. These should be retained for auditing purposes.

Where the lowest quotation is not accepted the reasons should be reported to governors. Where it is impractical to obtain three written quotations (e.g. due to the specialist nature of the goods or services required) this should also be reported to governors.

The governing body shall ensure that before an order is placed, sufficient budgetary provision exists to meet all the costs associated with that order.

Only official, pre-numbered, LA order forms and order forms produced by Agresso or FMS6 shall be used to place all orders for goods and services. The main exceptions are those relating to public utilities, periodic payments, rent, rates, petty cash purchases, formal contracts and contracts made under framework agreements and exceptions approved by the Strategic Director of Policy and Resources . Governing bodies are responsible for the secure storage of orders and their proper use within the school.

Each order must clearly state the nature of the goods or services, the quantity supplied, the agreed charge or estimated cost, together with the delivery address and any other relevant details. Copy orders should be securely retained in numerical order.

Official LA order forms shall not be used to obtain goods and services for individuals.

Only in cases of extreme urgency can an order be issued verbally, which shall then be confirmed with a written order as soon as possible afterwards, marked "CONFIRMATION ORDER ONLY".

It is permissible to transmit orders electronically but the reverse side of the order form should also be transmitted to ensure the supplier is in receipt of the LA's terms and conditions.

We are not able to process invoices on the Council ledger in a foreign currency, GBP only. Therefore, we would always recommend making the purchase from a foreign country by HBC credit card as this provides greater security in terms of any risk of fraud or insurance issues. The credit card method is also one of the most cost effective methods to make a purchase from abroad. If your provider is unwilling to accept payment by credit card (which is unusual in today's market) then the only other facility we can offer is to make an International Payment which we have to coordinate through Nat West.

Such transactions are not cost effective as Halton incurs a bank charge with Nat West for each international payment. In addition to this cost there is also an administrative cost of staff time in preparing, authorising and processing an International Payment on Nat West's Bankline system. To cover these costs, schools will be charged an administration fee of £50 (subject to annual review) for each International Payment that we process on the school's behalf.

Prior to making any purchases from abroad it would be prudent and good practice for the school to confirm the method of payment with the supplier in advance of making the purchase. Depending on the type of goods being purchased, the other issue to consider is that the overall cost of the transaction from abroad could actually work out to be more expensive than making the purchase from UK.

See Annex D for full details on Procurement.

2.11 APPLICATION OF CONTRACTS TO SCHOOLS

Schools may opt out of an LA arranged contract with the exception of the following circumstances. Any costs incurred by a governing body as a result of breaking the terms of a contract will be charged to the school's delegated budget.

Governing bodies are empowered under paragraph 3 of schedule 1 to the Education Act 2002 to enter into contracts, in most cases they do so on behalf of the authority as maintainer of the school and the owner of the funds in the budget share. Other contracts may be made solely on behalf of the governing body, when the governing body has clear statutory obligations – for example, contracts made by aided or foundation schools for the employment of staff.

Contracts referred to in this Section means any agreement entered into for the supply of goods or services, but does not include contracts of employment. Examples of such contracts include window cleaning, equipment purchase maintenance and support, and construction work.

Before entering into a contract for the supply of goods, materials or services, the governing body are required to consider the procurement guidance contained within the Schools Financial Regulations.

2.12 CENTRAL FUNDS & EARMARKING

The LA will make sums available to schools from central funds, in the form of allocations which are additional to and separate from the schools' budget shares. Such allocations will be subject to conditions setting out the purpose or purposes for which the funds may be used. Any virement between these funds must not be carried out to the point of assimilating the allocations into the school's budget share. An example of this includes funding for SEN.

Funding earmarked from centrally retained funds must be spent within the same financial year, or within the period over which schools are allowed to use the funding if different, on the purpose for which it is given, or on other budget heads for which earmarked funding is given, and not vired into the budget share. Schools should be able to demonstrate that this requirement has been complied with. Any unspent earmarked funding not spent within the designated period must be returned to the LA.

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

2.13 SPENDING FOR THE PURPOSES OF THE SCHOOL

Section 50 (3) allows governing bodies to spend budget shares for the purposes of the school, this is subject to regulations made by the Secretary of State and any provisions of the scheme. By virtue of Section 50 (3a) which came into force on the 1st April 2011, amounts spent by Governing Bodies on community facilities or services under Section 27 of the Education Act 2002 will be treated as if spent for any purposes of the school.

2.14 CAPITAL SPENDING FROM BUDGET SHARES

Capital expenditure will in the main be determined and financed by the LA and this expenditure will not form part of schools' budgets. However, a governing body considering undertaking a capital scheme can fund such a scheme from its delegated budget, taking into account any carry forward built up for this purpose or its devolved formula capital allocation on work which is their responsibility.

Any capital expenditure from a community school's budget share must be notified to the LA. Schools must take the advice of the LA on any capital spending from their school budget share. Governing bodies must notify the LA of any expected capital expenditure from the school budget share. Governors need to take into account any advice from the LA on the merits of any proposed capital expenditure if it exceeds £15,000. This includes schools seeking to bid for specialist schools status. Consent will only be withheld on health and safety grounds. The reason for these provisions is to help ensure compliance with the current Schools Premises Regulations, DFE Construction Standards, and health

and safety legislation. These provisions would not affect expenditure from any capital allocation made available by the Authority outside the delegated budget share.

APPROVAL TO INCUR CAPITAL EXPENDITURE

The governing body shall formally approve any proposal to incur capital expenditure having first been presented with a detailed report of the proposal, which clearly states all the one-off and on-going financial implications of the proposal and the method of financing such costs. The report should also relate the proposal to the objectives and action plan contained within the school's development plan. The governing body must also have regard to the provisions of this scheme, in particular the requirements concerning tendering procedures.

Any additions to or changes from the original proposal, shall be approved by the governing body before any commitment is entered into.

Approval for all capital expenditure on LA owned premises shall be considered gross of any income, capital receipts, grant income, donations, reimbursements etc. even if the net cost is nil. A governing body of a school where the LA owns the premises may approve gross capital expenditure up to a limit of £100,000. Gross capital expenditure of greater than £100,000 requires the approval of the LA's Executive Board before any commitment is entered into.

PURCHASE OR LEASE OF LAND OR BUILDINGS

The purchase or lease for longer than three years, of land and buildings which are not included in the LA's Capital Programme, must be approved by the LA's Executive Board before any commitment may be entered into.

Where a governing body wishes to enter into an agreement to lease or hire goods or services for a period of more than 12 months, approval must be sought from the Financial Management Division before any contract is signed.

MONITORING CAPITAL EXPENDITURE

All capital expenditure must be separately coded in the school's accounts, in order that it can be clearly identified by the LA when considering the Authority's overall capital expenditure allocation (contact the Financial Management Division for advice).

Each meeting of the full governing body shall receive a report of all capital expenditure, which shall include details of actual expenditure incurred compared to that originally approved, with reasons for any variance and proposals for financing any projected overspending.

VOLUNTARY AIDED AND SPECIAL AGREEMENT SCHOOLS

The SSAF Act empowers the governors of voluntary aided schools to use their school budget share to meet their element of the trustees' expenditure on capital works, which is not reimbursed through the DFE grant aid. A school's budget may also supplement the grant funding available to Voluntary Aided Schools, to permit building projects to go ahead. Use of budget resources to fund any expenditure which is not the statutory responsibility of the LA will incur Value

Added Tax at the standard rate and cannot be reclaimed. This includes all the proposals outlined here.

2.15 NOTICE OF CONCERN

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

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

These may include:

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

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

The purpose of this provision is to enable a local authority to set out formally any concerns it has regarding the financial management of a school it maintains and require a governing body to comply with any requirements it deems necessary. The principal criterion for issuing a notice, and determining the requirements included within it, must be to safeguard the financial position of the authority or school.

It should not be used in place of withdrawal of financial delegation where that is the appropriate action to take; however, it may provide a way of making a governing body aware of the authority's concerns short of withdrawing delegation and identifying the actions a governing body should take in order to improve their financial management to avoid withdrawal.

2.16 SCHOOLS FINANCIAL VALUE STANDARD (SFVS)

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

Governors must demonstrate compliance through the submission of the SFVS assessment form signed by the Chair of Governors. The form must include a summary of remedial actions with a clear timetable, ensuring that each action has a specified deadline and an agreed owner. **Governors must monitor the progress of these actions to ensure that all actions are cleared within specified deadlines.**

All maintained schools with a delegated budget must submit the form to the local authority annually by 31st March.

2.17 FRAUD

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

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

3. INSTALMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS

3.1 FREQUENCY OF INSTALMENTS

Schools opting for a non-pay bank account may choose to have instalments paid into a bank account on a termly or monthly basis. Schools opting for their gross budget share, i.e. pay and non-pay budgets will have instalments paid into a bank account on a monthly basis. Schools with local bank accounts for non-pay budgets who wish to alter their frequency of instalments must place this request in writing to the Children and Enterprise team within the Financial Management Division at least two months prior to the start of the relevant financial year

3.2 PROPORTION OF BUDGET SHARE PAYABLE AT EACH INSTALMENT

Schools choosing to take pay budgets will receive monthly cash advances of equal weightings on the 1st of each month based on their Individual School Budget Allocation. Schools choosing to take non-pay budgets can opt to receive monthly cash advances of equal weighting or termly advances. Monthly advances for schools with non-pay bank accounts will be paid on the 1st of each month. Termly advances will be payable on 1 April, 1 September and 1 January. The proportion of these advances will be 40% on 1 April, 35% on 1 September and 25% on 1 January. The estimated advances until completion of the school budget upload will be based on a nominal split between pay and non pay on an 80/20 basis. Subsequent advances will be based on the Schools budget plan, to be agreed by Governors and submitted to the LA by 30th June. .

3.3 INTEREST CLAWBACK

The LA will not deduct any claw back for schools opting to take non-pay budgets on a monthly basis payable on the 1st of each month. A deduction of 1% of the non-pay budget will be made to the instalments of schools opting to take non-pay budgets on a termly basis. For schools opting to take their total budget share on 1st day of the month (i.e. pay and non-pay budgets) claw back will be deducted on all the pay elements as these sums will be paid to the school in advance of the teachers and non-teaching staff pay dates and staffing on-costs. Interest will be calculated at the seven day money market rate, as published in the "Local Government Chronicle" each Friday, and will only be deducted for the dates affected.

3.3.1 INTEREST ON LATE BUDGET SHARE PAYMENTS

The LA will add interest to late payments of budget share instalments, where such late payment is the result of LA error. The interest rate used will be the same calculation as used in the claw back calculation.

3.4 BUDGET SHARE FOR CLOSING SCHOOLS

For schools for which approval for discontinuation has been secured, budget shares may be made available until closure.

3.5 BANK AND BUILDING SOCIETY ACCOUNTS

Schools without a bank account at the start of the scheme cannot opt to hold one until any deficit balance has been cleared. Any school requesting a bank account at a later date will not be able to do so until any deficit has been cleared. The request for a school to operate a local bank account for the first time must be made following the agreement of the full Governing Body

Where schools have an external bank account they can retain all interest payable on the account unless they choose to have an account within the Halton LA contract which may make other provision.

Any school funded under LMS which wishes to either opt for its own bank account for the first time or to opt to take their gross budget share may only do by seeking approval from the Operational Director – Finance at least four months prior to the start of the financial year. This request should be made in writing to the Operational Director - Finance and should be accompanied by a copy of the full Governing Body minutes from the meeting at which the decision was made.

Bank accounts will only take effect from the beginning of the financial year.

Schools opening new external bank accounts, will have an immediate transfer to the account of an amount agreed by both school and LA as the estimated surplus balance held by the LA in respect of the school's budget share, if the school desires and on the basis that there is then a subsequent correction when accounts for the relevant year are closed.

IMPREST ACCOUNTS

Imprest accounts (in the form of a bank account or petty cash) will be provided to governing bodies as considered appropriate by the Operational Director for Finance, to meet "minor" expenses only.

The governing body should ensure that the amount of the imprest account provided is appropriate for making minor payments locally, and that where petty cash is held on the premises, the amount is such that it is acceptable with regard to the school's insurance cover, and is held securely.

Access to the imprest account should be restricted by the governing body, to one or two authorised members of staff. These shall be the only persons authorised to make purchases using the imprest account, having first ensured there are sufficient funds available in the account.

Only "minor" items should be purchased through the imprest account, therefore the governing body should determine the maximum value of any single transaction which may be purchased using a bank imprest account.

3.5.1 RESTRICTIONS ON ACCOUNTS

Maintained schools can opt to have an external bank account, from a designated list produced by the Financial Management Division of Halton LA, into which their budget share instalments are paid. Schools having bank accounts with other banks prior to 1 April 2001 will be allowed to retain those accounts. Should they choose to close this account and propose to open a new account, this must be chosen from the Halton LA designated list.

Schools may have accounts for budget share purposes, which are in the name of the school rather than the LA. If a school has such an account the mandate should provide that the LA is the owner of the funds in the account; that it is entitled to receive statements; and that it can take control of the account if the school's right to a delegated budget is suspended by the LA.

Schools may opt to hold a bank account for budget share purposes which is in the name of the school rather than the LA. Arrangements may be negotiated with certain banks whereby the accounts are in the name of the LA but specific to each school, such arrangements will be offered to schools.

Budget share funds paid by the LA and held in school accounts remains the LA property until spent.

Signatories to the external bank account may only be LA employees and school employees. Governors who are not members of staff at the school may not be signatories.

Schools are not permitted to hold a credit card unless it is a Corporate credit card which is managed by the LA. Schools must not obtain any other credit card, as this constitutes borrowing and is not permitted.

Schools may not operate debit cards.

Schools are permitted to make payments via BACS subject to the approval of the Operational Director for Finance. In making such payments schools do so at

their own risk and any loss would not be covered under the LA's insurance arrangements.

Direct Debits and Standing Orders are permissible where a school operates a local bank account.

Online banking may be used for the purpose of viewing and downloading up to date statement information.

See Annex E for details on the operation of Local Bank Accounts.

3.6 BORROWING BY SCHOOLS

Governing bodies may borrow money only with the written permission of the Secretary of State. This provision does not apply to the Trustees and Foundations, whose borrowing, as private bodies, makes no impact on the Government accounts. These debts may not be serviced directly from the delegated budgets, but schools are free to agree a charge for a service which the Trustees or Foundation are able to provide as a consequence of their own borrowing. Governing bodies do not act as agents of the LA when repaying loans.

3.7 OTHER PROVISIONS

The governing body is responsible for ensuring that procedures are operated within the school to permit only bona fide transactions to be made via the local bank account. Any losses or costs arising in respect of a local bank account, due to error, negligence or irregularity are the responsibility of the governing body and will be charged against the school's budget.

The Governing body shall determine a true and fair assessment of the school's proposed pay and non-pay budgets, for the purposes of the calculation of their local bank account advances. Where the Operational Director for Finance considers such an assessment has not been made, cash flow charges may be made against the school's budget.

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

4.1 THE RIGHT TO CARRY FORWARD SURPLUS BALANCES

Schools can carry forward from one financial year to the next any shortfall in expenditure relative to the school's budget share for the year plus/minus any balance brought forward from the previous year. The balance each school will carry forward will be detailed in their Section 251 outturn statement.

The Strategic Director for Policy and Resources will provide the governing body with details of the school's accounts as soon as possible after the conclusion of each financial year, including the carry-forward balance.

Section 3.5 details the arrangements for the carry forward of surplus balances to new bank account schools. The provisional balance will be calculated by taking the schools spend to date on the ledger plus current commitments from the school's revised budget. A full reconciliation of the balance will be completed at

the next financial year end and an adjustment, plus or minus, will be made to the provisional balance.

4.2 CONTROLS ON SURPLUS BALANCES

The governing body, in considering its budget allocation for the new financial year, should give consideration to the level of carry-forward from the previous year. In particular they should consider whether the amount was as expected and if not why not, whether the amount is considered reasonable in comparison to the total school budget and the level of contingency provision thought necessary, and, by reference to the school's development plan, what proposals have been earmarked for the use of the carried forward balance.

The LA will report to Schools Forum during the summer term each year on both LMS and Non-LMS balances for each school. Following a change in regulations it is now at the discretion of Schools Forum how balances are dealt with in current and future years. Schools Forum reserves the right to re-introduce an excess surplus balance limit and also to call upon any school to explain the balance they have and proposals for its use.

The level of carried forward balance should be reported by the governing body to parents in the annual governors' report, with detailed proposals for the use of the balance.

4.3 INTEREST ON SURPLUS BALANCES

Governing bodies of non-local bank account schools may request the Strategic Director for Policy and Resources (via Financial Management Division) to place monies from their delegated budget, including carried forward balances, on deposit with the LA, in order to earn interest. The Strategic Director for Policy and Resources will decide upon the appropriate interest rate in line with the seven day money market rate, as published in the "Local Government Chronicle" each Friday. Money which is surplus to immediate requirements can be placed on long-term deposit (to be spent in a subsequent financial year). Interest will also be paid on a "cash flow" basis where a schools' monthly expenditure is less than the average profile.

Alternatively, funds may be invested with the financial institutions named on the list of authorised institutions drawn up by the Strategic Director for Policy and Resources, but only in accounts which provide immediate access to the whole of the sum invested.

LA monies shall not be deposited in private funds, unofficial funds, personal accounts, or any other account not approved by the Strategic Director for Policy and Resources.

4.4 OBLIGATION TO CARRY FORWARD DEFICIT BALANCES

Any overspending on a school's budget remaining at year-end, will be the first call on any monies invested in the Deposit Savings Scheme, and any overspending remaining thereafter will be deducted from the school's budget for the following year. Such a deficit balance will be shown on the Section 251 Outturn statement.

Arrangements for the repayment of deficits over a period of more than one year should be made following special agreement with the Strategic Director for Policy and Resources. Where a school has a deficit balance at the beginning or end of any financial year as detailed above the Authority reserve the right to charge interest (see 4.6).

4.5 PLANNING FOR DEFICIT BUDGETS

Governing bodies should not plan a deficit budget, after taking into account carried forward balances. Schools with a carry forward are expected to be able to achieve a balanced budget in the following financial year. However, exceptionally where schools can demonstrate that achieving such a balance within the next financial year will prove to be severely detrimental to the functioning of the school, the Strategic Director for Children and Enterprise, may consider allowing a licenced deficit for a strictly limited number of years (see section 4.9).

4.6 CHARGING OF INTEREST ON DEFICIT BALANCES

The LA may charge interest on deficit balances. Interest will be charged by using the seven day money market rate, as published in the "Local Government Chronicle" each Friday and using the calculation below.

Where a school has a deficit balance at the beginning or the end of any financial year (ie a deficit balance at 1st April equal to the deficit balance on 31st March), the Authority reserves the right to charge interest on the following basis:-

If the school is in deficit at the beginning of a financial year, and ends the financial year in deficit, interest will be calculated by adding together the opening balance of the school to the closing balance at the end of the financial year, then dividing this sum by two. Interest will be charged on this average deficit using the annualised seven day money market rate, as published in the 'Local Government Chronicle'.

If the school is in deficit at the beginning of a financial year but in surplus at the end of the financial year, or in surplus at the beginning of the financial year but in deficit at the end of the financial year, the estimated number of weeks the school has been in deficit will be calculated by profiling the movement between the opening and closing balance evenly throughout the 52 weeks of the financial year.

4.7 WRITING OFF DEFICITS

The LA cannot write-off the deficit balance of any school. Schools in financial difficulty may wish to apply via Schools Forum for additional funding, subject to the need for such additional funding meeting the criteria set out in the funding regulations.

4.8 BALANCES OF CLOSING AND REPLACEMENT SCHOOLS

Upon the closure of a school, any balance (whether surplus or deficit) reverts to the LA and cannot be transferred as a balance to any other school, even where that school is a successor to the closing school. except that a surplus transfers to an academy where the school converts to academy status under section 4(1)(a) of the Academies Act 2010.

4.9 LICENSED DEFICITS

Under exceptional circumstances, where schools can demonstrate that achieving a balanced budget within the next financial year will prove to be severely detrimental to the functioning of the school, the Strategic Director for Children and Enterprise may consider plans for a school to have a licensed deficit, for one year initially, and exceptionally up to a maximum of three academic years. In such instances the Governing Body must provide in writing to the Strategic Director for Children and Enterprise:

- A full explanation of the situation, demonstrating that attempting to balance the budget in the next financial year would prove to be severely detrimental to the functioning of the school.
- A detailed action plan with proposed timescales, designed to achieve a balanced budget within an agreed timescale.

The case submitted must be approved by the Strategic Director for Children and Enterprise, in consultation with the Strategic Director for Policy & Resources. Termly reports to the Strategic Director for Children and Enterprise must be submitted until the approved action plan is fully implemented.

Deficits will only be agreed for amounts up to a maximum of 10% of the school budget share.

Approval of licensed deficits will be subject to the availability of sufficient resources within the LA reserves. A maximum of 25% of the collective school balances held by the Authority will be available to back such arrangements.

4.10 LOAN SCHEME

Halton Borough Council no longer operates a school loans scheme.

4.10.1 CREDIT UNION APPROACH

Schools opting to adopt a credit union approach to loans are required to provide audit certification to the LA, unless the LA acts as administrator of the arrangement.

5 INCOME

5.1 INCOME FROM LETTINGS

Schools may generate and retain income from letting the school premises, unless the income is subject to alternative provisions arising from any joint-use or PFI/PPP agreements. The level of charge to be levied for each type of letting, should be reviewed and approved annually by the governing body. Schools may cross-subsidise lettings for community and voluntary use with income from other lettings, provided there is no net cost to the budget share. Schools must have regard to directions issued by the LA as to the appropriate use of school premises, as permitted under the Act for various categories of schools. Income from lettings of school premises should not normally be payable into voluntary or private funds held by the school.

Lettings of school premises not owned by the LA are not affected by this provision.

Governing bodies are responsible for all costs that may arise from letting school premises. If a letting results in costs being incurred by the LA on repairs or the replacement of buildings, grounds or equipment, the LA reserves the right to charge the costs to the school's delegated budget.

The governing body shall ensure that where appropriate, VAT is charged on lettings and properly accounted for in accordance with the appropriate VAT regulations. Further advice may be obtained from the Financial Management Division.

5.2 INCOME FROM FEES AND CHARGES

Schools may generate and retain income from fees and charges, except where a service is provided by the authority from centrally retained funds. The level of charge to be levied for each activity should be reviewed and approved annually by the governing body. Schools must have regard to any policy statements on charging issued by the authority.

5.3 INCOME FROM FUND-RAISING ACTIVITIES

Schools may retain income from fund-raising activities within the voluntary or school fund where these have been earned at no cost to the school's official budget.

5.4 INCOME FROM THE SALE OF ASSETS

Schools may retain the proceeds from the sale of assets except in cases where the asset was purchased with non-delegated funds (in which case it should be for the authority to decide whether the school should retain the proceeds) or if the asset concerned is land or buildings forming part of the school premises and is owned by the LA. The retention of proceeds of sale for premises not owned by the authority will not be a matter for the scheme.

5.5 ADMINISTRATIVE PROCEDURES FOR THE COLLECTION OF INCOME

The governing body shall ensure procedures are operated within the school for the safe and efficient collection, receipt and accounting of all money due to the LA. Unless otherwise stated in this Scheme, all income retained must only be used for the purposes of the school.

Invoices for income due in respect of charges for work done, goods supplied or services rendered should be raised promptly using a method approved by the Strategic Director for Policy and Resources. All payments in settlement of an account should be paid into the LA bank account or approved local bank account as appropriate.

All income should be promptly paid over, at least weekly, to the Strategic Director for Policy and Resources or deposited in the Council's name using banking arrangements approved by the Strategic Director for Policy and Resources. No deductions may be made from the sum received.

5.6 PURPOSES FOR WHICH INCOME MAY BE USED

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

6 THE CHARGING OF SCHOOL BUDGET SHARES

6.1 GENERAL PROVISION

The authority may charge the budget share of a school without the consent of the governing body only in circumstances expressly permitted by the scheme, and requires authorities to consult schools as to the intention to so charge, and notify schools when the charge has been done.

Although the right of authorities to protect their financial position from liabilities caused by the action or inaction of governing bodies by charging budget shares is well established, the government is anxious to ensure that schools are clearly aware of the circumstances in which this may happen. The main circumstances in which charging is permitted is listed at 6.2.

For each of these circumstances the authority would have to be able to demonstrate that the authority had necessarily incurred the expenditure now charged to the budget share. This means that where the authority cannot incur a liability because the statutory responsibility rests elsewhere, no charging is possible. Therefore the position on charging will vary between categories of school.

In some cases the ability to charge budget shares depends on the authority having given prior advice to the governing body. Authorities need to ensure that they have taken steps that enable them to give advice whenever possible, and will wish to remind schools of this.

For the avoidance of doubt, local authorities may de-delegate funding for permitted services without the express permission of the governing body, provided this has been approved by the appropriate phase representatives of the Schools Forum.

6.1.2 CHARGING OF SALARIES AT ACTUAL COST

Salaries of school-based staff will be charged to school budget shares at actual cost.

6.2 CIRCUMSTANCES IN WHICH CHARGES MAY BE MADE

Charges may be made in the following circumstances:

6.2.1 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);

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

6.2.3 Awards by courts and industrial tribunals against the authority, or out of court settlements, arising from action or inaction by the governing body contrary to the authority's advice

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

Authorities should ensure in framing any such advice that they have taken proper account of the role of aided school governing bodies.

6.2.4 Expenditure by the authority in carrying out health and safety work or capital expenditure 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;

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

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;

See also 10.1. The authority itself needs to consider whether it has an insurable interest in any particular case.

6.2.7 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 result is that monies are owed by the school to the authority;

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

6.2.9 Correction of authority errors in calculating charges to a budget share (eg pension deductions).

Before applying any such provision the authority should consider whether it is reasonable to do so. If the error dates back several years it may be questionable whether such charging is reasonable.

6.2.10 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.

6.2.11 Legal costs which are incurred by the authority because the governing body did not accept the advice of the authority (see also section 11).

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

6.2.13 Compensation paid to a lender where a school enters into a contract for borrowing beyond its legal powers, and the contract is of no effect.

6.2.14 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.

6.2.15 Costs incurred by the LA 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 low cost high incidence SEN and/or specific funding for a pupil with High Needs;

6.2.16 With the exception of any losses occasioned as a result of error, negligence or irregularity by the LA, all other losses or costs arising in respect of a local bank account, due to error, negligence or irregularity.

6.2.17 Any loss arising from the failure to notify the Executive Director of Education and Social Inclusion of statement for a child/pupil attending the school who is not resident within the Borough.

6.2.18 Any "betterment" costs incurred when for example, replacing educational equipment and materials following damage by fire, if the appropriate insurance cover has been arranged by the LA.

6.2.19 Any overspending on earmarked funding (i.e., the allocation of funds to schools from a centrally held fund for specific purposes) will be charged to the school budget.

6.2.20 Recovery of amounts spent from specific grants on ineligible purposes.

6.2.21 Costs incurred by the authority as a result of the governing body being in breach of the terms of a contract.

6.2.22 Costs incurred by the authority due to submission by the school of incorrect data;

6.2.23 Costs incurred by the authority or another school as a result of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster.

Any dispute arising from charges against a school budget by the LA will be resolved by the LA's Executive Board.

7 TAXATION

7.1 VALUE ADDED TAX

Where a payment is subject to VAT, a VAT invoice shall be obtained, and the VAT element shall be properly identified within the coding of the invoice. VAT on expenditure relating to non-business activity will be reclaimed by the LA and not

met from the school budget. Failure to ensure that VAT is properly reclaimed will result in costs being met out of school budgets unnecessarily.

Certain types of income generated by schools attract VAT e.g. certain sports lettings, payphone income etc. Schools should ensure that VAT regulations regarding the treatment of income are complied with. Any penalties imposed by HMRC upon the LA as a result of a school's non-compliance may be recharged to the school.

Advice regarding VAT matters may be obtained from the Purchase to Pay Team, Financial Services Division.

7.2 CITS (Construction Industry Taxation Scheme)

Schools must abide by procedures issued by the Authority in connection with CITS.

There is a legal obligation placed on local authorities to make deductions of income tax from contractors' invoices which fall within the scope of the CITS scheme. This includes any payments made to contractors who carry out any type of building work for the school as they are effectively sub-contractors to Halton LA. The types of work included in the scheme are such things as painting and decorating, joinery, plumbing, etc.

In order to ensure that the information given on tax returns is accurate, no work involving CITS should be paid for from Voluntary or Unofficial Funds or from Imprest accounts or local bank accounts.

Schools must therefore send the invoice and where applicable a cheque from their local bank account made payable to Halton LA for the net amount excluding VAT. The Authority will make the appropriate deductions and be responsible for the payment to the contractor together with the accounting of such transactions to the HMRC.

If a school makes a payment in full to a sub-contractor when the invoice should have been processed through the CITS mechanism above, then the school will be liable to pay any penalty deductions the HMRC may decide to impose.

8 THE PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITY

8.1 PROVISION OF SERVICES FROM CENTRALLY RETAINED BUDGETS

The authority will determine on what basis services from centrally retained funds,, will be provided to schools.

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

8.2 TIMESCALES FOR THE PROVISION OF SERVICES BOUGHT BACK FROM THE LA USING DELEGATED BUDGETS

The term of any arrangement with a school to buy services or facilities from the LA is limited to a maximum of three years from the inception of the scheme or the

date of the agreement, whichever is the later. Any subsequent agreement relating to the same services will be limited to a maximum of five years. However, for contracts for supply of catering services an extension to five and seven years is allowable.

Services provided by the LA where the funding is not retained centrally under the Regulations made under section 46 of the Act, 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 will be met by the total income, even if schools are charged differentially.

8.2.1 PACKAGING

The authority will provide any services for which funding has been delegated and the Council is offering the service on a buyback basis, in a way in which does not unreasonably restrict schools' freedom of choice among the services available. Where practicable services will be offered on a service-by-service basis as well as in packages of services.

However, the Council may consider offering packages of services which offer a discount for schools taking up a wider range of services.

8.3 SERVICE LEVEL AGREEMENTS

Service Level Agreements must be in place by the last date in February each year to be effective for the following financial year. Schools will have at least one month's notice to consider the terms of agreements.

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

8.3.2 Services, if offered by the LA, will be available on a basis which is not related to an extended agreement, as well as on the basis of such agreements. Where services are provided on an ad-hoc basis, they may be charged for at a different rate than if provided on the basis of an extended agreement.

Where services are provided on an ad hoc basis they may be charged for at a different rate than if provided on the basis of an extended agreement.

Centrally arranged premises and liability insurance are excluded from the requirements on service supply covered under 8.2 and 8.3.

8.4 TEACHERS PENSIONS

Governing bodies of schools which provide payroll services should submit an annual return of salary and service to the Authority. Governing bodies should also ensure that details of Additional Voluntary Contributions (AVCs) are passed to the Authority within the time limit showed in the AVC scheme. The standards text for this is:

In order to ensure that the performance of the duty on the Authority to supply Teachers Pension with the information under the Teachers' Pension Regulations 1997, the following conditions are imposed on the Authority and governing bodies

of all maintained schools covered by this Scheme in relation to their budget shares.

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

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

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

9 PFI/PPP

The LA may in future issue provisions relating to PFI/PPP projects, which will form part of the scheme.

10 INSURANCE

10.1 INSURANCE COVER

Where funds for insurance are held centrally (or where cover is arranged centrally), the Strategic Director of Policy and Resources will arrange, administer and review insurance cover for any risks against which the LA considers the school and governing body should be indemnified and in which the LA has an insurable interest.

If funds for insurance are delegated to any school and the governing body of that school arranges its own insurance cover relevant to the authority's insurable interests, it must demonstrate that cover is at least equivalent to that which would otherwise have been arranged by the authority, if the authority itself were to make such arrangements. If cover is deemed to be insufficient, any expenditure incurred by the authority in insuring its own interests may be charged to the school budget.

The LA will insure schools against fire damage (unless the school has arranged its own insurance cover), including any consequential losses arising from making

good the situation, e.g. temporary accommodation. Claims are subject to negotiation and agreement with a loss adjuster who may require savings to be taken into account in arriving at a net position. Such savings could include the running costs that would have been incurred on premises had there not been a fire.

In dealing with the consequences of a fire, each incident is considered on its merits with the LA applying the following principles:

- any consequential loss not covered by insurance will be set against the savings to the school budget from having accommodation out of use.
- such consequential costs could include meeting any extra costs incurred by another school acting as temporary host for pupils displaced by fire.
- any school providing temporary accommodation may be reimbursed with those costs arising from the provision that are not covered by insurance.
- where items such as educational equipment and materials are replaced by schools, any "betterment" will be charged against the school budget.

A record of all insurance cover taken out by the LA will be maintained by the Divisional Manager – Audit & Operational Finance . The governing body shall notify the Strategic Director for Policy and Resources of any new risks or new assets which need to be insured, or any alterations to existing insurances, and of any occurrence which may lead to a claim.

Schools should not give any indemnity to a third party without the written consent of their insurers.

No remedial work may be commissioned where a claim for damage to property is involved until approved by the insurer.

If a school's activities take it outside the areas covered by their insurance cover arranged by the LA, the governing body shall extend the insurance cover following consultation with the Strategic Director for Policy and Resources. Any resulting costs shall be paid from the school's budget.

The handling of any claims on insurance policies which have been taken out without the involvement of the Strategic Director for Policy and Resources is the responsibility of the governing body.

Appropriate insurance to cover the potential liability of the governing body towards staff or third parties for any negligence in the exercise of their responsibilities as governors will be arranged by the Strategic Director for Policy and Resources under the following policies, unless schools make their own arrangements:

- Employer's Liability
- Public Liability
- Official's Indemnity
- Libel and Slander
- Money
- Fidelity Guarantee

- Personal Accident
- Motor Policy (Special Schools).

11 MISCELLANEOUS

11.1 RIGHT OF ACCESS TO INFORMATION

Governing bodies are required to supply all financial and other information which might reasonably be required to enable the Authority to satisfy itself as to the school's management of its delegated budget share, or the use made of any central expenditure by the Authority (eg earmarked funds) on the school.

11.2 LIABILITY OF GOVERNORS

Because the governing body is a corporate body, and because of the terms of Section 50 (7) of the Act, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share provided they act in good faith.

An example of behaviour which is not in good faith is the carrying out of fraudulent acts. Breaches of the scheme are not in themselves failures to act in good faith; neither is rejection of authority advice as to financial management.

11.3 GOVERNORS' EXPENSES

The authority will delegate to the governing body of a school yet to receive a delegated budget, funds to meet governors' expenses.

Under section 50 (5) of the Act, only allowances in respect of purposes specified in regulations made under section 19 of the Education Act 2002 may be paid to governors from a schools' delegated budget share. No other allowances may be paid. Schools may not pay expenses duplicating those paid by the Secretary of State to additional governors appointed by him/her to schools under special measures.

Governing bodies may only pay themselves travelling and subsistence allowances for the purposes of their role in respect of the school. This must be in accordance with the policy and rates previously resolved by the governing body. In addition, the total amount of travelling and subsistence allowances paid to governors must be separately reported in the financial statement of the annual report to parents.

11.4 RESPONSIBILITY FOR LEGAL COSTS

Legal costs incurred by the governing body, although the responsibility of the authority as part of the cost of maintaining the school unless they relate to the statutory responsibility of voluntary aided school governors for buildings, may be charged to the school's budget share unless the governing body acts in accordance with the advice of the Authority.

See also section 6. The effect of this is that a school cannot expect to be reimbursed with the cost of legal action against the authority itself (although there is nothing to stop an authority making such reimbursement if it believes this to be desirable or necessary in the circumstances).

The costs referred to are those of legal actions, including costs awarded against an authority, not the cost of legal advice provided.

Governing bodies may wish to seek independent legal advice, at a cost to their school budget share, where there is a conflict of interest between the authority and the governing body.

11.5 HEALTH AND SAFETY

Governing bodies must have due regard to duties placed on the authority in relation to health and safety, and the Authority's policy on health and safety matters in the management of the budget share.

Under Section 39 (3) of the School Standards and Framework Act the LA may issue directions to the governing body and the headteacher of a community, community special or voluntary controlled school on health and safety matters. These directions are enforceable, so far as governing bodies are concerned under Section 497 of the Education Act 1996 if not complied with.

11.6 RIGHT OF ATTENDANCE FOR CHIEF FINANCE OFFICER

Governing bodies are required to permit the Chief Finance Officer of the authority, or any officer of the authority nominated by the Chief Finance Officer, to attend meetings of the governing body at which any agenda items are relevant to the exercise of her or his responsibilities.

The Chief Finance Officer's attendance should normally be limited to items which relate to issues of probity or overall financial management; such attendance should not be regarded as routine. The authority should give prior notice of such attendance unless this is impracticable.

11.8 SPECIAL EDUCATIONAL NEEDS

Schools are required to use their best endeavours in spending their budget share to secure special education needs of their pupils.

11.9 INTEREST ON LATE PAYMENTS

Governing bodies are reminded to be mindful of the statutory requirements in relation to interest on late payments.

11.10 "WHISTLEBLOWING"

Any persons working at a school or school governor who suspects, with good reason, that financial irregularity or any other wrong-doing has occurred should immediately inform the Divisional Manager – Audit & Operational Finance of his/her concerns. This course of action gives the employee / governor an early opportunity to express his/her views in full. To wait and report the matter at a committee meeting could cause delay which may be detrimental to any necessary enquiries.

11.11 CHILD PROTECTION

In cases where a child is at risk schools will be expected to release staff to attend child protection case conferences and other related events.

11.12 REDUNDANCY/EARLY RETIREMENT COSTS

The 2002 Education Act sets out how premature retirement and redundancy costs should normally be funded. The guidance note summarises the position relating to the charging of voluntary early retirement and redundancy costs. It sets out what is specified in legislation and provides some examples of when it might be appropriate to charge an individual school's budget, the central Schools Budget or the local authority's non-schools budget.

Section 37 of the 2002 Education Act says:

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

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

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

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

Charge of dismissal/resignation costs to delegated school budget:

- If a school has decided to offer more generous terms than the authority's policy, then it would be reasonable to charge the excess to the school
- If a school is otherwise acting outside the local authority's policy
- Where the school is making staffing reductions which the local authority does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit
- Where staffing reductions arise from a deficit caused by factors within the school's control

- Where the school has excess surplus balances and no agreed plan to use these
- Where a school has refused to engage with the local authority's redeployment policy

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

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

Costs of early retirements or redundancies may only be charged to the central part of the Schools Budget where the expenditure is to be incurred as a result of decisions made before 1st April 2013. Costs may not exceed the amount budgeted in the previous financial year.

It is important that the local authority discusses its policy with its Schools Forum. Although each case should be considered on its merits, this should be within an agreed framework. It may be reasonable to share costs in some cases, and some authorities operate a panel to adjudicate on applications.

A de-delegated contingency could be provided, if Schools Forum agree, to support individual schools where "a governing body has incurred expenditure which it would be unreasonable to expect them to meet from the school's budget share".

For staff employed under the community facilities power, the default position is that any costs must be met by the governing body, and can be funded from the school's delegated budget if the governing body is satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the Education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement. Section 37 now states:

- (7) Where a local education authority incur costs—
- (a) in respect of any premature retirement of any member of the staff of a maintained school who is employed for community purposes, or
 - (b) in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school who is employed for those purposes,

they shall recover those costs from the governing body except in so far as the authority agree with the governing body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable.

(7A) Any amount payable by virtue of subsection (7) by the governing body of a maintained school in England to the local authority may be met by the governing body out of the school's budget share for any funding period if and to the extent that the condition in subsection 7(B) is met.

(7B) The condition is that the governing body are satisfied that meeting the amount out of the school's budget share will not to a significant extent interfere with the performance of any duty imposed on them by section 21(2) or by any other provision of the education Acts.

(8) Where a person is employed partly for community purposes and partly for other purposes, any payment or costs in respect of that person is to be apportioned between the two purposes; and the preceding provisions of this section shall apply separately to each part of the payment or costs.

13 RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

Governing Bodies will be responsible for all, non-capital building repairs and maintenance. The attached Annex B gives details of the split between capital and repairs and maintenance work. Reference in Annex B to substantial/substantially shall be defined as, an area in excess of 50 percent of the whole element under consideration, subject to the integrity of the building not being threatened prior to this percentage being reached.

In all matters of dispute, the professional view of the Consultants will take precedence.

The authority will accept no responsibility for work occasioned by neglect of regular maintenance.

All work undertaken must comply fully with Health and Safety requirements, buildings regulations and all current legislation. Work adjudged to be required under Health and Safety, must take priority, with work instigated as a matter of urgency.

Governors must be able to demonstrate that work undertaken has been subject to the Principles of 'Best Value' and shows active and effective stewardship of school property. School compliance with this process will be monitored by Halton LA. (see Section 2.4 of the Scheme).

Halton Borough Council has a Statutory Duty to monitor all work undertaken and to institute work where Governors have failed in their responsibilities or duty. The full cost of this remedial work will be charged to the school's budget. (see Section 6.2.4. of the Scheme)

14. COMMUNITY FACILITIES

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

Secretary of State issues guidance to governing bodies about a range of issues connected with exercise of the power, and a school must have regard to that.

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

- a) those contained in
- b) in the maintaining authority's scheme for financing schools made under section 48 of the School Standards and Framework Act 1998 As amended by Paragraph 2 of Schedule 3 to the Education Act 2002. This amendment extended the coverage of schemes to include the exercise of the powers of governing bodies to provide community facilities.

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

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

- 14.2 The budget share of a school may not be used to fund community facilities – either start-up costs or ongoing expenditure – or to meet deficits arising from such activities.
- 14.3 Mismanagement of community facilities funds can be grounds for suspension of the right to a delegated budget.
- 14.4 Section 28(4) of the Education Act 2002 requires that before exercising the community facilities power, governing bodies must consult the local authority, and have regard to advice given to them by their LA.
- 14.5 Schools are required to seek LA advice. No charge will be made for this advice.
- 14.6 The provision of community facilities in many schools may be dependent on the conclusion of a funding agreement with a third party which will either be supplying funding or supplying funding and taking part in the provision. A wide range of bodies and organisations could be involved.
- 14.7 Any proposed funding agreements should be submitted to the LA for comment. The LA must receive at least two months notice to comment.
- 14.8 The LA reserves the right, where it believes a project carries significant financial risk, to require a governing body to make arrangements to protect the financial interests of the Authority by either carrying out the activity concerned through the vehicle of a limited company formed for the purpose, or by obtaining indemnity insurance for the risk associated with the project in question.
- 14.9 Section 28 provides that the exercise of the community facilities power is subject to prohibitions, restrictions and limitations in the scheme for financing schools.
- 14.10 Every six months schools exercising the community facilities power will be required to provide a summary statement in a form to be determined by the LA. This form will show the income and expenditure arising from the previous six months.

- 14.11 The LA after giving notice to a school that it believes there to be a cause for concern as to the school's management of the financial consequences of the exercise of the community facilities power, may require financial statements to be submitted every three months. It may also require the submission of a recovery plan.
- 14.12 Schools must allow internal and external audit access to their records connected with the community facilities power.
- 14.13 Schools must ensure that any funding agreement allow adequate provision for access by the Authority to the records and other property of those persons held on the schools premises, or held elsewhere if they relate to the provision of the community facility. This information is needed for the LA to satisfy itself as to the propriety of expenditure on the facilities in question.
- 14.14 Schools may retain income derived from community facilities except where otherwise agreed with a funding provider, whether that be the LA or some other person.
- 14.15 Schools may carry forward from one financial year to the next any surplus income as a separate community facility surplus or subject to the agreement at the end of each financial year, transfer all or part of it to the budget share balance.
- 14.16 Any accumulated retained income obtained from the exercise of the community facilities power in a community school or community special school will revert to the authority unless otherwise agreed with the funding provider.
- 14.17 All health and safety provisions within the main scheme will extend to the community facilities power.
- 14.18 The governing body will be responsible for the costs of securing Criminal Records Bureau clearance for all adults involved in community activities taking place during the school day. Governing bodies would be free to pass on such costs to a funding partners as part of an agreement with that partner.
- 14.19 It is the responsibility of the governing body to ensure adequate arrangements are made for insurance against risk arising from the exercise of the community power. Governing bodies should take professional advice where necessary. Such insurance should not be funded from the school budget share.
- 14.20 The LA may undertake its own assessment of the insurance arrangements made by a school in respect of community facilities. If they are judged to be inadequate, the LA may make arrangements itself and charge the resultant cost to the school. Such costs could not be charged to the School's budget share.
- 14.21 Schools should seek advice of the LA and the local VAT office on any issues relating to the possible imposition of VAT on expenditure in connection with community facilities, including the use of the local authority VAT reclaim facility.
- 14.22 If any member of the staff employed by the school or LA in connection with the community facilities at the school is paid from funds held in a school's own bank account, the school is likely to be held liable for the payment of income tax and national insurance, in line with Inland Revenue rules.
- 14.23 Schools should follow LA advice in relation to the Construction Industry Scheme where this is relevant to the exercise of the community facilities power.

- 14.24 Schools should set up separate bank accounts for community facilities funds.
- 14.25 Schools will be required to select a bank account from the designated list produced by the Policy and Resources Directorate. The provisions under the restriction of accounts in the scheme shall apply except where the budget share and community facilities fund are kept in the same account the mandate which shows the LA as owner should exclude the community facilities funds. However, in the case of a bank account which is used by the school in connection with community facilities (whether or not the account also contains funds from the school's budget share), the account mandate should not show the LA as the owner of the community facilities fund in the account, except insofar as these funds have been provided by the LA itself.
- 14.26 Schools may not borrow money without the written consent of the Secretary of State. This requirement does not extend to monies lent to schools by the LA.

LIST OF SCHOOLS COVERED BY THE SCHEME

DfE	School	DfE	School
7202	Ashley	2711	Simms Cross Primary
7206	Brookfields	3561	St Augustine's Catholic Primary
7200	Chesnut Lodge Special	3648	St Basil's Catholic Primary
3179	All Saint's Upton CE Voluntary Controlled Primary	3615	St Bede's Catholic Infant
2700	Astmoor Primary	3614	St Bede's Catholic Junior
2382	Beechwood Primary	3640	St Berteline's CE Primary
2725	Brookvale Primary	3510	St Clement's Catholic Primary
2283	Castle View Primary	3509	St Edward's Catholic Primary
2109	Daresbury Primary	3649	St Gerard's Catholic Primary & Nursery
3175	Spinney Avenue CE Voluntary Controlled Primary	3650	St John Fisher Catholic Primary
2406	Ditton Primary	3637	St Martin's Catholic Primary
2425	Fairfield Primary	3506	St Mary's CE Primary
3177	Farnworth CE Controlled Primary	3651	St Michael's Catholic Primary
2383	Gorsewood Primary	2295	The Brow Community Primary
3176	Hale CE Voluntary Controlled Primary	3511	The Holy Spirit Catholic Primary
3050	Halebank CE Voluntary Controlled Primary	2107	Victoria Road Primary
2689	Hallwood Park Primary & Nursery	2723	Westfield Primary
2712	Halton Lodge Primary	2281	Weston Primary
2376	Hill View Primary	2118	Weston Point Community Primary
2428	Lunts Heath Primary	2387	Windmill Hill Primary
2104	Moore Primary	2297	Woodside Primary
2415	Moorfield Primary	4625	Saints Peter & Paul Catholic High
2381	Murdishaw West Community Primary	4614	St Chad's Catholic High
2727	Oakfield Community Primary	4104	The Grange All Through School
3632	Our Lady Mother of the Saviour Catholic Primary		Ditton Nursery School
2726	Our Lady of Perpetual Succour Catholic Primary		Warrington Road Nursery School
2325	Pewithall Primary		Birchfield Nursery School
3502	Runcorn All Saints CE Primary		

ANNEX B**CAPITAL /REVENUE SPLIT**

Illustrative examples in line with DfE interpretation of the CIPFA Code of Practice.

NB Actual interpretation of the CIPFA Code of Practice for these purposes will be for each local authority.

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

	Roof finish in a new building /extension, replacement of all /substantially all on existing roof	Replace missing/ damaged small parts
	Bargeboards/ Fascias in a new building/extension, replacement of all/substantially all on existing roof	Repairs/ replacement/ Repainting
	Drainage in a new building/extension	Clearing out gutters and downpipes. Replacement/repairs of individual pipes/gutters
	Drainage. Replacement of all/ substantially all on existing roof	
	Other e.g. Flashings, Roof windows in a new building/ extension, replacement of all/ substantially all on existing roof	Repair/ Replacement /cleaning
<u>Roofs (Other)</u>	Provide new covered link etc. between existing buildings	Minor repairs, maintenance to existing covered link
	Rebuild or substantially repair structure of existing covered link	
	Add porch etc. to existing building	Minor repairs, maintenance to existing structure
	Rebuild or substantially repair structure of existing porch	
<u>Ground Floor</u>	Structure and dpc in new building	Repair/replacement of small parts of an existing structure
	Structure and dpc - Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure	
	Screed and finish in new build, replacement of all/substantially all on existing floor - e.g. replacement of most carpets/ tiles in a room	Replacement and repair of screed and finishes/ Replacement of mats/ matwells. Maintenance e.g. revarnishing wooden floors.
<u>Upper Floor</u>	Structure - as ground floor	As ground floor
	Screed and Finish - as ground floor	Repairs of finishes/ Replacement - as ground floor
<u>Ceilings - Top/ only storey</u>	Suspension	Repair/ replacement incl. From water damage, & necessary decoration
	Membrane	
	Fixed	Repair/ replacement inc. from water damage
	Access panels	Repair/ replacement
<u>Lower storeys</u>	Suspension	Repair/ replacement
	Membrane	

	Fixed	Repair/ 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
<u>External Walls - Masonry/ cladding</u>	Structure Underpinning/ propping for new build	Repairs Preventive measures e.g. tree removal
	External Finish on new build	Repair/replacement of small parts of an existing structure. e.g. repointing/ recladding a proportion of a wall where failure has occurred.
	External Finish on existing build where needed to prevent imminent or correct actual major failure of the structure. e.g. repointing/recladding work affecting most of a building /replacement build	
<u>Windows and Doors</u>	Framing - new build	Repair/ replacement of individual frames. Repainting frames
	Framing - structural replacement programme	Repair/ replacement of individual windows. Repainting frames
	Glazing - new build	Replacing broken glass

	Glazing Upgrading existing glazing	
	Ironmongery Improved security	Repair/ replacement, upgrading locks etc.
	Jointing including mastic joints	
	Internal and external decorations to new build	Internal and external decoration to include cleaning down and preparation.
<u>Masonry chimneys</u>	Structure	
	Jointing including expansion and mortar joints/ pointing/ DPC	Repair/ re-pointing
<u>Internal Walls - Solid</u>	Complete including various internal finishes, linings and decorations	Repairs and redecoration to internal plaster/ linings tiles, pin boards etc.
	Refurbishment and alterations	Minor alterations
<u>Partitions</u>	Complete structure including linings, framing, glazing, decoration etc.	Repairs and redecoration.
	Refurbishment and alterations	Minor alterations
<u>Doors & 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

<u>All</u>	Glazing to meet statutory Health & Safety requirements	Replacement of broken glass
<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.
	Large scale toilet refurbishment	Small areas of refurbishment
	Provision of disabled facilities, and specialist facilities related to pupils with statements	Repair/ replacement of damaged fittings, waste plumbing etc.
<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
<u>Heating/ hot water</u>	Complete heating and hot water systems to new projects, including fuel, storage, controls, distribution, flues etc.	General maintenance of all boiler house plant including replacement of defective parts. Regular cleaning. Energy saving projects
	Safe removal of old/ damaged asbestos boiler and pipework insulation, where risk to Health & Safety.	Monitoring systems Health & safety issues
	Planned replacement of old boiler/ controls systems past the end of their useful life	Replacement of defective parts
	Emergency replacement of boiler plant/ systems	
<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.
<u>Gas</u>	Distribution on new and major refurbishment's, 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
<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.
<u>Electrical Services - 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.
	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
<u>Lighting</u>	Provision of luminaires and emergency	Replacement of luminaires, all testing, adjustments and improvements to emergency
<u>Other</u>	Lightning protection in new build	Repair/ replacement
	Alarm systems, CCTV, lifts/ hoists etc.	Repair and 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
<u>External Works - 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.
<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 of the above and unblocking as necessary.
<u>Open air pools</u>	Structure, Hygiene/ safety in new build	Hygiene, cleaning, maintenance and repairs, including replacement parts. Simple energy saving systems.
<u>Services distribution</u>	Heating mains, gas mains, water mains, electricity mains, renewal of any above.	Annual servicing

Notes

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

BEST VALUE AND SCHOOLS

1. This statement is intended to assist schools in considering the relevance of best value principles to the expenditure of funds from their delegated budget share. When submitting annual budget plans, schools are required to say how best value principles are being followed.

2. Best value will be a statutory duty to deliver services to clear standards, covering both cost and quality, the most effective, economic and efficient means available. Legislation is to place a duty on local authorities to secure best value in respect of the way in which they exercise their functions. The new duty is not intended to apply to those functions which are exercised by the governing bodies of LA maintained schools. However, schools will be encouraged to adopt the best value performance management framework.

3. In relation to schools and expenditure from delegated budgets, the main features of best value can be summarised as a need for the governing body of a school to ensure:

a. the existence of a programme of performance review which will aim for continual improvement. Existing mechanisms such as school development plans and post-OFSTED inspection plans can be developed to satisfy the requirements for review. The reviews should include:

- challenging how and why a service is provided (including consideration of alternative providers);
- comparison of performance against other schools taking into account the views of parents and pupils;
- mechanisms to consult stakeholders, especially parents and pupils;
- embracing competition as a means of securing efficient and effective services;

b. the development of a framework of performance indicators and targets which will provide a clear practical expression of a school's performance, taking national requirements into account;

c. that the following are included in school development plans -

- a summary of objectives and strategy for the future;
- forward targets on an annual and longer term basis;
- description of the means by which performance targets will be achieved;
- a report on current performance

d. that internal and external audit takes place ensuring that performance information is scrutinised. LA oversight of school finances provides external review.

4. The independent inspection and intervention elements of the best value framework will be the responsibility of other bodies and therefore not relevant to demonstration by a governing body of adherence to best value principles.

PROCUREMENT / PURCHASING GUIDANCE FOR SCHOOLS

Introduction

The aim of this guidance is to support Governing Bodies and Headteachers in meeting their responsibilities for school improvement by:

- identifying and evaluating options for delivering a service (in-house/Council provision/external provider)
- effectively carrying out their purchasing responsibilities;
- ensuring value for money decision-making; and
- becoming better-informed purchasers of services.

Governing Bodies must meet any statutory requirements in the area of service provision, including those required by the LA to enable its statutory responsibilities to be met.

This guidance is given against the background that for maintained schools a contract signed by an authorised member of staff or governor of the school will be binding on the Council as well as the Governing Body of the school.

Schools should seek legal advice when procuring goods / services and in the event of any difficulties being experienced during the period of a contract.

Role of the LA

The Council promotes school autonomy through effective services to support school management, including promoting good purchasing practices.

Schools should have real choice over how they meet their delegated responsibilities (within school resources, Council support services, other providers), including the level, volume and amount spent. This choice must ensure compliance with their statutory duties. The Council should ensure that schools have sufficient information to exercise that choice, including information on statutory requirements which will need to be reflected in service specifications developed by schools.

The Council continues to have some statutory responsibilities and retains funding for aspects of a number of service areas for which general responsibility has been delegated to schools (eg Payroll – link to the Teacher Pension Agency).

Accountability

Schools are accountable through their governing bodies to the Council as the LA and to the parents of children at the school for the efficiency and effectiveness with which they carry out their functions. The Council has a duty to satisfy itself that funds delegated to schools are managed properly. The Council will ensure that the necessary systems are in place to check that functions are being carried out in an effective and efficient way.

Principles of Good Procurement

1. Value for Money

To achieve Value for Money (VfM) there should be recognition that 'price' is not the only consideration. Consideration has to be given to 'cost' which includes price, delivery costs, insurance, invoice processing, etc. Other factors will include:

- Economy, efficiency and effectiveness
- Quality
- Qualifications and experience
- Range of provision
- Capacity of the supplier to be responsive to the current and future needs of the school
- Financial viability of the supplier
- Compatibility with the School's ethos and culture

2. Best Value

Schools are not covered directly by Best Value legislation but are responsible for a large proportion of LA expenditure and are required to adhere to the Best Value principles. In recognition of Governing Bodies' responsibilities the statutory guidance on LA schemes for financing schools makes provision that schools should demonstrate that they are following Best Value principles in expenditure. OfSTED will inspect this area of responsibility as part of their inspection of a school's financial management. Governing Bodies are required to submit with their annual budget plan, a statement setting out the steps they will take to ensure that expenditure reflects the principles of good practice.

Best Value involves testing purchasing decisions against 'the four Cs'

- **Challenge** why, how and by whom a service is provided
- **Compare** performance with other providers
- **Consult** service users, the community, etc as appropriate
- **Compete** – use fair competition to ensure economic, efficient and effective services.

Governing Bodies and Headteachers should consider the following main features of Best Value in schools:

- The existence of a programme of performance review which will aim for continual improvement in the cost-effectiveness of bought-in services. School development plans and post-inspection action plans can be developed to satisfy the requirements for review
- Reviews should follow the principles of the 'four Cs'
- Documenting how Best Value requirements have been met

3. Purchasing

Governing Bodies should already have in place written procedures which have regard to the following purchasing issues:

- Agreed financial limits on purchasing decisions which can be made by the Headteacher or by other members of staff (if appropriate) without reference to the Governing Body or Headteacher respectively (known as the Scheme of Delegation);
- Agreed purchasing limit above which quotations and tenders must be sought;
- Separation of duties so that no one person is independently responsible for the entire purchasing process (ordering, receiving and authorising payment);
- Ensuring that legal advice is taken before contracts are entered into;
- Audit trails so that purchasing decisions can be tracked and evidenced; and
- Requirement that all involved in making purchasing decisions sign a declaration of interest statement so as to minimise potential conflicts of interest.

4. Quotations and Tendering

Key features underpinning quotation and tendering processes include:

- A clear statement of the school's requirements;
- A clear statement of the statutory responsibilities (School and, where applicable, LA) which must be met;
- A format with which suppliers' bids must comply;
- A timetable for submitting, opening and evaluating quotations and tenders; and
- Written processes for opening and evaluating the submitted quotations and tenders.

EU Procurement Rules of Tendering may apply for large purchases, likely significant building works or services provided by schools grouped together. The TUPE regulations may also apply.

Entering into contracts creates significant and sometimes surprising legal implications and liabilities for the school and the Council which is why taking legal advice is a must. Specific care should be taken where the contract is a standard document produced by the supplier of goods or services.

Areas of particular issue can arise with contracts for the supply of agency staff and for equipment leases. There is evidence of cost and time resource repercussions to schools where activities in these areas have been inappropriate.

5. School's Requirements

Schools need to identify clearly both their requirements and the way in which they will measure performance. These need to be contained in a written document which can be checked against submitted quotations, tenders etc to ascertain which best meets the school's needs and which provides the basis for evaluating the effectiveness of the service delivered.

A school's purchasing procedures should comply with the contract Standing Orders for Schools as incorporated in the Authority's Scheme for Financing Schools.

A school should write its own detailed specification or require that a supplier's specification be tailored to more closely match school's needs.

A specification should include:

- Required frequency of delivery;
- Deadlines for service delivery;
- The price and structure / conditions for payment;
- The range of service to be provided, including statutory requirements;
- Desired outputs and outcomes;
- The required level of performance;
- Liquidated damages for non-performance;
- Health and Safety requirements;
- How contractor's employees will be identified on site (proof of identify / uniform, etc);
and
- Contract conditions (as given in section 7)

Where a service features staff employed working in close contact with pupils schools should satisfy themselves that all appropriate background checks are being or can be carried out (eg agency staff).

6. Measuring Performance

Performance measures should be identified at the time of defining requirements so that they are known and understood by all parties and underpin any monitoring processes in place. Application

of the SMART (Specific, Measurable, Achievable, Realistic and Time-Related) approach will support this but it is important that measures are:

- Unambiguous and not open to misinterpretation by either party;
- Attributable so that responsibility for achieving good performance is clear;
- Written in such a way as to facilitate easy monitoring;
- Limited in number; and
- Reflect the school's culture, aims and objectives.

7. Contracts and Service Level Agreements (SLAs)

These are written agreements between two parties for the supply of goods or services. Contracts are normally between school and private suppliers and SLAs between schools or between a school and the LA.

Contracts and SLAs should include:

- details of all parties involved;
- duration of the agreement;
- the goods and services to be provided including level and frequency;
- the obligations of both parties;
- the location of service delivery;
- the names, qualifications and other relevant factors of those providing the service;
- the performance measures;
- the price of the service and the payment mechanism;
- complaints and dispute resolution procedures;
- provision to exclude undesirable employees from school sites;
- anti-corruption conditions;
- the exclusion of third party rights; and
- a section for the agreement to be signed and dated by all parties.

Agreements must be signed only by those with appropriate authorisation.

Before entering into an agreement schools should assure themselves of:

- the financial viability of the supplier (the Council's Internal Audit Division can undertake financial reference checks on request);
- the method of service delivery;
- the quality of their work;
- the suitability of their insurance cover;
- the existence and application of health and safety policies and practice;
- the mechanisms for dealing with complaints;
- the arrangements for recompensing schools where the supplier has failed to deliver to the agreed specification; and
- English Courts jurisdiction.

Written references should be requested and taken up.

8. Purchasing Options

The full range of purchasing options should be considered. As the range of private suppliers is increasing and the Council may reduce the range of services on offer, options may include:

- purchasing consortia where schools come together to increase their purchasing power

- use of a brokerage service to arrange the purchase of goods and services on behalf of schools
- development of e-commerce for purchasing in accordance with any future guidance issued by the Council under its Implementation of Electronic Government Strategy (IEG)

Purchasing Consortia

Many of the services used by schools are common to most types and sizes of school. It may therefore be useful to consider whether forming a purchasing consortium can offer economic or organisational advantages. Clear statements of requirements of each member of the consortium must be identified and must form the basis of a legal agreement between the schools in the consortium. It is important that legal advice is taken before the agreement is signed.

Brokerage

This would be an arrangement by which an organisation procures goods or services on behalf of schools. This service might be provided by the LA or an independent provider. A written contract is needed in the case of an independent provider and legal advice sought before it is signed.

9. Monitoring and Evaluation

Effective monitoring and evaluation is an integral part of the purchasing process and is underpinned by clear statements of requirements, specifications, contracts and SLAs.

Monitoring will focus on regular, routine checking that goods / services are delivered as specified and any shortcomings are reported and responded to within specified timescales.

Evaluation will be concerned with whether the quality of goods / services is meeting the needs of the school as effectively, efficiently and economically as possible.

Effective monitoring and evaluation both involve:

- the allocation of responsibility for ensuring that the process takes place;
- clarity of desired outcomes, outputs and performance measures;
- the collection of evidence (qualitative and quantitative);
- early reporting of faults and follow up until satisfaction is achieved; and
- making judgements and decisions about future service provision

February 2002

Acknowledgements

the Purchasing section of the DfES A – Z website.

the Purchasing guide for Schools – VFM Unit website

Code of Practice on Local Education Authority and Schools Relations

PROCUREMENT GUIDANCE FOR SCHOOLS CONTRACT CHECKLIST

INTRODUCTION

When contracts are made to purchase goods, equipment or services obligations and liabilities are created for the school and for the Council.

A contract is created by either:

- signing an agreement; or
- by reaching agreement at a meeting / over the telephone / in an exchange of correspondence, including by fax or by e-mail.

The following are examples of what must be done / checked when a contract is created:

- Is there money in the school's budget for revenue and capital commitments made in the contract for current and future years?
- Does the contract document you are being asked to sign accord with what was agreed?
- Is it a standard contract provided by supplier/s?
- If so, do amendments need to be made?
- Who is authorised to enter the contract?
- Are the requirements of the Council's standing orders for schools, as detailed in the Scheme for Financing Schools included?
- Are the goods and/or services being ordered stated clearly?
- Is there a condition that allows exclusion of undesirables from the school grounds?
- Are tenders kept securely?
- Is there provision to exclude third party rights?
- Are anti-corruption provisions included?
- Is the contractor/supplier expressly required to comply with all legal requirements in carrying out the required service?
- Are data protection, equal opportunities and human rights issues taken into account?
- Is the liability of the Council and of the School excluded?
- Is indemnity from the contractor/supplier expressly required?
- Do staff and governors know about the requirements for entering into contracts, including who is authorised to enter contracts on behalf of the Governing Body and the Council?
- Has legal advice been sought in establishing the contract?
- Have technical and financial references been taken up?
- Does it comply with any statutory procurement requirements (eg advertising in Official Journal if the contract is above the statutory ceiling in value – for supplies and services (2002 - £154,477) and for works (2002 - £3,861,932)

DON'T (examples only)

- Sign a standard contract provided by the supplier without checking it.
- Sign unless authorised by the Governing Body under its Scheme of Delegation.
- Forget that when some service providers are changed (e.g. for grass cutting, cleaning, catering etc etc) there may well be duties under TUPE. Take legal advice on these matters before signing.

- Enter into a building contract until legal advice has been sought to ensure all planning permissions, building regulations and other consents have been obtained and to ensure the landlord / trustees (Local Authority / Diocesan Authority) has/have been consulted so the deeds and other matters can be checked.

KEY EXAMPLES OF THINGS TO BEWARE OF

- The small print.
- Standard contracts prepared by the supplier.
- Equipment leases.
- Agency contracts that may require an additional premium to be paid if their casual / temporary employee becomes employed by you.
- TUPE and Data Protection implications are understood and complied with.
- Long or indefinite term contracts (Best Value in terms of continuous improvement having regard to economy, efficiency and effectiveness - contracts which tie the school in with one supplier / one price / one level of service for several years and are not subject to review and revision, should be avoided.

MAKE SURE YOU TAKE LEGAL ADVICE BEFORE SIGNING A CONTRACT

Subject to the terms of the service level agreement with Halton Borough Council the Legal Services Division is more than happy to:-

- advise in specific cases
- provide practically orientated training in these matters
- provide full support

Example - GRASS CUTTING CONTRACT

This list is provided as a practical illustration of the sort of detail in addition to standard elements which should be included in a contract and be part of the specification against which contractors are invited to tender, etc.

- exact locations to be cut;
- frequency and timing of the cuts (e.g. period of year);
- times and dates when access will be given;
- controls on access during school hours;
- height of grass after cut;
- type of mowers / equipment – noise emission
- type of, and control arrangements for use of, chemicals
- storage of equipment out of hours, if necessary;
- TUPE implications from previous contractor;
- general health and safety requirements and specific healthy and safety controls;
- appropriate insurance requirement;
- particular certifications and qualifications to be held by contractor and employees.
- power to exclude employees of contractor regarded by authorised persons of the school to be undesirable.

Tenders

7.2.1 A tender is a written offer from a supplier to provide goods or services, usually in response to a written specification of the work required.

7.2.2 With regards to total expenditure over the duration of a contract estimated to exceed £5,000, no tender should be invited unless the school is reasonably satisfied as to the technical capability and financial standing of the tenderer. The Internal Audit Division will, on request, check a company's financial standing in relation to any particular contract requirement. At least two weeks should be allowed for this.

7.2.3 Halton Borough Council, Property Services, maintain a list of approved building contractors - schools are strongly advised to seek the appropriate technical advice before inviting tenders.

7.2.4 Whenever tenders are invited, the following procedures should be followed:

- The invitation to tender should indicate that tenders will only be received in a plain, sealed, envelope addressed to the headteacher which shall bear the words 'tender for
- The date and time of receipt of tenders at the school should be recorded and they should be retained securely until the closing date.
- All tenders should be opened at the same time, in the presence of the headteacher or deputy headteacher, and at least one governor, and the details of each bid should be recorded. These documents are confidential and their contents should remain confidential until such time as the results are published.

7.2.5 Should errors be found in a tender submission, the tenderer should be informed and given the opportunity to withdraw the tender offer. In the case of a genuine arithmetic error, discovered before acceptance, the tenderer may be permitted to correct the error.

7.2.6 It should be clearly stated that the right is reserved:

- To accept a tender other than the lowest
- To decline to accept any tender

7.3.1 When a tender is accepted, a formal contract document should be drawn up, agreed and signed by all parties involved. It should contain full details of the goods, work or services to be provided, standard and quality requirements, price and the penalties to be incurred by the contractor in the event of failure, including any legal and other costs arising. There should be reference to cancellation clauses in cases involving corruption or bribery.

7.3.2 Advice on the formation of contracts may be obtained from the Legal Services Division. All contract documentation, including unsuccessful tenders, should be retained for six years after the end of the contract.

7.3.3 Governing bodies should ensure that a register is maintained of all contracts entered into by the school.

7.4.1 A quotation or tender which is not the lowest in financial terms may be accepted, if full consideration has been given by the governing body to all the quotations or tenders received and it is agreed that adequate non-financial grounds exist to take such action.

7.4.2 Quotations are not required in respect of recurring utility (and similar) payments such as electricity, water, gas or rates.

7.4.3 Variations to an existing contract, shall be approved by the governing body.

7.5.2 Where a governing body is considering entering any agreement to lease or hire items or services, they should first consult the Financial Management Division, to establish whether it is a Finance Lease they are being offered.

7.5.3 The Strategic Director for Policy and Resources will undertake the payment of all invoices, except where an agreed local financial processing scheme is in operation eg a school bank account.

7.5.4 The governing body shall ensure that all claims and invoices are checked and certified by an authorised person as being correct for payment, and sent to the Strategic Director for Policy and Resources for payment or processed locally, in sufficient time for payment to be made by the due date and in sufficient time for any due discount to be claimed.

7.5.5 The names and specimen signatures of all those officers authorised to certify claim forms and invoices, shall be submitted by schools to the Strategic Director for Policy and Resources, along with notification of any changes.

7.5.6 When certifying an invoice, the authorised person should ensure that wherever possible:

The person certifying the invoice should be neither the person who signed the order, checked the receipt of the goods or services, or undertook the necessary checks of the invoice.

- There should be at least two people checking and certifying any invoice
- The goods and/or services have been received.
- The price is in accordance with the quotation, tender or contract.
- Due account has been taken of any discounts available.
- The invoice is arithmetically correct.
- The invoice has not been previously paid, and where in exceptional cases following exhaustive checks, a photocopy rather than the original supplier's invoice has to be submitted, the photocopy shall be endorsed as 'not previously passed for payment', so that duplicate payments are avoided.
- It is a proper detailed invoice rather than a statement of account and is in the correct form for VAT purposes, i.e. complies with HM Customs and Excise regulations.
- That any VAT amounts have been correctly identified within the coding of the invoice.
- That the expenditure has been coded to the appropriate code for the school, and is within the sum available in the appropriate budget.
 - That the order and school records have been updated to record that the invoice has been passed for payment.

7.5.7 Suppliers should be asked to quote on their invoices; the name of the school, the official Borough Council order number/SIMMS order number, the work and where it was undertaken or the goods delivered, and the delivery note number. They should also be instructed to send any invoices to the address specified on the official order form.

7.5.8 Where the decision has been made to retain invoices at the school following payment, the governing body shall be responsible for enforcing statutory regulations regarding their retention and access for inspection by HM Customs and Excise. Further advice is available from the Strategic Director for Policy and Resources.

7.5.9 Where, as a result of a school's decision to opt for a local financial processing

option, invoices are retained at the school, they should be :-

- Certified for payment in accordance with procedures in 7.5.6
- Clearly marked to indicate that they have been paid, and thereby reduce the risk of making duplicate payments.
- Cross-referenced with the cheque number

Operation of Local Bank Accounts.

10.7.4 In order to maintain separation of duties, all cheques should be signed by two signatories who are first provided with appropriate supporting documentation relating to the payment. The governing body should nominate a small number of senior members of staff, as authorised signatories for the local bank account. Each should be given a limit of financial authorisation, appropriate to their needs, above which further authorisation is required.

10.7.5 The governing body shall ensure that blank cheque books and records relating to the local bank account, shall be stored securely and access to such is restricted to authorised members of staff at all times.

10.7.6 Schools shall not arrange any overdraft or credit facilities in relation to their local bank account. The governing body should ensure that procedures exist within the school, to confirm that there are sufficient funds available in the local bank account, before any expenditure commitment is entered into.

10.7.7 Monthly reconciliations of transactions made via the local bank account of the approved format, (see Annex I) shall be undertaken and forwarded to the Financial Management Division by the 20th of the following month, in order to ensure that the appropriate accounting analysis is entered into the school's accounts with the Borough Council. Failure to provide the monthly reconciliation analysis by the due date may result in delays in cash advances being made to Schools.

10.7.8 It is however, recommended that schools undertake reconciliations for their own benefit more frequently than monthly, in order to avoid difficulties in balancing the local bank account and to permit discrepancies to be identified, investigated and resolved as soon as possible. If any discrepancies do occur, it is the individual School's responsibility to resolve and rectify them.

10.7.9 The governing body shall ensure that a separate reconciliation is performed at least monthly by the school, between the school's bank reconciliation and the Borough Council's accounts as provided via Central Reports from the Financial Management Division.

10.7.10 The reconciliation should be certified by the person undertaking it and should then be checked and certified by a second member of staff who is familiar with the operation of the local bank account. Wherever possible the person who reconciles the local bank account should not be in a position to process invoices for payment, or receive or process income.

10.7.11 The governing body should be presented with a cashflow budget at the beginning of each financial year, and progress statements during the year, to enable the governing body to monitor the local bank account and ensure that it is correctly managed so as to avoid becoming overdrawn.

10.7.12 Funds which are surplus to immediate requirements may be invested in the Borough Council's Deposit Savings Scheme. Alternatively they may be invested with the financial institutions named on the list of authorised institutions drawn up by the Strategic Director for Policy and Resources, but only in accounts which provide immediate access to the whole of the sum invested.

10.7.13 All year-end procedures, as provided by the Strategic Director for Policy and Resources, in respect of local bank accounts, shall be complied with.

10.7.14 Payments for goods and services shall always be made through the school's official bank account and not through an officer's or governor's personal bank account. An exception to this is for the purchase of minor items under £25, where a member of the school's staff may pay for items in the first instance, obtain a receipt, and then be reimbursed from the school's petty cash facilities. Care shall be taken to ensure that this facility is not abused.

11.1 Any circumstances affecting the salaries, wages or other payments to any school employee, including appointments, promotions, re-gradings, secondments, suspensions, dismissals, retirements and absences from duty (other than normal leave), shall be notified to the HR Division in the appropriate manner. Governing bodies are advised to consult the HR Division on any matters relating to conditions of service, salary and wage scales. Any School who opts out of the payroll and personnel SLA no longer use the services previously provided. Despite this, contact does remain between the new providers and HBC payroll relating to payments of pensions and to the General Teaching Council. All Local Government Pension, Teacher's pension and Prudential AVC contributions deducted by the alternative providers are paid to HBC payroll, who in turn forward the payments to the three organisations. This procedure has been undertaken as HBC as employer remain responsible for the end of year pension returns. Payroll also undertake the notification of appointments, changes and terminations to Teacher's pensions, as the TPA will not accept notifications from an agency and HBC remain responsible for the completion of the Annual Service Return.

11.2 Governing bodies are responsible for providing the Strategic Director for Policy and Resources with any information required to calculate and pay salaries and wages. They shall also provide any information necessary to enable the Strategic Director for Policy and Resources to maintain records of service and make deductions for superannuation, income tax, national insurance and statutory sick pay.

11.3 Time sheets and other pay documents in a form approved by the Strategic Director for Policy and Resources, shall be checked and certified by an officer authorised by the governing body, who shall be a different person to that who has completed the documents. The names and specimen signatures of all authorised officers shall be submitted to the Strategic Director for Policy and Resources, along with notification of any subsequent changes. Claims by any member of the school's staff for expenses incurred in carrying out official duties, shall also be certified by an authorised officer and produced in a form approved by the Strategic Director for Policy and Resources.

11.4 In authorising such documents, authorised officers should particularly ensure that the payment was necessary, has been coded to the appropriate code, is within the sum available in the appropriate school budget, and that the school's records have been updated to record that the document has been passed for payment.

11.5 Governing bodies should ensure that the duties of authorising or terminating the appointment of staff, are performed by different staff to those responsible for undertaking the processing of salaries, wages, travelling and other employee related payments.

11.6 Unless a school operates a local bank account for pay budgets, all payments to school staff for work done, and travelling and subsistence claims (see below) shall be paid through the Borough Council's payroll system, to ensure that the school complies with income tax regulations. No employee related payments shall be processed through the central payment system, local bank account, imprest account or school fund, except where a school has a local bank account for pay and non-pay budgets.

12.1 School staff shall conform to the terms and conditions for the use of a car on official business as printed on car allowance claim forms, issued by the Strategic Director for Policy and Resources unless the school has agreed its own procedures.

13.2.1 An inventory should be maintained of all permanent, valuable and transportable items with a value above £100, including vehicles, visual aid equipment, computer equipment, power tools, camping and sports equipment.

13.2.2 Whenever an item is disposed of, the inventory entry should be deleted with a reference to the reason or circumstances. The inventory should specify the following details for each item: location, cost; date of acquisition; source of funding; description (including serial numbers where applicable), order number and disposal details.

15.1.6 The correct accounting detail, including the separate analysis of VAT, should be made on the appropriate part of the school income paying-in slip in order that VAT is accurately identified in the Borough Council's accounts. The paying-in slip should indicate the relevant school receipt numbers and amounts to be paid in alongside the income description and account code.

15.1.7 The collection of all income should be immediately acknowledged by the issue of an official, pre-numbered receipt, or in a form approved by the Strategic Director for Policy and Resources and a record should be made immediately in the accounting system of the income received, including an analysis of VAT where appropriate.

15.1.8 The governing body should separate, as far as is practicable, the responsibility for identifying sums due to the school from the responsibility for collecting and banking such sums.

15.1.9 In order to ensure compliance with the 1992 Cheques Act, all cheques, which represent official Borough Council income must be, made payable to 'Halton Borough Council' and not the individual school. This is necessary in order to comply with VAT regulations.

15.1.10 Personal cheques must not be cashed from money held on behalf of the Borough Council.

15.1.11 Goods or materials sold for cash, or paid for by cheque, cannot be released until the cash has been received by the school or the cheque cleared in to the Borough Council's bank account or approved local bank account. Cheques offered with a valid guarantee card may be treated as cash, subject to the conditions under which the card has been issued.

15.1.12 The governing body should ensure that cash or cheques are placed in a locked safe or locked drawer, as soon as possible after receipt, and that access to safes and locked drawers is strictly controlled. The governing body should ensure that insurance cover is sufficient in respect of the amounts of cash and cheques held in the school. Further advice is available from the Insurance Manager or Internal Audit Division.

15.1.13 All documentation and records in relation to income due to, or received by the school, shall be retained securely.

15.1.15 Monthly reconciliation should be performed (by the Financial Management Division, if purchased via an SLA) of the amounts shown as credited on the Central Reports provided by the Strategic Director for Policy and Resources. Any discrepancies should be investigated promptly.

REPORT TO: Schools Forum

DATE: 16th March 2015

REPORTING OFFICER: Operational Director – Children’s Organisation and Provision

SUBJECT: Nurture Group (NG) Pilot Funding

1.0 PURPOSE OF REPORT

1.1 This report provides a summary of the proposed Nurture Group (NG) pilots and the associated costs to deliver from September 2015.

2.0 RECOMMENDED:

- a. Agree to fund £155,180 to implement a Nurture Group pilot in both KS1 and KS3 settings in Runcorn and Widnes (4 settings) from September 2015 to July 2016.
- b. If Schools Forum agrees to fund this proposal then expressions of interest will be sought from primary and secondary schools in Halton.

3.0 SUPPORTING INFORMATION

3.1 Further to the previous reports on funding for Pupil Referral Units on 19th March 2013, 21st January 2014 and 17th March 2014 a comprehensive strategic review of AP is now completed. A commitment to develop a borough wide strategy to support Emotional Health and Well Being was agreed following this review and a working party engaged with schools to identify gaps in provision. A draft document “Halton Emotional, Well Being & Health Approach” is in place and is aligned to the Mental Health Strategy 2014-2019 Action Plan. A key priority of this approach is to implement “A person-centred graduated response” through the development of (NG) practice in primary and secondary settings.

3.2 Exclusions from school in Halton are higher than national averages, both permanent and fixed term. In 2012/13, nationally 0.06% of the school population were permanently excluded whilst in Halton this figure was 0.09%. Fixed term exclusions in the same period were nationally 2.91% of the school population compared to with Halton’s figure of 3.97%. There is an expectation from DfE and OFSTED that schools continue to demonstrate ways to provide a range of inclusive approaches to engage those pupils identified to be at risk of exclusion. It is also expected that schools work in partnerships and localities to develop provision that can respond to need, build capacity within the sector and show improvements across a range of identified indicators; attainment, narrowing the gap, attendance and engagement.

3.3 Currently the costs of providing out-of-borough specialist provision for some Halton pupils is escalating. At KS1/KS2 in excess of £500k and at KS3/KS4 £1.2 million is spent from the High Needs Block of the Dedicated Schools

Grant. Additional transport costs are £1.8 million. It is envisaged that the NG Pilot will embed provision that can identify needs early and prevent pupil's needs from escalating to either exclusion or the need for specialist provision. This invest to save approach will show significant savings across the borough and build capacity in the universal settings.

3.4 The key principles of this NG proposal are: (Further detail provided in Appendix 1).

- Develop school-based learning environments specifically designed to address the unmet social, emotional and behavioural needs of children.
- Provide NGs at both KS1 and KS3. One of each in both Runcorn and Widnes – total of 4 NGs in Halton.
- Support up to 48 pupils and families during this pilot.
- Develop in-school provision delivered by expert staff in the classroom.
- Provide improvement against key performance indicators.

Nurture Groups are now a well established method of supporting children whose developmental needs are not met and as a result they are unable to engage fully in the school curriculum. OFSTED conducted a survey of effective Nurture Groups in 2011. Their key evaluation was:

When the nurture groups were working well they made a considerable difference to the behaviour and the social skills of the pupils who attended them. Through intensive, well-structured teaching and support, pupils learnt to manage their own behaviour, to build positive relationships with adults and with other pupils and to develop strategies to help them cope with their emotions.

The project will run for one academic year and be Evaluated using The Boxall Profile methodology. The Boxall profile is a resource that measures emotional and behavioural difficulties in children and young people and will be used to gather baseline data and monitor subsequent progress.

Upon successful evaluation the NG initiative will continue be broadened to include other schools. Funding to continue the project beyond 2016/17 would require an investment through savings made from the High Needs Block and Schools contributions.

3.5 Resources to run a NG (per group). Please refer to NG Specifications (Appendix 1).

NG KS1; Resources, including staffing, set up costs, training, curriculum equipment, evaluation, family resources and transport.	Cost;£82,590.00
NG KS3; Resources, including staffing, set up	Cost; £72,590.00

costs, training, curriculum equipment, family resources and evaluation.	
Total Cost of proposal	£155,180.00

3.6 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

3.7 Children and Young People in Halton

The issues and services outlined in this report provide dedicated support for children, young people and their families. Improving the emotional health and well-being of young people is a key objective of the Children's Plan and the Health and Well Being Strategy

4.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
Special Educational Needs and Disability Code of Practice 0-25 years.	DFE website	Ann McIntyre – Operational Director – Children's Organisation and Provision
Halton Mental Health Strategy & Delivery Plan 2014-2019	Halton BC Intranet	Ann McIntyre – Operational Director – Children's Organisation and Provision
Mental health and behaviour in schools – departmental advice for school staff. June 2014	DfE website	Ann McIntyre – Operational Director – Children's Organisation and Provision
SFR/28 2014 – Permanent & Fixed Term Exclusions	Gov.uk website	Ann McIntyre – Operational Director – Children's Organisation and Provision
Supporting children with challenging behaviour through a nurture group approach. OFSTED 2011	OFSTED website	Ann McIntyre – Operational Director – Children's Organisation and Provision

Appendix 1

Emotional Health, Well-Being & Mental Health Approach

Specification

Approach	Foundation Stage/Key Stage One Nurture Group provision
Principles	<p>What is a Nurture Group? The classic model is a school-based learning environment specifically designed to address the unmet social, emotional and behavioural needs of young people. These 6 principles are essential components;</p> <ol style="list-style-type: none"> 1. Children's learning is understood developmentally 2. The classroom offers a safe base 3. Nurture is important for the development of self-esteem 4. Language is understood as a vital means of communication 5. All behaviour is communication 6. Transitions are significant in the lives of children
Aims & Objectives	<p>To develop an in-school Nurture Group (NG) model in one school or a cluster of schools. The aims are to;</p> <ul style="list-style-type: none"> • Provide an aid to transition for pupils identified in Early Years Foundation Stage • Provide support at unstructured times all times • Offer a range of sessions throughout the school week • Provide a staffed, safe-base available throughout the day with support/sessions provided to small groups • Being the central part of a planned package with reintegration as the principle aim <p>Schools in the pilot would be expected to embed the provision in their practice following the pilot and support others to further develop NGs based on the evaluation of the pilot.</p>
Cohort	<p>Pupils will be identified by referral from STAMP panel and following an appropriate assessment. Needs identified may include;</p> <p>Attachment disorder Social and emotional – bereavement, family crisis, trauma, depression Difficulty in settling in the Foundation Stage Isolated, no friendship group Poor attendance/punctuality Fixed term exclusions Removal from class/seclusion</p>
Curriculum	<p>Each pupil has an identified plan focussed on individual assessment profile.</p> <p>Timetable in NG includes;</p> <p>E & M support Emotional literacy Social/life skills Breakfast/lunch club Self-esteem sessions Topic work Relaxation techniques Emotional resilience 6 EYFS Strands of Communication/PHSE</p>
The Group	<p>Each NG will include up to 6 pupils, 2 cohorts a week = 3 days in home school and 2 days in NG. One day a week will be for NG staff to visit home schools, engage with family, prepare reintegration plans etc. Total of 12 pupils a week in each NG.</p> <p>Time in NG is reduced over time to support reintegration. Length of stay is typically 2-3 terms including phased return. From September 15 to July 16 it is envisaged that up to 48 children and their families will benefit from NG support (24 in each pilot).</p>
Outcomes	<p>Improved social, emotional & behavioural functioning Improved self-management/awareness Improved confidence & skills for learning Successful transition/reintegration</p>

	<p>Reduced exclusions Improved attendance Narrowing the gap Supporting Pupil Premium Improved achievement/attainment</p>
Planning	<p>Trained staff Engage with SENCO Assessment/selection process (Boxall (BPYP), SDQ, Readiness to Reintegrate etc) Balance the nurture curriculum within individual pupil's plans = (80%/20%) Informing/including parents Raise awareness – whole school, staff, governors etc.</p>
Environment*	<p>A dedicated room with work spaces, running water, food prep/kitchen area, soft area, 1:1 area, group work area. Creative area, sand and water play . Home corner. Access to outside play area. Agreed rules and routines for all involved. Identified roles and responsibilities as part of the group. Consider if a shared base is needed when developing a cluster model. Transport costs may be an issue – propose base is in pram pushing distance from home. Tables and chairs to be adult size for replication of home environment *There will be no capital expenditure to spend on converting school buildings.</p>
Staffing	<p>3 trained staff – 1 Teacher (MPS + TLR), 2 TA Staff need to have appropriate level of senior support/authority NG staff supported by middle leaders and subject leaders to deliver key aspects of the curriculum (E&M).</p>
Set up, support & governance	<p>Set up -to identify and agree the schools able to participate in the NG pilot (KS1 & KS3) support the staffing/recruitment, resourcing and facilities, agree the criteria for NG referrals. Agree a network meeting format and dates and evidence base required for monitoring. SENCO briefing. LA Nurture Group Networking Meeting – termly Educational Psychologist advice SLT involvement Briefing sessions for staff, Governors Reporting on KPIs to Governors.</p>
Training, development, networking	<p>Train the trainer Nurture Group Network – 3 day training HANEN Cover costs for above.</p>
Evaluation	<p>The school hosting the NG and any other school accessing the provision will be expected to work on evaluating the provision over the period of time. An LA Officer will support this evaluation. This evaluation will be informed by the Boxall Profile assessment tool and a range of agreed indicators. E.G. improved attendance, improved family engagement, reduced incidents and exclusions etc. Termly reporting will be required to monitor this progress and a formative assessment will take place at the end of the year.</p>

Emotional Health, Well-Being & Mental Health Approach

Specification

Approach	KS3 (year 7) Nurture Group provision
Principles	<p>What is a Nurture Group? The classic model is a school-based learning environment specifically designed to address the unmet social, emotional and behavioural needs of young people. These 6 principles are essential components;</p> <ol style="list-style-type: none"> 7. Children's learning is understood developmentally 8. The classroom offers a safe base 9. Nurture is important for the development of self-esteem 10. Language is understood as a vital means of communication 11. All behaviour is communication 12. Transitions are significant in the lives of children
Aims & Objectives	<p>To develop an in-school Nurture Group (NG) model in one school or a cluster of schools. The aims are to;</p> <ul style="list-style-type: none"> • Provide an aid to transition into secondary school for pupils identified in year 6 • Provide support at unstructured times – morning, break and lunch • Offer a range of sessions throughout the school week • Provide a staffed, safe-base available throughout the day with support/sessions provided to small groups • Being the central part of a planned package with reintegration as the principle aim <p>Schools in the pilot would be expected to embed the provision in their practice following the pilot and support others to further develop NGs based on the evaluation of the pilot.</p>
Cohort	<p>Pupils will be identified by referral from form tutors and following an appropriate assessment. Needs identified may include;</p> <p>Attachment disorder Social and emotional – bereavement, family crisis, trauma, depression Difficulty in settling in yr 7 Isolated, no friendship group Poor attendance/punctuality Fixed term exclusions Removal from class/seclusion</p>
Curriculum	<p>Each pupil has an identified plan focussed on individual assessment profile.</p> <p>Timetable in NG includes;</p> <p>E & M support Emotional literacy Social/life skills Breakfast/lunch club Self-esteem sessions Topic work Relaxation techniques Emotional resilience Drug/alcohol awareness</p>
The Group	<p>Each NG will include up to 6 pupils, 2 cohorts a week = 3 days in home school and 2 days in NG. One day a week will be for NG staff to visit home schools, engage with family, prepare reintegration plans etc. Total of 12 pupils a week in each NG.</p> <p>Time in NG is reduced over time to support reintegration. Length of stay is typically 2-3 terms including phased return. From September 15 to July 16 it is envisaged that up to 48 children and their families will benefit from NG support (24 from each pilot).</p>
Outcomes	<p>Improved social, emotional & behavioural functioning Improved self-management/awareness Improved confidence & skills for learning Successful transition/reintegration</p>

	<p>Reduced exclusions Improved attendance Narrowing the gap Supporting Pupil Premium Improved achievement/attainment</p>
Planning	<p>Trained staff Engage with SENCO Assessment/selection process (Boxall (BPYP), SDQ, Readiness to Reintegrate etc) Balance the nurture curriculum within individual pupil's plans = (80%/20%) Informing/including parents Raise awareness – whole school, staff, governors etc.</p>
What a school needs	<p>A long term and whole school commitment; The support of the governing body; Evidence of existing good practice in behaviour management; A large room that can be used flexibly; School's policy for SEN recognises the role of nurture groups within the Policy Framework; Good links for transition; Significant levels of deprivation; and A clear financial plan for sustaining the project for at least one year beyond the funded year.</p>
Environment*	<p>A dedicated room with work spaces, running water, food prep, soft area, 1:1 area, group work area. Agreed rules and routines for all involved. Identified roles and responsibilities as part of the group. Consider if a shared base is needed when developing a cluster model. Transport costs may be an issue - consider NG base in walking/bus/short taxi ride from home base. *There will be no capital expenditure to spend on converting school buildings.</p>
Staffing	<p>3 trained staff – 1 Teacher (MPS + TLR), 2 TA Staff need to have appropriate level of senior support/authority NG staff supported by middle leaders and subject leaders to deliver key aspects of the curriculum (E&M).</p>
Set up, support & governance	<p>Set up -to identify and agree the schools able to participate in the NG pilot (KS1 & KS3) support the staffing/recruitment, resourcing and facilities, agree the criteria for NG referrals. Agree a network meeting format and dates and evidence base required for monitoring. SENCO briefing. LA Nurture Group Networking Meeting – termly Briefing sessions for staff, govts Reporting on KPIs to Govs.</p>
Training, development, networking	<p>Train the trainer Nurture Group Network – 3 day training Cover costs for above.</p>
Evaluation	<p>The school hosting the NG and any other school accessing the provision will be expected to work on evaluating the provision over the period of time. An LA Officer will support this evaluation. This evaluation will be informed by the Boxall Profile assessment tool and a range of agreed indicators. E.G. improved attendance, improved family engagement, reduced incidents and exclusions etc. Termly reporting will be required to monitor this progress and a formative assessment will take place at the end of the year.</p>