



Guidance on Extended School Activities

With specific reference to Early Education and Childcare

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Extended School Activities – some management models with specific reference to Early Education and Childcare

Introduction

Schools are at the heart of the community and provide an ideal location for a wide range of community facilities to meet the needs of children and families in their locality. The development and management of these facilities can be taken forward by:

- the school in partnership with the Local Education Authority (LEA) through a management and funding agreement
- the school (under the community facilities power within the Education Act 2002 section 27)
- third party provider (possibly through a management committee or on an individual organisation basis).

Before a decision is made regarding the model, schools should read carefully the document *Application of scheme for the community facilities power* (additional section of the *Hampshire scheme for financial management*). The community facilities power only applies where a school is intending to provide facilities other than through partnership with the LEA. Advice from officers within the LEA to confirm availability of accommodation, potential demand for services, process for development and other issues is available.

Reference

Extended Schools. Department For Education & Skills (DfES) Guidance October 2002
Extended Schools: providing opportunities and services for all (Local Government Association (LGA) Ten briefing No. 02)

Management Models

- **School delivers service in partnership with the LEA**
 - The 35 secondary and a few primaries which have community management agreements with the County Council, share their control of the use of their facilities with County Council in return for funding. Some Early Years Centres have similar agreements
 - The management arrangements are agreed as a condition of funding
 - The majority of agreements apply to community use of the whole school site
 - A community management committee is constituted which acts as a joint committee representing the interests of all the parties to the management agreement



- By entering into the agreement the governing body delegates management of community services to the committee. However, this is subject to agreement of an annual service plan and budget by the County Council and the governing body, which includes early education and childcare provision. Any other funding partners also have to agree the annual service plan and budget
 - The committee will also be required to produce an annual report on the provision, including details of income and expenditure for the year. It will be for the parties to the agreement to reach decisions on the acceptability of the plan, the budget, and the annual report
 - The annual service plan and budget for the following academic year has to be proposed by 31 December for agreement by the governing body, the County Council and any other funding partners
 - The County Council advises community management committees of an indicative allocation to the following year's budget in September
 - The funding parties will finally confirm their allocations to the overall community budget by April each year
- **School directly manages the delivery of the service under the community facilities power, Education Act 2002 s27**
 - Informal notice of the intention to use the power should be given to the Head of the Early Education & Childcare Unit (EECU)
 - Formal consultation document to be completed (see *Application of scheme to the community facilities power*).
 - Professional comment or advice will be provided by the County Council within 6 weeks e.g. legal, finance, insurance, personnel and property.
 - existing service level agreements with LEA units may require re-assessment to include the cost of any additional work from wider community facilities
 - independent professional advice may be obtained
 - Financial management
 - additional costs for administration, in line with LEA accounting and reporting systems
 - separate cost centre to be established
 - Employment
 - rates of pay for childcare staff set by the County Council must be applied
 - full on costs must be included in the business plan, including provision for pensions, sick pay, maternity leave etc.



- **Additional Comment – Important VAT issues**

- Whilst it is acknowledged that schools can now directly deliver services under the community facilities power, Schools should be aware that the cumulative effects of delivery of such services in this way, jeopardise the ability of the County Council to reclaim VAT, which in turn would adversely affect the County Council's overall budget and would therefore impact negatively upon school budgets.
- Hampshire County Council has resolved that wherever possible these services should be delivered by a third party provider. This will help ensure that the VAT exempt calculation is not exceeded. .
- The County Council will include this advice in any response to consultation under S.27 and schools should have regard to this advice.

Third party provider

There are a variety of third party arrangements of which two examples are given:

- Voluntary management committee as a third party provider
 - The voluntary management committee manages the provision of the service, including the employment of any staff, insurance and taxation matters
 - On a school site, the committee should include the Headteacher and may include members of the governing body and other interested parties from the community. The aim is for other statutory (health and social services) and relevant voluntary agencies to be involved in the funding, running and development of the provision
 - The organisation must be properly constituted as an unincorporated association to ensure total independence from the school. Model constitutions are available from the Pre-School Learning Alliance and Kids Clubs Network.
 - The governing body retains overall responsibility for the use and maintenance of school buildings, but has no responsibility for the services provided or the staff employed.



- **Independent provider**

- The appointment of an independent provider will result in a contractual arrangement which must comply with the Council's Standing Orders on Contract (<http://www.hants.gov.uk/hcc/const/part3/sectionf1.html>). This means either interested providers must be invited to tender or the governing body must be satisfied in accordance with the Standing Orders on Contracts that there are grounds to negotiate a contract with a single provider.
- The contract documents will usually comprise two documents, a Service Agreement and an agreement to occupy the premises for the purposes of providing the service.
- The Service Agreement will define the service or activity that is to be provided, it should include provisions relating to performance of the service, how that performance will be measured, liabilities, insurance, termination etc. Schools should consult their legal services provider on appropriate terms.
- The form of agreement to occupy the premises will depend on the nature of the occupation e.g. total contract with the provider (a Lease), or licence to use part of the premises, a Transfer of Control agreement under the School Standards and Framework Act 1998 or the Community Facilities Power (Education Act 2002). The appropriate form of agreement will depend on the type of use and the frequency or duration of use. Schools can enter into an agreement with any independent provider using the Community Facilities Power. Schools have to have regard and advice from the County Council, but consent is not ultimately required.
- Some uses will involve a number of parties and special requirements. These may need additional insurance cover or additional facilities installed in order to ensure compliance with these requirements.
- In all cases a risk assessment should be carried out to ensure that the risks of the proposals have been identified and the parties know who is to put in place controls (or insurance) to cover those risks.
- Professional Estates advice and legal advice should be obtained before inviting tenders or commencing negotiations.
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Extended School Activities - financial guidance with specific reference to Early Education & Childcare

Introduction

Any schools running extended community facilities themselves would be expected to comply with Hampshire County Council financial regulations, standing orders and follow the advice included within the Manual of Financial Practice and Procedure.

The following paragraphs highlight specific key issues.



Separate identification of costs

- A separate cost code is required for the extended schools activities set up through the Early Education and Childcare Unit. This will make it easier to distinguish between activities funded by different centrally held funding sources (e.g. community budget).
- As schools budgets need to be kept separate the choice of a totally new cost code (activity group) appears preferable to the alternative of a school number followed by an alphabetic character.

Accounting for income and expenditure

- All income and expenditure for provision managed by the school should pass through official Hampshire County Council bank accounts. Any lettings income and income from activities generated by Hampshire County Council employees is official income.
- All activities proposed by schools other than those being supported by Hampshire County Council should be self financing. We have a responsibility to flag up additional costs that may have not been included within budgets and time-linked revenue streams which are used to fund staffing and other longer term commitments.

Hampshire Council County systems

- The Hampshire Scheme of Financial Delegation would apply and schools would be encouraged to use Hampshire County Council financial systems.
- Schools with community management agreement are required to produce an annual service plan and budget for approval by the County Council.
- Schools wishing to use the community facilities power to start provision for child care have a duty to consult the LEA and seek advice. Governors must have regard to that advice, but the final decision is theirs. The LEA can ask schools to report on their financial situation and to tell us how they plan to manage a deficit (if one occurs).



Overall Responsibility

It is recommended that the 'Y' code is only used for activities supported by a community subsidy from the County Council or those programmes subject to a community management agreement with the County Council. Other activities should be recorded separately. The 'X' code should only be used for adult and county community supported through a funding agreement with the County Council. Several County Council services contribute to extended schools activities: youth service, early education and childcare, inclusion branch, Social Services, Recreation & Heritage.

The appendix to the Scheme of Delegation, which has been approved by the Secretary of State requires schools, wishing to exercise their community facility power, to consult through the Head of the Adult & Community Learning Unit. The one exception is early years and childcare provision, which has to go through the Head of the Early Education & Childcare Unit.

Schemes not run by schools

Estates Practice are best placed to advise on the formal relationship between schools and any external or commercial providers. This is a specialist area and separate guidance is required from the experts in this field.

Business opportunities for schools need to be clearly identified so that Hampshire County Council support is charged by departments at full cost.

Potential Sources of Funding

County Treasurer's department has produced a handbook for schools called "External funding guidance for schools in Hampshire". This has been placed on the Education Department website at:

<http://hantsnet2000.hants.gov.uk/TC/ctdept/externalfundingjtt.html>

As the potential sources of funding change and grow it will important to ensure schools are updated frequently on new opportunities available to them in this area.

Bank Loans and Deficits

Schools are not empowered to take out bank loans.

Schools should not be encouraged to plan for a deficit except in exceptional circumstances. Any such authority needs to be given by the Hampshire County Council budget holder who would be responsible if the eventual deficit could not be recovered in a reasonable period of time.

Extended School Activities – a provision strategy with specific reference to Early Education and Childcare

Introduction

- This strategy has been produced primarily for addressing early education and child care needs, however it has many elements that could be adopted for other purposes and/or services.

Aims

The overall aims of the strategy are to:

- support the effective use of County Council sites and buildings
- provide clear guidance to the process for using school sites and buildings
- enable the Early Education and Childcare Unit to manage the strategic development of services more effectively.

Background

The following actions are complete:

Estates Practice has identified land available

Strategic Planning Unit has identified buildings/spaces within buildings available

Action Plan

Task	Timetable
EECU to update, maintain and analyse accurate data so as to identify areas of need, within Wards, for targeting.	Ongoing
SPU to maintain up to date school capacity assessments and identify latest statistics at any one time relating to surplus places and available buildings	Ongoing
Put together a package of possible sites and buildings available.	Short Term
Determine how to respond to individual enquiries from schools and/or third party providers	Short Term

The following appendices to this paper look at two different approaches and sets out a possible process for dealing with each of them.

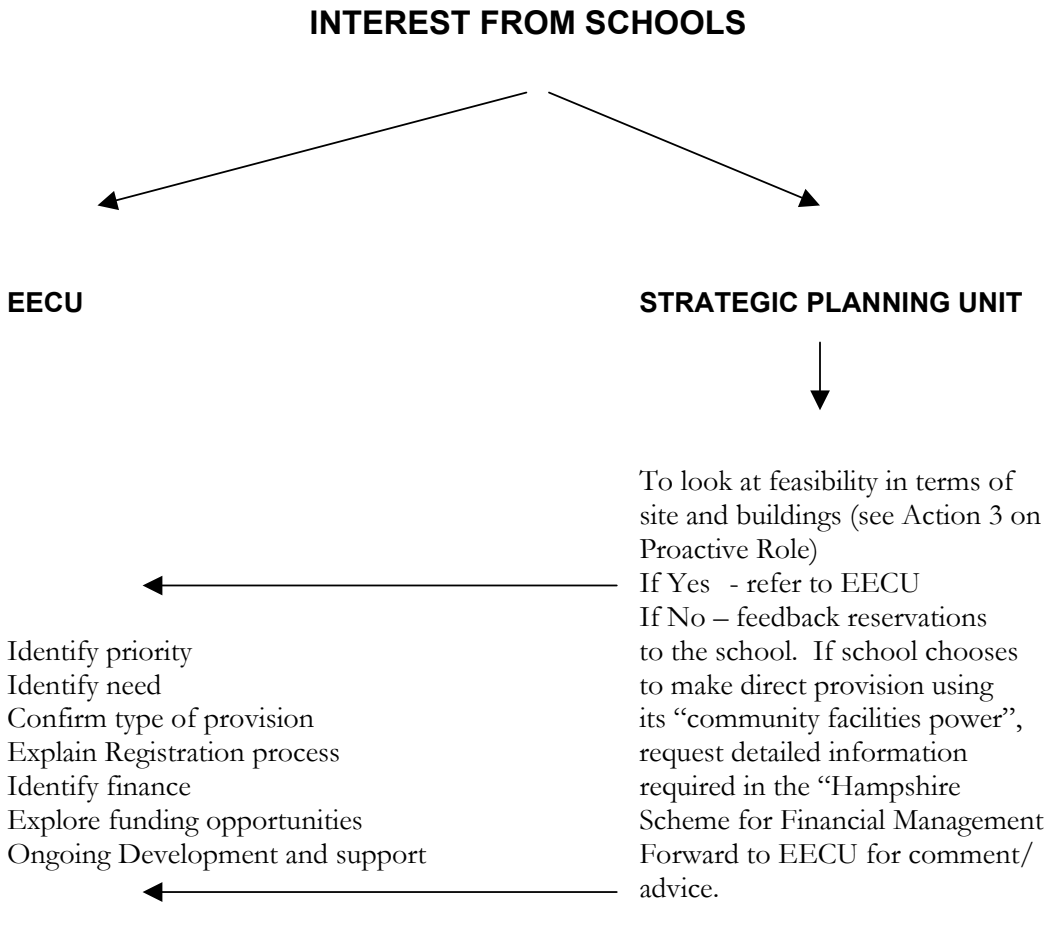


PROACTIVE ROLE

TARGETED NEED STRATEGY

Action	By Whom
1. Review Areas of Need to develop provision and agree priorities, numbers of places and types of provision	Early Education and Childcare Unit
2. Review potential land and/or buildings in those areas of need	Estates Practice/Strategic Planning Unit
3. i) Identify constraints including initial planning and highways views, services, access, lease/licence arrangements or any other management mechanism ii) Consult schools	i) Estates Practice ii) Early Education and Childcare Unit/Strategic Planning Unit/Estates Practice
4. Identify the facilities available, and their suitability. Identify any necessary capital works	Strategic Planning Unit/Property Services
5. The results of 3 and 4 to be packaged together for tendering purposes	Estates Practice supported by Early Education and Childcare Unit and Strategic Planning Unit
6. Phase 1 of the tendering process – inviting expressions of interest and details of experience from potential providers with an information sheet for each site or combination of sites	Estates Practice supported by Early Education & Childcare Unit and Strategic Planning Unit
7. Phase 2 of the tendering process – invitation to tender to a selection of providers from 6 with provision of a full information pack.	Estates Practice supported by Early Education & Childcare Unit and Strategic Planning Unit
8. Alternative Option to 6 and 7 would be to hold an open day	

REACTIVE ROLE



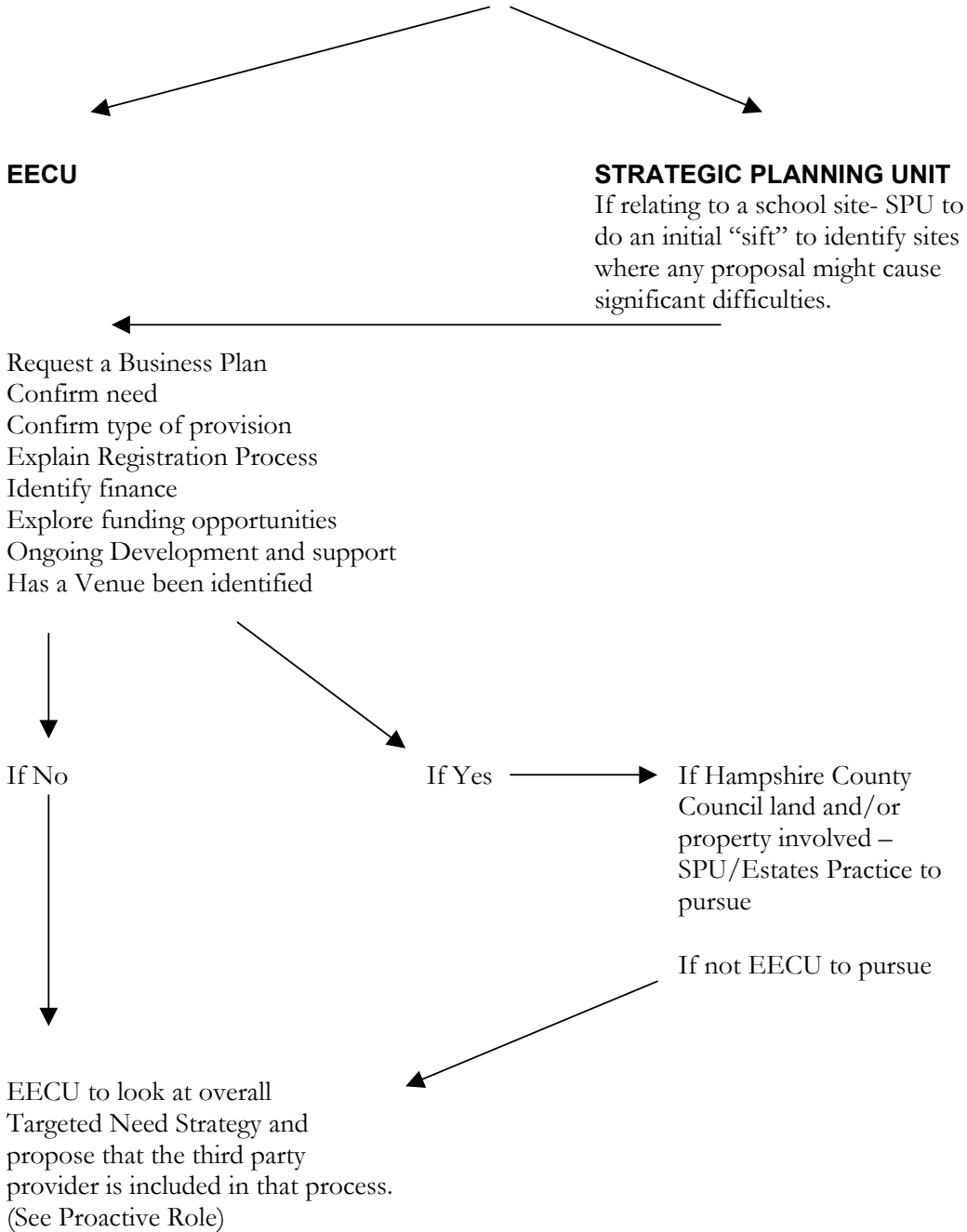
If the proposal is possible - Actions Required and by whom

1. Delivery of the provision will require input from Estates Practice (use of facilities, who manages, type of agreement/licence/lease etc.)
2. How the proposed provision fits into the Targeted Need Strategic Plan (EECU)
3. Determine whether there will be a need for capital funding (EECU/Strategic Planning Unit (SPU))
4. Sources of capital funding to be identified (EECU/SPU)
5. Process for approvals, where necessary, to be identified (EECU/SPU/Estates Practice)



REACTIVE ROLE

INTEREST FROM THIRD PARTY PROVIDERS



Extended School Activities - personnel guidance - staff employed as a result of Extended School use and at Early Years Centres

Background

There is a requirement placed on the Local Education Authority by central government to increase the utilisation of schools. To meet this requirement the government through the Education Act 2002 enabled governing bodies to provide facilities and services for the benefit of pupils, families and their local community.

At the same time the New Opportunities Fund (NOF) has allowed the LEA in partnership with others to provide an extensive number of childcare places and the setting up of a number of Early Years Centres.

The purpose of this section is to give personnel guidance to managers, headteachers and governors on the implications of employing staff to meet the LEA's initiatives in these areas. It is assumed that the staff employed will be other than teachers.

Employment Status

The question of who is the employer and who makes the employment decisions (e.g. appointment and dismissal), is the key to giving personnel advice. This is regardless of how such staff are being funded.

(i) External Employers

The term "external employer" is taken to apply to all organisations, including Voluntary Management Committees where Hampshire County Council is not the employer, other than Voluntary Aided Schools.

Education Personnel Services regrets that it is unable to offer advice or give support to external employers through the service level agreements it has with schools and the wider Education Department.

All employment and health and safety legislation will still apply, but currently one advantage of employing staff through an external employer is their ability to have pay and conditions of service which fall outside of those applying to employees of Hampshire County Council. This may help improve long term financial viability but may also make staff recruitment and retention more difficult.

Advice for external employers can be found from;

Kids Club Network – Telephone: 0207 512 2100
National Early Years Network – Telephone: 0207 607 9573
Pre-School Learning Alliance – Telephone: 01962 840633
National Childminding Association – Telephone: 0208 464 6164



(ii) Non School based Employees of Hampshire County Council

The pay and conditions of service of this group of staff are contained within the Employment in Hampshire County Council (EHCC) agreement. This is a local agreement which covers all non school based employees of Hampshire County Council. Advice on the application of EHCC, its implementation and related personnel procedures contained in the Personnel and Training Corporate Managers Guide, can be obtained from the Education Services Team at Clarendon House Winchester.

(iii) School based Employees

Staff appointed by schools, other than Voluntary Aided Schools, have Hampshire County Council as their employer. Voluntary Aided Schools tend to apply the same conditions as Hampshire County Council. However, all school governing bodies and not the LEA, are responsible for employment decisions.

Schools may only appoint staff to recognised Hampshire County Council salary scales. Rates of pay for equivalent jobs must be the same across the County Council. Staff are entitled to employment rights covering sickness, holiday entitlement, maternity and paternity leave, pension and redundancy payments.

The pay, conditions of service and personnel advice for this group of staff is contained within the EHCC agreement and Volumes 1 and 2 of the Manual of Personnel Practice. Further personnel advice can be obtained from Education Personnel Services at the school's Local Education Office at either Fareham or Winchester.

Voluntary Management Committees intending to enter into arrangements with schools for the employment of staff must accept that Hampshire County Council rates of pay and conditions of service will apply. Any agreement between the voluntary organisation and the school must clarify accountabilities and responsibilities, recognising the personnel procedures that exist for school based staff. The management committee should be more aware of their responsibility to fund leave, sick pay, maternity leave, redundancy and other indirect employment costs.

Community schools with management committees established through community management agreements with the County Council must also accept that Hampshire County Council rates of pay and conditions of service will apply.

Contracts of Employment (Statement of Particulars)

An employee regardless of the number of hours they work per week is entitled to receive a Contract of Employment (Statement of Particulars), if they are to be employed for one month or more. That Statement of Particulars to include details of pay and conditions of service such as sickness procedures, notice periods, pensions, maternity, annual leave and disciplinary and grievance procedures.

Further advice is to be issued shortly on the employment of casual staff. Casual being defined as periods of employment of less than four weeks on an ad hoc basis. This has become necessary as a result of the Working Time Directive effectively giving a pro-rata entitlement to statutory annual leave even for only one weeks employment.

Grades of Posts

Hampshire County Council has embarked on a major Pay and Benefits Project which is due to come to fruition during 2004. This has required, through the use of role profiles, each post to be evaluated prior to a new pay structure being formulated.

In the meantime the previous evaluated grades for the two posts below remain current. The scale points for both posts are taken from the National Pay Spine for Local Government Employees (formerly APT & C). Salaries are with effect from 1 April 2003;

Childcare Co-ordinator – Scale 4 – Points 18 (£14,817) to 21 (£16,515)

Childcare Assistant – Scale 1 - Points 6 (£10,668) to 11 (£12,720)

Further Advice

If there are any queries whatsoever on the contents of this section and/or further personnel advice is required please do not hesitate to contact Education Personnel Services.