

# Revenue funding

## Revenue funding

Whatever the scale of your community sport or arts programme, it will need funding either from the school's delegated budget or from new, external sources.

To work out the revenue funding you will need and whether the activity is eligible for subsidy from the School budget, it will be necessary to –

- Identify the sport or arts activities and programmes you intend to offer.
- Identify who they will be offered to – whether the pupils at the School, pupils from another maintained school, the parents and carers of pupils, the community or a combination of these groups.
- Work out the running costs associated with the activity – marketing, supervision, security, coaching/teaching, energy, equipment, repairs, renewals, cleaning and materials, licences, additional insurance, etc.
- Estimate any income from fees and charges.

## Delegated budgets

The School can use its delegated budgets to support or subsidise extended activities – including sport and arts – provided they have an educational benefit to children (whether attending the School or another maintained school) during term time. You may not use the School's budget to support extended activities that are solely for the community such as sports activities restricted to members of a local community sports club or a holiday play scheme based at the School.

## School Standards Grant

The Government is making an additional £150 million available in 2007-08 direct to schools via their School Standards Grant (SSG). Schools can use money from their SSG to support the development of extended services and activities. If your community sport or arts project involves a study support element for pupils and requires a subsidy you cannot fund from your existing delegated budget, then you should approach the Extended Schools Remodelling Adviser (ESRA) or the Business Support Officer in your local authority to discuss eligibility for additional funding. A further £238 million will be made available in 2007/08 to local authorities to fund the implementation of their local strategies for extended services.

## School and community bartering of services

Many schools and colleges are now successfully delivering sport and arts as part of after school clubs for their pupils in partnership with local community groups, meeting costs from their delegated budgets. One tried and tested model is for a school to offer a local sports club use of its sports hall or floodlit sports pitch for evening training at a rate subsidised from the school's budget in return for 'free' coaching services provided by the club to pupils attending after school club sessions.

## case study: Robert Clack School, Barking and Dagenham

Robert Clack School in Dagenham has benefited from a major sports lottery award to provide an Optimum model sports hall and other facilities for school and community use. The school has developed strong links with local sports clubs. Coaches and other Adults Other Than Teachers work in the school under strict guidelines set down by the Council's Children's Service. The coaches are not paid for their time. Instead, their host clubs benefit from subsidised hire rates when using the school's facilities for club training sessions or matches.

To find out more, go to [www.barking-dagenham.gov.uk](http://www.barking-dagenham.gov.uk)



## Key principles

- In preparing the financial strategy for your draft business plan, consider all the costs that you are likely to incur and allow for necessary repairs and replacements over time.
- VAT – Always make sure you check the VAT implications for your proposals with your local authority finance department and, if necessary, directly with your local Customs & Excise Office. Generally, local authorities do not have to charge VAT on fees to the community or pay VAT on the capital costs of building projects. However, this exemption on attributable input VAT is limited ('the 5% rule') and you will need to check whether your project can be delivered without triggering VAT on the build costs and charges. Schools and colleges not owned by the local authority are subject to different restrictions. 90 per cent of the usage of non-local authority schools and colleges must be for its principal activity. If it opens its doors to community users for more than 10 per cent of the time – about an hour a day after school – it may lose its zero rating and have to pay the 17.5% VAT on its capital cost. While the 2007 spring budget released Academies – including the academies with a focus on sport or the arts – from this restriction, it still applies to other non-local authority schools and FE colleges. VAT issues can be complex and open to local interpretation. The over-riding principle is always take professional advice. The teachernet resource has a 'practical know-how' section dedicated to accounting for VAT on extended schools activities.

## Sources of guidance

Best for...	Who/what...	How to find...
Financial planning of sport programme	Template D on 'Get Funding' section on Sport England website	<a href="http://www.sportengland.org/index/get_funding">www.sportengland.org/index/get_funding</a>
Use of delegated budgets to support or subsidise extended activities	Planning and funding extended schools: a guide for schools, local authorities and their partner organisations, DfES 2006, p42	Download from <a href="http://www.teachernet.gov.uk/extendedschools">www.teachernet.gov.uk/extendedschools</a>
Article with practical ideas on raising funding to sustain extended services	'Extended Schools: Money Matters Manual' ChildrenNow March 2007	<a href="http://www.childrennow.co.uk">http://www.childrennow.co.uk</a>
Current lottery programmes and criteria	Joint website of all 'Good Causes' distributors listing all open programmes	<a href="http://www.lotteryfunding.org.uk/">www.lotteryfunding.org.uk/</a>
Sport England funding programmes	'Get Funding' section on Sport England website and 'Finding Funding' Section 2.03 of 'Funding Support Pack'	<a href="http://www.sportengland.org/index/get_funding">www.sportengland.org/index/get_funding</a> <a href="http://www.sportengland.org/index/get_resources">www.sportengland.org/index/get_resources</a>
Accounting for VAT on extended schools activities	'VAT and extended schools Know-How', Teachernet	<a href="http://www.teachernet.gov.uk/wholeschool/extendedschools/practicalknowhow">http://www.teachernet.gov.uk/wholeschool/extendedschools/practicalknowhow</a>