

# **FINANCIAL MANAGEMENT ARRANGEMENTS FOR EXTENDED SCHOOLS 2010/11 (Special Schools)**

## **1. Introduction**

- 1.1 Funding for the Extended Schools programme is targeted on children and young people from areas of greatest need. This funding has been ringfenced to support various before and after school activities which must be linked to the key outcomes framework (linked to the Government's 10-year Strategy for Children and Young People in Northern Ireland). Such activities may include breakfast clubs, after-school study support and after-school youth, sport and leisure activities; programmes for parents and community use of schools, creating a new ethos and culture for schools, facilitating partnerships and collaboration in order to deliver better outcomes for children. The focus will be on supporting learning, healthy lifestyles and creativity.
- 1.2 This document sets out the specific financial arrangements to apply to the use and management of the Extended Schools' funding by special schools in 2010/11. The arrangements align with those of the controlled and maintained schools but recognise the distinctive aspects of the Partial Scheme of Delegation that operates for the funding of special schools, in particular, the fact that staff costs are a charge to the Board and that only other costs form a charge against the school's delegated budget.

## **2. Status of the Document**

- 2.1 This guidance is in addition to:-
- the Management Statement and Financial Memorandum for each Education and Library Board;
  - any existing documents issued by the Boards regarding the financial management arrangements for special schools.
- 2.2 Thus, the conditions governing issues such as budget management, reporting, processing of payments, purchasing and Internal Audit etc are as set out in those documents, unless further conditions are specified below.

## **3. Basic Framework**

- 3.1 Funding for Extended Schools will be treated as a ringfenced amount and will be subject to such other conditions as are set out in this document, and cannot be used for any other purpose.
- 3.2 This arrangement reflects the need to avoid imposing unnecessary additional administrative overheads on schools and ensuring that the bulk of the resources allocated are used to support pupils. Balanced against this, is the need to ensure that resources are used appropriately and in the furtherance of the outcomes set for the package as a whole.

## **4. Budget Management**

- 4.1 Resources allocated for Extended Schools must be used only on activities approved through the Extended Schools Action Plan and **must not** be used to fund activities supported by the delegated budget allocation. It is essential that individual schools

and clusters ensure that resources allocated for 2010/11 are utilised in full by the 31 March 2011, in line with policy objectives. Funding for the period April-June 2011 will be considered when setting budgets for the 2011/12 financial year. If it becomes apparent that an underspend is likely to occur schools and clusters must notify the ELB coordinator at the earliest opportunity and most certainly before 31 March 2011. The expectation is that Extended School activities will be offered before or after the school day, any provision during the school day will be at break or lunch time. For example it will **not** be possible to use the resources to:-

- repay any deficit in the delegated budget; or
- engage staff to deliver a programme during the school day and which is part of the curriculum; or
- employ or retain a classroom teacher or a classroom assistant though it will be acceptable to use resources to meet any costs associated with a member of staff's involvement in the delivery of extended activities.

4.2 Many special schools already offer Extended Schools' activities, meeting the cost from a variety of sources, including, for some, their delegated budget. It is intended that the resources allocated for Extended Schools will allow schools to develop and expand these activities rather than to use the Extended Schools resources to continue at present levels. Thus a school's action plan will show existing activities and the new activities being planned.

4.3 The following list is not intended to be exhaustive in terms of individual cost items that may be met from the Extended Schools' budget, nor does the Department wish to be prescriptive. These are therefore provided for guidance only. The Northern Ireland Extended Schools Information System ([www.niesis.co.uk](http://www.niesis.co.uk)) is a website set up by ELBs to support schools in the development, coordination and evaluation of the programme and can be accessed at any time for guidance. It is important that any purchases of goods and services comply with normal procurement arrangements and crucially, as such expenditure relates to the use of public funds, it is essential that Value For Money (VFM) is the primary consideration during all stages of the procurement process. Schools are required to adhere to all timescales for prompt payment - in accordance with guidelines and financial memoranda issued by the relevant Funding Authority.

#### 4.3.1 Staff Costs

- Any additional costs associated with the designation of a member of staff as an Extended Schools' co-ordinator.
- The cost of staff time for the delivery of breakfast or after school provision, including teacher costs, classroom assistant costs, catering staff or caretaking costs.
- The cost of after school programmes provided by external organisations eg a sports coach, music tutor etc.
- Sickness/Maternity Cover/ INSET cover for extended schools staff.

The process of employing any staff must accord with the procedures of the relevant employing authority and must at all times be fully discussed and

agreed with the Board's Special Education Branch prior to any action being taken.

#### 4.3.2 Third-Party Delivery

- A contribution to the costs of provision made by a third party non-profit making organisation (e.g professional fess) and where pupils in the school participate eg an existing after schools club, or a neighbouring school (see below regarding clusters). Including the costs of ensuring that all such Third Parties are appropriately vetted and indemnified/insured.

#### 4.3.3 Materials and Equipment

- The purchase or maintenance of materials and equipment where the main use is for Extended Schools' activities (where the main purpose is for "standard" school activity a reasonable contribution may be made).
- Stationery, including photocopying.
- Advertising Costs.

#### 4.3.4 Transport

The cost of transport directly associated with Extended Schools' activities eg where an after school club visits another school, leisure, or community facility. (Financial support for travel outside Northern Ireland is subject to specific approval by the Extended Schools' Co-ordinator in the Board and to the necessary insurance and licensing requirements being met).

#### 4.3.5 Overhead/Facilities Costs

- a. An apportionment of the cost of energy associated with Extended Schools' provision.
- b. Additional Cleaning Costs associated with Extended Schools provision.
- c. Additional catering costs associated with Extended Schools provision.
- d. The hire of facilities external to the school.

4.4 All childcare provision and community use of school facilities (unless by not-for-profit organisations) **must** be self-financing or funded by means of funds secured from other sources. It is anticipated that schools will provide business plans to indicate how this will occur. That aside, schools are free to determine their own charging policies in relation to other activities though those directly related to children's learning should be free. All fees and charges should be set out in the school's fees and charges policy.

## 5. Spending on Hospitality, Gifts etc

5.1 The Department would encourage schools to make use of the skills and talents in the local community – for example a local pharmacist might be invited to give a talk to the

Science Club, a local soccer or GAA personality might take a coaching session, a local chef might visit the Cookery Club, etc. Many members of the community will do this on a voluntary basis and the school may wish to mark this with a small **non-cash** gift or a token of appreciation. This is perfectly acceptable as long as the school can demonstrate that the particular activity was worthwhile and the level of expenditure reasonable. Schools may find it helpful to refer to DFP publication DAO 10/06 Acceptance of Gifts and Hospitality paragraph 2.16 available on the AASD website ([www.aasdni.gov.uk](http://www.aasdni.gov.uk)) as a guide to what may be considered reasonable. As with all financial transactions, proper records must be kept and a list disclosed in the school's annual report.

5.2 Extended Schools' funds cannot be used to make charitable donations.

## **6. Working in Clusters – Lead School**

6.1 The Department and Boards are particularly keen to encourage schools to work together in providing extended services and as an incentive to do so, a cluster allowance has been included in the funding formula. Schools which join with other schools to form a cluster will be entitled to an additional allocation equivalent to 15% of their extended school core allocation.

6.2 The funding arrangements for clustered schools can take one of two forms:-

a. the schools which form part of the cluster can simply offer a joint programme, retaining their original funding and operating on a "quid pro quo" basis with no internal transfers of funding; or

b. the schools pool all or some of their resources. In these instances one of the schools should be designated by the cluster as the lead school. This may result in the transfer of allocations between schools subject to the approval of the relevant Board.

In all cases, the budget should be allocated to where spend is planned to happen and accounted for within the relevant financial year and in accordance with any arrangements applied by that Board.

6.3 Staff should be employed by a named school within the cluster.

## **7. Treatment of Other Income**

7.1 Any income received or raised because of extended schools activities must be used on extended schools activities. Such income must be notified to the relevant Board and accounted for through normal Board financial arrangements.

7.2 All schools are expected to treat any funds so received with no less a degree of prudence and care than is expected in relation to public funds.

## **8. Roles and Responsibilities**

### ***Department of Education***

8.1 As with all resources voted by Parliament, the Permanent Secretary of the Department, in his role as Principal Accounting Officer, is personally responsible to the Minister for the propriety and regularity of use of Extended Schools' funding. In particular, he is responsible for-

- a. ensuring value for money in its utilisation;
- b. ensuring that the resources are used for the purposes for which they have been allocated; and
- c. ensuring that the framework of financial and management controls is appropriate according to the "*Guidance on Financial and Management Arrangements for Controlled and Maintained Schools Funded under the Common Funding Scheme*" and safeguards public funds.

8.2 In the exercise of these responsibilities the Principal Accounting Officer has: -

- a. Designated the Chief Executive of each Education and Library Board as Accounting Officer and made him/her personally accountable for the resources expended by the Board (including by schools that receive their funding via the Board).
- b. Defined the overall financial framework in a financial memorandum between the Department and each Board and between the Department and individual voluntary grammar and grant maintained integrated schools.

### ***Education and Library Boards***

8.3 The Education and Library Board (up until such time as the Education and Skills Authority is established) will have responsibility for the management of Extended Schools' resources allocated to special schools within its area. The Chief Executive, who is directly accountable to the Department for the management of those funds, has responsibility for ensuring that the resources allocated are used appropriately with sufficient safeguards to protect from loss, waste, fraud or impropriety.

8.4 In regard to Extended Schools, the Board will:-

- a. act as banker for individual controlled and maintained schools, holding the actual resources allocated to the schools by the Department;
- b. develop and implement arrangements for the processing of financial transactions on behalf of schools;
- c. incorporate extended schools expenditure within financial reports issued to special schools and Special Education Branch within the Board;
- d. review and approve action plans to ensure that the costs set against the various activities are reasonable and appropriate; and

- e. conduct monitoring visits to schools to confirm delivery of the action plan.

## **Schools**

- 8.5 Following a community audit and consultation, schools (or clusters of schools) will produce a costed and profiled action plan showing what actions they intend to undertake under their Extended Schools programme. The action plan, which should be linked to the School Development Plan, will be subject to the approval of the Board of Governors before being submitted to the Education and Library Board for final approval.
- 8.6 In the case of special schools the action plan will need to separate staff costs from other costs. It is recognised that this arrangement may not be precise and that actual costs may well vary from that which was planned. Where a school or Board considers that the variation is significant, the Board, after consultation with the school concerned, may adjust the amounts, providing the total allocation is not exceeded.
- 8.7 Each school is expected to monitor delivery of the action plan and budget and to advise the Board of any significant changes. Schools will be required to comply with a monitoring timetable. It is particularly important that the school check with the Board and obtain prior agreement before incurring any expenditure especially where it may be possible that the expenditure :-
- a. does not fall within the range of items identified for funding under Extended Schools; or
  - b. is of doubtful legality;
  - c. involves the school in entering into a long-term commitment.

## **9. Monitoring Arrangements**

- 9.1 Each Board will have responsibility for the approval of action plans prepared by schools (or clusters of schools) in its area. Once a plan is approved the school may proceed with implementation. Board Officers are expected to pay monitoring visits to schools in the course of the year to ensure that the planned activities are taking place.
- 9.2 These Monitoring Visits will include: -
- a. a meeting with the Principal and/or the person with responsibility for the co-ordinated delivery of the action plan within the school. This will provide an opportunity for an exchange of views and comments on the action plan and its delivery;
  - b. an inspection of paperwork associated with the action plan and its delivery, including evidence of consultations and community audits performed to identify need; and
  - c. the completion of a report summarising findings and any further follow-up action required.

A copy of the Monitoring report form is attached at Appendix 1.

9.3 The Education and Training Inspectorate may also be conducting evaluations

9.4 In circumstances where Action Plans may not be being met in full (and termination is not considered appropriate- see 11.2) ie where there is a valid reason or is outside the immediate control of the school, the Board officer will consider each case on an individual basis and will identify and agree a course of action with the school in order to address or rectify the particular issue or amend action plans as appropriate. Valid reasons may include absence/sickness of Extended Schools co-ordinator or outside agencies failing to deliver programmes (note this list is not exhaustive).

## **10. Reporting - Schools**

10.1 At the end of the each academic year each participating school (or cluster of schools if so organised) will complete an annual report, the template for which sets out details of the various activities being undertaken together with measurable evidence of the outcomes of the programmes and activities undertaken on pupils within the school(s) and the wider community. The report will be required to be submitted to ELB's via the NIESIS system by mid June each year as appropriate.

### **Education and Library Boards**

10.2 By September each year, the Education and Library Boards will publish an annual report for the preceding financial year detailing:

- the various schools and clusters of schools which were funded;
- a summary of the activities undertaken, shown within the key thematic areas;
- a financial report showing the funding allocated to each school or cluster and detailing the purposes to which these funds were put, according to the approved action plan and the report received from school/cluster; and
- an assessment of the impact which the activity has had and any priorities for the future.

10.3 Each October, the Extended Schools expenditure will be reported in each Board's annual LMS Outturn Statement.

## **11. Termination**

11.1 Participation in Extended Schools is voluntary and, therefore, any school, which has accepted funding, but no longer wishes to participate, may exit from the programme. Where this happens any unexpended resources will revert to the Department. The school will be required to produce a report detailing progress against the approved action plan.

11.2 A Board or the Department may withdraw or suspend a school from participation in the scheme where there is evidence of: -

- a. misuse or inappropriate use of funds;
- b. significant weaknesses in the management of the programme;
- c. action plans not being delivered; or
- d. the school's financial and/or academic performance is such that priority needs to be given to addressing shortcomings in those areas.

Such instances will be subject to the same process as apply to delegated funding for special schools.

**Department of Education**  
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