

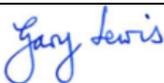


LIGHTHOUSE

SCHOOLS PARTNERSHIP

FINANCE POLICY

Statutory

Policy Approved by the Board of Trustees	
Signed:  Name: Adele Haysom Chair of Board of Trustees	Date: 11 November 2025
Authorised for Issue	
Signed:  Name: Gary Lewis Chief Executive	Date: 11 November 2025

Document History

Version	Author/Owner	Drafted	Comments
1	Clare Sanders	June 2016	Based on Gordano School model - original source not recorded
2	Clare Sanders	December 2016	Amendment to section 8.5
3	Louise Malik	August 2018	Various amendments
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5	Louise Malik	August 2020	Various amendments
6	Louise Malik	August 2021	Various amendments
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8	Louise Malik	August 2023	Scheduled review
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10	Louise Malik	August 2025	Scheduled review

Review cycle	Annually (Term 6)
Review date	Summer 2026

This Policy applies to all schools and employees within the Lighthouse Schools Partnership.

FINANCE POLICY

Statutory

Rationale

1. The purpose of this policy is to ensure that public accountability and high standards of financial integrity are exercised over the control of public funds. It sets out the responsibilities and levels of authority for Lighthouse Schools Partnership (LSP) Members, Trust Board and Local Governing Bodies together with the officers and members of staff in the Central Team and the Individual schools responsible for the setting and control of the delegated Schools Budget.
2. Relationship to other Policies - This policy should be read in conjunction with the following:
 - 2.1. Academy Trust Handbook,
 - 2.2. Funding agreement,
 - 2.3. Scheme of Delegation,
 - 2.4. Terms of Reference,
 - 2.5. Strategic Plan,
 - 2.6. Principal Accounting Policies,
 - 2.7. Investment Policy,
 - 2.8. Reserves Policies
 - 2.9. Debt Recovery Policy, and
 - 2.10. Each School's Development Plan.

Aims

3. The aim of the Finance Policy is to ensure that Members, Trustees, Governors, Headteachers and staff are aware that it is in their own interest to ensure that the Trust and school's financial controls are aligned with statutory and regulatory guidance for Academies, including that issued by the Department for Education (DfE) through the Academy Trust Handbook (ATH), Charity Law and the Funding Agreement, ensuring that they are complied with and can demonstrate public accountability.

Guiding principles

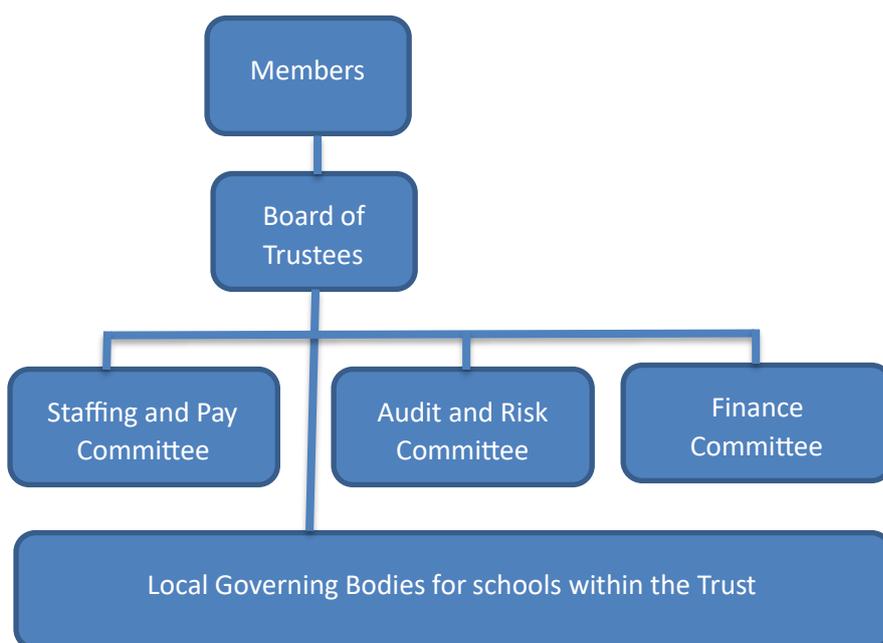
4. The current version of the Academy Trust Handbook will represent the context within which the Lighthouse Schools Partnership and its schools operate.

Monitoring and evaluation

5. Monitoring and evaluation of this policy will be undertaken via the Trust Board and will be subject to scrutiny by the appointed internal and external auditors, as well as the Trust's Finance and Audit & Risk Committees.

Organisation

6. The financial structure is provided below:



7. Members of the Trust

- 7.1. Members have ultimate responsibility for the Trust achieving its charitable objectives, holding the Trustees to account. The Members are not responsible for the day to day governance of the schools and the Trust.
- 7.2. The ultimate purpose of the Trust, and therefore of a Member, is to ensure the best possible educational outcomes for all students and pupils within the Trust's schools.
- 7.3. Members are responsible for appointing the Trust's external auditors and receiving the Trust's audited annual accounts (subject to the

Companies Act).

8. The Board of Trustees of the Trust

- 8.1. Trustees (Directors) are responsible for ensuring the Trust's funds are used in accordance with the law, and the Trustees' powers under the Funding Agreements and the ATH.
- 8.2. The Board of Trustees (The Board) must appoint the Accounting Officer. At the Lighthouse Schools Partnership, the Chief Executive is the officer of the Trust who acts as the Accounting Officer for the Trust.
- 8.3. The Board should also be aware of the statutory duties of company directors, as set out in the Companies Act.
- 8.4. A register of the business and pecuniary interests of each Member, Trustee, Governor and all senior members of staff is held by the Central Team and is available for inspection. It is the responsibility of each Member, Trustees, Governor and senior member of staff to declare any business interests they have which require inclusion in the register. Any Member, Trustee, Governor or senior member of staff who has an interest in a business tendering for a contract, will not form part of the decision-making process for that contract. No Member, Trustee, Governor or senior member of staff involved in awarding, managing and supervising a contract will accept gifts or hospitality from current or potential suppliers.
- 8.5. The Board's financial role is to:
 - 8.5.1. Ensure effective financial performance, including proper planning, monitoring and probity.
 - 8.5.2. Ensure regularity and propriety in use of the Trust's funds, and achieve economy, efficiency and effectiveness.
 - 8.5.3. Take ownership of the trust's financial sustainability, reserves and its ability to operate as a going concern.
 - 8.5.4. Develop an ethos of financial awareness and responsibility.
 - 8.5.5. Approve the budget for the coming year, agreeing the Budget Forecast report before submission to the DfE.
 - 8.5.6. Consider, ratify/reject the individual school budgets, prior to the start of each financial year, including the level and use of any contingency fund or reserves, ensuring the compatibility of all such proposals with the development priorities set out in the strategic plan.
 - 8.5.7. Contribute to the formulation of the Board's strategic plan, through the consideration of financial priorities and proposals, in consultation with the Chief Executive, with the stated and agreed aims and objectives of the Trust.

- 8.5.8. Monitor the Trust's performance against budget on a regular basis reviewing significant variances and taking action to maintain financial viability. Maintain the stability of the Trust's financial position by monitoring cash flow including review of banking and investment arrangements.
 - 8.5.9. Ensure compliance with the overall financial plan for the board, and within the financial regulations of the DfE, Charity Law and Funding Agreement.
 - 8.5.10. Monitor and review effectiveness of financial procedures and controls.
 - 8.5.11. Monitor the application of the Finance Policy, approving items of expenditure or contracts outside the limits of Local Governing Bodies as set out in the Finance Policy.
 - 8.5.12. Approve and publish Principal Accounting Policies Including Investment, Reserves and depreciation Policies.
 - 8.5.13. Ensure decisions about executive pay follow a robust evidence-based process reflecting the individual's role and responsibilities, and that the approach to pay is transparent, proportionate and justifiable.
 - 8.5.14. Ensure appropriate insurance cover arrangements are in place.
 - 8.5.15. Develop the Trust's strategies for procurement and value for money.
 - 8.5.16. Develop the Trust's strategy for the management of the school estate and assets.
 - 8.5.17. Set and oversee the Trust's annual central services budget for services funded by the Core Services Charge.
 - 8.6. The Board of Trustees and its committees must meet regularly enough to discharge their responsibilities and ensure robust governance and effective financial management arrangements. Board meetings will take place at least six times a year (and business conducted only when quorate) with the Audit and Risk Committee and the Finance Committee both meeting at least three times a year.
9. The Local Governing Body (LGB)
- 9.1. Each school's local governing body has responsibility to:
 - 9.1.1. Consider the school's indicative funding, notified annually by the Department for Education (DfE) and to assess its implications for the school, in consultation with the

Headteacher and Business Manager/Partner, as appropriate,

- 9.1.2. In advance of the financial year, draw any matters of significance or concern to the attention of the Board of Trustees.
- 9.1.3. Propose to the Board of Trustees an annual budget, prior to the start of each financial year, along with projections for the following two financial years, in line with the timeline set out annually, ensuring the compatibility of all such proposals with the development priorities set out in the school's development plan and the Trust's Strategic plan, as appropriate.
- 9.1.4. Monitor the school's income, expenditure and forecasted outturn throughout the year, with reference to the approved budget including reviewing significant variances.
- 9.1.5. Hold the Headteacher to account for how financial resources are expended at the school including approving items of expenditure or contracts outside the limits of the Headteacher and within the limits of the Local Governing Body as set out in the Finance Policy.
- 9.1.6. Hold the Headteacher to account for meeting the requirements of the Reserves Policy.

10. The Chief Executive Officer

- 10.1. The Chief Executive is appointed as the Accounting Officer and is responsible to the Board for the financial management of the Trust.

11. Headteachers

- 11.1. Each school's Headteacher is responsible for the:
 - 11.1.1. Management of their school, or schools, financial position at a strategic and operational level over a medium term period (at least 3 years).
 - 11.1.2. Management of effective systems of internal control by complying with procedures set out in the Academy Trust Handbook and the Trust's Finance Policies.
 - 11.1.3. Ensuring the effective management of school based finance staff.

12. The Chief Financial and Operating Officer

- 12.1. The Chief Financial and Operating Officer (CFOO) is appointed as the Chief Financial Officer (CFO) and is responsible for:
 - 12.1.1. Providing information, advice and training on all financial related issues to stakeholders as appropriate.

- 12.1.2. Liaising with Members, Trustees, Governors, staff, DfE, auditors, other bodies and organisations as and when necessary, in all areas concerning financial management.
- 12.1.3. Providing a financial strategy and financial management information to the Board of Trustees so they can deliver their financial responsibilities.
- 12.1.4. Providing financial management information to the Headteachers and Business Managers/Partners in order to assist them to monitor their school's financial performance and improve the decision-making process.
- 12.1.5. Co-ordinating the planning and budgeting process, reviewing budgets with each school's Headteacher and LGB before they are submitted to the Board of Trustees.
- 12.1.6. Ensuring compliance with ATH, DfE, Charity Law regulations and statutory requirements.
- 12.1.7. Reviewing, updating and developing the Trust's finance policies, as necessary including to comply with changes to the ATH.
- 12.1.8. Ensuring that all financial transactions are in accordance with published procedures and statutory regulations.
- 12.1.9. Ensuring internal controls are effective including that delegated financial authorities are complied with, maintaining appropriate segregation of duties, reducing the risk of fraud and theft, independent checking of financial controls, systems, transactions and risks.
- 12.1.10. Ensuring that all financial staff have the necessary qualifications and training to undertake their respective tasks.
- 12.1.11. Ensuring that the Trust's payroll is delivered within statutory regulations.
- 12.1.12. Ensuring that the pension arrangements are implemented in line with Pension Organisation regulations (both Teaching and Support Staff Pension Organisations).
- 12.1.13. Preparation and management of the Trust's annual central services budget for services funded by the Core Services Charge.
- 12.1.14. Line Management of the Trust's Finance Managers.
- 12.1.15. Preparation of consolidated accounts for presentation to the Trust Board and the DfE.

- 12.1.16. Ensuring all financial reporting is completed according to the agreed reporting schedule.
- 12.1.17. Co-ordinating the deployment of finance staff across the Trust.
- 12.1.18. Forecasting the Trust's financial position through the year and advising the Trust Board on any remedial actions required.
- 12.1.19. Ensuring compliance with the ATH.
- 12.1.20. Producing management accounts in accordance with the agreed schedule.
- 12.1.21. Applying discipline in financial management, including managing debtors, creditors, cash flow investments and monthly bank reconciliations.
- 12.1.22. Planning and oversight of any capital projects and the management and oversight of assets

13. Trust Finance Managers

13.1. The Finance Managers are responsible for:

- 13.1.1. Overseeing the Trust's payroll, pensions administration and VAT returns.
- 13.1.2. Managing the Trust's bank accounts including timely payment of invoices through appropriate methods e.g. BACs, cheques.
- 13.1.3. Managing the Trust's cash flow and investments robustly, avoiding becoming overdrawn.
- 13.1.4. Managing the Central Finance function.
- 13.1.5. Being point of contact with the Trust's appointed external and internal auditor.
- 13.1.6. Providing central support and training on financial matters to staff across the Trust.
- 13.1.7. Providing the Chief Executive Officer, Chief Financial and Operating Officer and Headteachers with regular financial updates and alerting them to any concerns.
- 13.1.8. Assisting with the operation and maintenance of budgeting, finance and payroll computer accounting systems.
- 13.1.9. Investigating, recommending and implementing changes to systems and procedures, to improve financial performance and satisfy value for money criteria.
- 13.1.10. Assisting with the operation and maintenance of the Trust's

payroll including pension administration.

- 13.1.11. Overseeing purchasing and ensuring that it is compliant with the ATH and Finance Policy.
- 13.1.12. Managing the delivery of the Finance Business Partner service to schools receiving centralised services.
- 13.1.13. Supporting schools and monitoring compliance against Trust finance policy and associated procedures.
- 13.1.14. Supporting schools and checking accuracy of forecasted outturn position.
- 13.1.15. Supporting schools and checking accuracy of budget planning.
- 13.1.16. Supporting schools and checking accuracy of entries to close the school accounts.
- 13.1.17. Providing a first point of contact for financial queries.
- 13.1.18. Attending interviews for Secondary School Business Managers if requested.
- 13.1.19. Providing induction support in the first year to new Headteachers or School Business Managers.
- 13.1.20. Supporting the delivery of training across the Trust.
- 13.1.21. Supporting and challenging schools to set a balanced and sustainable budget in liaison with the Education Team.

14. Hub Business Leader

14.1. The Hub Business Leader for each hub, working on behalf of the Chief Financial and Operating Officer, is responsible for:

- 14.1.1. Providing a support network across the hub for operational activities
- 14.1.2. Supporting hub schools through monthly hub meetings.

15. Business Manager/Partner and Office Managers

15.1. A school-based Business Manager is responsible for:

- 15.1.1. Forecasting the school's financial position through the year and advising the Headteacher and Local Governing Body on any remedial actions required.
- 15.1.2. Providing the Headteacher, Governors and Chief Financial and Operating Officer with regular financial updates and alerting

them to any concerns.

- 15.1.3. Forecasting the projected outturn position every month (with the exception of month 11 for term time only staff), reporting the forecasted outturn to the Headteacher, LGB and the CFOO through the Trust's budgeting system.
 - 15.1.4. Producing the school's budget for a three year period in conjunction with the Headteacher and Chief Financial and Operating Officer.
 - 15.1.5. Managing the local finance staff.
 - 15.1.6. Overseeing compliance to the Trust Finance Policies at their school(s).
 - 15.1.7. Assisting with the operation and maintenance of budget, finance and payroll computer accounting systems, completing monthly financial activities to ensure that the financial position of the school is accurately represented.
 - 15.1.8. Ensuring compliance with the Academy Trust Handbook (ATH).
 - 15.1.9. Investigating, recommending and implementing changes to systems and procedures, to improve financial performance and satisfy value for money criteria.
 - 15.1.10. Assisting with the operation and maintenance of the school's payroll including pension administration.
 - 15.1.11. Completing the monthly checklist of financial tasks in accordance with the agreed schedule.
 - 15.1.12. Overseeing purchasing and ensuring that it is compliant with the ATH and Finance Policy.
 - 15.1.13. Informing the Central Finance Team of changes to the school's assets e.g. additions and disposals
 - 15.1.14. Being point of contact within the school for the Trust's appointed external and internal auditor, participating in data collection and testing as part of any audit process.
 - 15.1.15. Producing the necessary year end entries to accurately report the school's financial position at the year end.
 - 15.1.16. Acting on any concerns raised by Trustees, auditors or CFOO.
- 15.2. For schools that receive centralised services, the responsibilities of the School-based Business Manager are shared between the Finance Business Partner and the School-based Officer Manager as detailed in table 1 below:

Finance Business Partner	Office Manager
Forecasting the school's financial position throughout the year and advising the Headteacher and Local Governing Body on any remedial actions required.	Managing the local finance staff.
Providing the Headteacher, Governors and Chief Financial and Operating Officer with regular financial updates and alerting them to any concerns.	Providing information to the Finance Business Partner to aid the completion of these responsibilities
Forecasting the projected outturn position every month (with the exception of month 11), reporting the forecasted outturn to the Headteacher, LGB and the CFOO through the Trust's budgeting system.	
Producing the school's budget for a three year period in conjunction with the Headteacher and Chief Financial and Operating Officer.	
Providing advice and support to budget holders on best value for money and producing financial management information.	
Assisting with the operation and maintenance of budget, finance and payroll computer accounting systems, completing monthly/annual financial activities to ensure that the financial position of the school is accurately represented.	
Assisting with the operation and maintenance of the school's payroll.	Day to day processing for payroll
Completing the monthly checklist of financial tasks in accordance with the agreed schedule.	
Being point of contact within the school for the Trust's appointed external and internal auditor, participating in data collection and testing as part of any audit process.	
Producing the necessary year end entries to accurately report the school's financial position at the year end.	
Actioning journals and carrying out reconciliations	
Liaising with the Finance Team to	Inform the FBP of the

update the fixed asset register on disposal of an asset	disposal of any assets
Shared responsibilities	
Overseeing compliance to the Trust Finance Policies at their school(s).	
Ensuring compliance with the Academy Trust Handbook (ATH).	
Investigating, recommending and implementing changes to systems and procedures, to improve financial performance and satisfy value for money criteria.	
Acting on any concerns raised by Trustees, auditors or CFOO	

16. School-based Finance Officers/Administrators

- 16.1. School-based Finance Officers/Administrators are responsible for:
- 16.1.1. Processing all official order requests.
 - 16.1.2. Processing all invoices.
 - 16.1.3. Processing requests for payments.
 - 16.1.4. Processing all receipt of monies and for paying in at the bank on a regular basis.
 - 16.1.5. Investigating, recommending and implementing changes to systems and procedures, to improve financial performance and satisfy value for money criteria both
 - 16.1.6. Maintaining the school inventory
 - 16.1.7. Complying with the Trust Finance Policies

Financial Planning and forecasting

17. Financial monitoring and forecasting

- 17.1. Each Headteacher will monitor and review the financial position of the school(s). This will include the review of the forecasted outturn position monthly, taking remedial action where necessary and reporting the projected outturn to the LGB and the CFOO (for review) at least 3 times a year in line with the timeline set out annually .
- 17.2. The Central Finance Team will review schools' forecasts 3 times a year, in line with the timeline set out annually, and report the outcome and any concerns to the Headteacher and Chair of Governors.
- 17.3. The Trust Board will review the Trust's management accounts at least six times per year. This information will be shared with the Chair of Trustees, via the Finance Committee, on a monthly basis.
- 17.4. The process of monitoring actual expenditure against budget is continuous. Day to day responsibility for monitoring and control lies

with budget holders. The local finance staff will issue a report, at least termly, to each budget holder detailing committed and actual expenditure compared to the budget approved by the LGB.

18. Budgeting

- 18.1. Each school's Headteacher is responsible for the preparation of the annual budget, along with projections for the following two financial years, in conjunction with the Chief Financial and Operating Officer. The Chief Financial and Operating Officer will issue a detailed budget planning document and approval route each year but in principle this is as follows:
 - 18.1.1. Headteacher, with the School Business Manager/Business Partner and Chief Financial and Operating Officer agree a draft budget in Term 5 in line with the timeline set out annually, including projections for the following two financial years.
 - 18.1.2. Each school's Local Governing Body will scrutinise and challenge this draft and propose it to the Board of Trustees.
 - 18.1.3. The Board of Trustees will review and ratify the budgets presented to the Board of Trustees.
- 18.2. The Chief Financial and Operating Officer will agree a draft budget for the Trust's Central Services Budget with the Chief Executive and Senior Leadership Team for the Central Team by end of April annually.
- 18.3. Each school's budget and the Trust's Central Services Budget will be reviewed and ratified by the Board in July annually.
- 18.4. Budgets will be submitted to the DfE by the required deadline by the Chief Financial and Operating Officer.
- 18.5. Schools should not plan a deficit budget for the coming financial year, unless this has been agreed with the Chief Financial and Operating Officer. Where a deficit budget is unavoidable the schools should work in partnership with the Chief Financial and Operating Officer to establish a plan to achieve a sustainable budget.

19. Audit

- 19.1. The Trust must produce fully audited company accounts as at the 31 August each year. The Board must appoint a Statutory Auditor, which is registered under the requirements of the Companies Act, to conduct an audit in line with Company Accounts requirements, SORP for charities and certify the accounts are "true and fair".
- 19.2. Final accounts must be published in accordance with current regulations and DfE guidelines.

- 19.3. In line with the ATH, audit reviews of financial and procedural matters are carried out by an Internal Auditor, according to the schedule agreed each year by the Trust's Audit and Risk Committee. The findings from the audit reviews are made available to all Trustees promptly. The Board of Trustees ensure there is an appropriate, reasonable and timely response by the Trust to any findings by auditors, taking opportunities to strengthen the Trust's systems of financial management and control.
- 19.4. LGBs must also provide a timely response to any findings by auditors for their school(s), taking opportunities to strengthen the school's systems of financial management and control, and reporting progress to the Board of Trustees.

Financial Administration

20. Accounting Systems

- 20.1. Schools within the Lighthouse Schools Partnership use PS Financials (PSF).
- 20.2. Access to PSF is restricted to the Chief Financial and Operating Officer and other authorised staff. Reduced (restricted) access may be granted to budget holders in order to process online orders.

21. Accounting Records

- 21.1. Only authorised staff are permitted access to accounting records which should be securely retained when not in use.
- 21.2. Alterations to any original documents such as cheques, invoices, orders and other vouchers must be made clearly in ink and initialled by an authorised person.
- 21.3. All accounting records including invoices, order forms, bank statements, etc. are retained in line with the LSP retention guidelines, in a secure manner.

22. Accruals and Prepayment Schedules

- 22.1. Accruals and prepayment schedules are used to ensure that income and expenditure is recorded in the month or financial year to which it relates (when the goods or services were received/provided). Accruals and prepayment schedules are completed on a monthly basis for individual items of income or expenditure with an annual value greater than £12,000. Accruals and prepayments schedules are completed at the year end for any value over £100 in Primary schools or £1,000 in Secondary schools.
- 22.2. Types of schedules include:
 - 22.2.1. Accrued Expenditure - e.g. For goods or services received by 31st August but for which invoices have not been input onto PSF before the end of the accounting period, or for which

invoices have September invoice dates such as gas bills, telecommunications etc,

- 22.2.2. Accrued Income - e.g. For goods or services provided by 31st August but for which neither documentation has been raised / received nor income received by this date such as settlement of invoice, expected supplier refunds/credit notes, lettings not yet invoiced,
 - 22.2.3. Pre-paid Expenditure - e.g. Invoices received and processed before the end of the accounting period within PSF, with invoice dates up to 31st August for goods for services to be received after 1st September such as annual contracts,
 - 22.2.4. Deferred Income - e.g. Income received by 31st August for goods or services to be provided after 1st September such as lettings income received in advance.
- 22.3. Without year end schedules, the following risks may occur:
- 22.3.1. Reserves at year end could be over or understated.
 - 22.3.2. Use of historical spend to set budgets could be flawed.
 - 22.3.3. Financial decisions based on inaccurate assessment of the school's/Trust's financial position.
- 22.4. The use of monthly schedules enables more accurate assessment of a school's/the Trust's financial position during the financial year.
- 22.5. School Business Managers / Finance Business Partners, with support from school-based Finance Teams will:
- 22.5.1. Provide the Central Finance Team with information on school generated transactions with an annual value greater than £12,000 and of any changes required.
 - 22.5.2. Prepare school specific year end schedules by gathering information and collating evidence from financial management systems and budget holders.
 - 22.5.3. Review year end schedules and evidence, raising queries where necessary, and ensuring they are authorised by the Headteacher when complete.
 - 22.5.4. Submit authorised final year end schedules to the Chief Financial and Operating Officer together with evidence.
 - 22.5.5. Monitor actual spend against schedules raised by recording actual values.
- 22.6. Trust Finance Managers will:

- 22.6.1. Prepare monthly and year end schedules for areas affecting all schools and for the central services budget by gathering information and collating evidence from financial management systems and budget holders.
 - 22.6.2. Action monthly schedules for school generated transactions with an annual value greater than £12,000 as instructed by schools.
 - 22.6.3. Assess total value and number of transactions on year end schedules are reasonable compared to historical trends.
 - 22.6.4. Review evidence provided for individual transactions and ensure they are reasonable and in line with expectations.
 - 22.6.5. Review items marked as repeated from previous year and check whether they should stay or carry forward.
 - 22.6.6. Review specific transactions and codings, spot checking evidence and that they are accurate.
23. Virements/updates to approved budget
- 23.1. Virement is the process used for transferring an agreed financial value from one budget to another.
 - 23.2. A virement results in the creation of a new approved budget and should only be considered for significant planned changes in spending plans. Significant changes are suggested as those over £15,000 for a primary school or £50,000 for a secondary school. All virements need to be authorised as detailed in table 2 below.
 - 23.3. More minor changes to the budget are not considered as virements. These changes should be reflected in the master budget scenario, without amending the approved budget, and reported to the Headteacher and LGB. Financial forecasting should report the forecasted outturn against both the approved budget and the master scenario.
 - 23.4. The following rules apply to all virements:
 - 23.4.1. Virements should not be completed to cover an unplanned over or underspend.
 - 23.4.2. Any virement must be affordable within the resources available to the school in the current and subsequent years.
 - 23.4.3. Any virement will not lead to a deterioration in the schools approved financial position.
 - 23.5. The autonomy to raise and process virements is based upon the individual school's compliance with the Reserves Policy and on the Board of Trustees' confidence in the individual school's financial competence.

Table 2 - authorisation for Virements	Primary	Secondary	Central Services Budget
Virements - Planned movement of budget allocation	The following limits apply for virements undertaken from one budget to another budget		
Over £15,000 for primary schools or £50,000 for secondary schools or 1% of the school's income used to calculate the Core Services Charge (whichever is the greater)	Approved by Trustees Finance Committee (following approval from Local Governing Body) This will be provided as part of the process to apply to spend outside of the school's budget as required by the Reserves Policy		Trustees Finance Committee (over £50,000)
Virements - New or additional income	Any new or additional income received should be vired to the appropriate expenditure code and must be authorised.		
Over £15,000 for primary schools or £50,000 for secondary schools	Headteacher and reported to the LGB as part of an updated approved budget	CFOO (over £50,000) and reported to Trustees Finance Committee as part of an updated approved	

24. Journals

24.1. The purpose of journals is to move expenditure or income between:

- 24.1.1. Funds (where the money has come from e.g. GAG or DFC)
- 24.1.2. Locations (where funds have been allocated e.g. schools or Central Services Budget)
- 24.1.3. Cost centres (where internally the money has been spent)
- 24.1.4. Nominals/ledger codes (what it has been spent on)

24.2. Journals are subject to authorisation (See table 3 below).

24.3. The reasons for journals are:

- 24.3.1. To correct miscodings e.g. wrong code used.
- 24.3.2. Apportionments e.g. a proportion of a salary to a separate code
- 24.3.3. Internal trading activities e.g. reprographic charges to budget holders or between schools and the Central Services Budget.

24.4. The Trust's procedures for journals are as follows:

- 24.4.1. Delegation limits for journals agreed by Trust Board through the Finance Policy.
- 24.4.2. Journals should be authorised in line with the levels detailed in table 3 below.
- 24.4.3. Changing posted journals is not permitted outside of the Central Team, any amendments required means the original journal must be reversed and re-entered where necessary with the correct entry.

24.5. Table 3 below details the authorisation limits for journals:

Table 3 - Journals	Primary	Secondary	Central Services Budget
Up to £50,000	Headteacher/School Business Manager/Partner	Business Manager	Finance Manager
Up to £100,000	Local Governing Body	Headteacher	CFOO
All journals over £100,000	Local Governing Body		Trustees Finance Committee

Purchasing

25. Value for Money (VfM)

- 25.1. The Trust must ensure that spending decisions represent value for money and are justified as such.
- 25.2. An important value for money consideration is also the cost of the internal effort involved in managing the purchasing process. Significant service contracts will demand a major effort in terms of preparing specifications, drafting contracts and evaluating tenders. This effort can be greatly increased where the new UK e-notification service of Find a Tender (FTS) (where notices for new procurements are required to be published in place of the Official Journal of the European Union's Tenders Electronic Daily (OJEU/TED)) applies. Therefore, in the interests of managing the Trust's own effort and costs, multi-year contracts will be utilised wherever the service requirement is enduring, unless there is a good reason not to. There are also potential advantages whereby the supplier would be prepared to invest in order to make the service provision more efficient, if guaranteed a long-term contract. It is not possible to provide universal guidance on what would constitute an optimum period of contract. For example, market conditions can change and, during the latter period of the contract, the Trust may feel that it is paying more than necessary or conversely the supplier may feel they are no longer able to cover their costs. Neither situation is comfortable; hence, where the market is more subject to change, the period should be shorter than for more stable situations. The precise period should be agreed with the Chief Financial and

Operating Officer as early as possible. A practical default position for large, high value contracts such as cleaning, catering and grounds maintenance is to aim for a 3-year contract with priced options to extend to 6 years.

- 25.3. A large proportion of the Trust's purchases will be paid for with public funds and they need to maintain the integrity of these funds by following the general principles of:
- 25.3.1. Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Trust;
 - 25.3.2. Accountability, the Trust is publicly accountable for its expenditure and the conduct of its affairs;
 - 25.3.3. Fairness, that all those dealt with by the Trust are dealt with on a fair and equitable basis.

26. Routine Purchasing

- 26.1. Budget holders will be informed of the budget available to them at the beginning of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. Finance staff in schools and in the Central team, as appropriate, will provide regular information detailing actual expenditure against budget to each budget holder or in specific circumstances the budget holder will be given web access to view their budget. Budget holders are encouraged to check their budgets on a regular basis to ensure that spending is kept within the budget limits.
- 26.2. The purchasing of goods from internet sites such as e-Bay and Gumtree is discouraged. This is because:
- 26.2.1. If an item is purchased from a private seller e.g. through auction, and there is then an issue with the goods, it is unlikely that the goods could be returned or a refund achieved.
 - 26.2.2. It may not be possible to receive a VAT invoice which may result in reduced value for money.
- 26.3. An exception may be made where the following conditions can be fully satisfied:
- 26.3.1. There is a compelling business need for the goods to be purchased from the outset rather than opportunistic purchasing based upon value alone.
 - 26.3.2. The goods are not available from an alternative official supplier e.g. second-hand furniture that is of particular style which is no longer currently manufactured.

- 26.3.3. The timing of when goods are required precludes an official supplier from being the preferred option.
 - 26.3.4. The goods are actually what the purchaser needs, to safeguard against unscrupulous suppliers that deceive purchasers with images of toy-sized goods that claim to be full-size.
 - 26.3.5. Given that not all suppliers on e-Bay/Gumtree will be able to provide an official VAT receipt (to enable the Trust/school to reclaim the VAT) the net purchase price must be less than that of an alternative official supplier where VAT is reclaimable.
 - 26.3.6. The cost of delivery and/or cost/time of collecting the goods does not compromise the purchase price Vfm principle above.
 - 26.3.7. The average Customer Satisfaction Rating for the supplier must be at least 3.5.
 - 26.3.8. The total value of items must be below £500
- 26.4. If a purchase fully satisfies the condition above the purchase may proceed subject to the requirements below:
- 26.4.1. Strictly no second-hand electrical goods may be purchased.
 - 26.4.2. An assessment of the possible health and safety risks is completed before a purchase is made.
 - 26.4.3. If a purchase is made, a further risk assessment of the goods is carried out when the goods are received, and any unacceptable risks managed accordingly.
 - 26.4.4. The items must be purchased via an official Trust/school credit card.

27. Purchasing Authority

- 27.1. No expenditure should be incurred, or commitment entered without formal delegated authority. A list of delegated authorities is issued annually as part of the Finance Policy, once agreed by the Board.
- 27.2. Internal Purchase Orders must always be approved at the appropriate level, in accordance with the purchasing authority levels. (See Authority Level section for levels of authority).
- 27.3. No service / provision of goods contract of duration of more than 12 months can be entered into without authorisation in writing from the Chief Financial and Operating Officer, no matter what the value of the contract.
- 27.4. Where the contract is for an enduring service valued above £30k per year, the Chief Financial and Operating Officer's authorisation is

necessary if it is not planned to use a multi-year contract.

- 27.5. All purchase orders must be priced before submission for authorisation, unless exceptional circumstances prevail in which case an explanation will be required, and a best guessed estimate must be given. Purchase orders must be submitted with all quotations received and retained together.
- 27.6. Once properly authorised, all internal requisitions (whether electronically, by email or a requisition form) must be submitted to the relevant Finance staff, who will issue an official order.
- 27.7. The official order number must always be quoted.
- 27.8. All goods received should be checked against the order form and any missing or faulty goods should be reported to the supplier, who should either re-supply the goods or issue a credit note.
- 27.9. If any goods ordered on an official order form are returned, a notification should be sent to the relevant Finance staff, so that the commitment can be cancelled.
- 27.10. Staff are not permitted to obtain goods/services for private use.
28. Borrowing, including Leases
- 28.1. In line with the funding agreement, Academy Trusts must seek the DfE's prior approval for borrowing including certain finance leases and overdraft facilities. Reference should be made to the [Academy Trust Handbook](#) .
- 28.2. No Overdraft, Operating Lease, Finance Lease or Purchase agreements should be entered into without the prior approval of the Chief Financial and Operating Officer.
29. Table 4 below details the expenditure authorisation limits:

Table 4 - Expenditure authorisation limits	Primary	Secondary	Central Services Budget
Planned Expenditure - Internal Orders No expenditure should be incurred or commitment entered into without formal delegated authority. All internal order raised for expenditure within agreed budget levels to be authorised at the appropriate level, according to the following purchasing authority levels			
Up to £5,000	Budget Holder, Business Manager or Business Partner	Budget Holder	Budget Holder

Up to £20,000 for Purchases/ Contracts* that have been specifically identified in the budget agreed by the Board of Trustees	Headteacher	Business Manager	CFOO
Over £20,000 for Purchases/ Contracts* that have been specifically identified in the budget agreed by the Board of Trustees	Headteacher and CFOO	Headteacher	CFOO
Additional staffing (if not fully funded from additional unbudgeted income) or purchases of over £15,000 in primary schools or £50,000 in secondary schools for Purchases/ Contracts* that have been NOT been specifically identified in the budget agreed by the Board of Trustees	Local Governing Body with pre-approval of Finance Committee		CFOO with pre-approval of Finance Committee (over £50,000, if not permitted in scheme of delegation)
ALL orders and contracts value between £20,001 and £214,904*	CFOO (following approval from the Local Governing Body)		CFOO & Chief Executive
All orders and contracts value over £214,904*	CFOO, Chief Executive and minuted approval from Trustees Finance Committee ahead of contract award		
*These figures relate to either single orders or multiple orders placed with the same supplier within the financial year.			
Please note that the limits above do not apply to purchases that are funded by parental contributions e.g. educational visits			

30. The Central Team/Schools must be able to demonstrate separation of duties for all purchases.
31. Petty Cash/Claim for Reimbursement/Expenses Claim
- 31.1. No petty cash will be held by the school or the Central Team. All claims for reimbursement/expenses will be paid through the BACs system where a Credit Card is not held by the member of staff
- 31.2. The relevant budget holder must authorise expenditure before the purchase of any goods/services, unless exceptional circumstances deem this impossible.

31.3. The maximum authorised amount for non purchase order expenditure is £50. In exceptional circumstances, planned non order purchase exceeding this limit must be pre authorised by the Business Manager/Business Partner.

31.4. A valid VAT receipt should be attached to the claim form, which must be signed by the budget holder.

32. Value of Procurement Requirements are detailed in table 5 below:

Table 5 - Anticipated value of Goods, Services and Contract Sum (Individual order, service or contract)	Minimum no. of quotes
£1 - £4,999	Written quotation not required. However, for items in excess of £1k, it is good practice to receive and retain three written quotations on file.
£5,000 - £9,999	For items in excess of £5k, obtain and retain three written quotations on file. If three quotes aren't available, a reason must be recorded on the internal order and authorised in line with the requirement in table 4
£10,000 - £19,999	Minimum 3 Quotes, lowest acceptable offer. Under the "Restricted Tender arrangements" at least three competitive written quotations should be invited from suitable suppliers and evidence retained on file. Three written quotations must be retained. If three quotes aren't available, a reason must be recorded on the internal order, with written approval obtained from the Chief Financial and Operating Officer and retained on the order form. The Chief Financial and Operating Officer will report retrospectively to the Board of Trustees.
£20,000 - £214,904 or the current published FTS threshold, whichever is the lower	Minimum 3 Quotes to be obtained in conjunction with the LSP Central Team, lowest acceptable offer. Under the "Restricted Tender arrangements" at least three competitive written quotations should be invited from suitable suppliers and evidence retained on file. Three written quotations must be retained. If three quotes aren't available, a reason must be recorded on the internal order, with written approval obtained from the CFOO and LGB/CEO. The CFOO will report any unbudgeted items funded from the Central Services Budget retrospectively to the Board of Trustees.
Above £214,904 or the current published FTS threshold, whichever is the lower	Formal tendering procedure in conjunction with the LSP Central Team including, where necessary, advertising on Find a tender (FTS).

	The work must be tendered in accordance with procurement rules and thresholds (in the Public Contracts Regulations), the Find a Tender service and the Trust's Financial procedures.
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33. The above limits apply to the estimated aggregated total value of any contract whether the work falls in one financial year or is an enduring multi-year contract.
34. The Trust/school will accept the lowest tender or quotation in all purchasing decisions unless:
 - 34.1. After having followed the procedures there is good evidence that the lowest priced supplier cannot perform to the specification.
 - 34.2. A decision has been taken to judge quality and price together before prospective suppliers have been sought.
 - 34.3. A specialist provider is required e.g. Asbestos removal would be undertaken by contractor linked to annual service contract and current Asbestos Risk Assessment
35. Should the selection of the "lowest acceptable offer" prove to be difficult, or in any way contentious, the matter should be referred to the Chief Financial and Operating Officer.
36. Where a single procurement process exceeds £20k the procurement process must be undertaken in conjunction with the LSP Central Team. This is to ensure value for money is achieved by pooling activity for similar goods/suppliers across the Trust and to ensure appropriate levels of scrutiny for suppliers that are appointed to multiple contracts. This does not apply to exam fees and procurement funded by parental contributions.
37. Where a formal tendering procedure is used (>£214k or the current published FTS threshold, whichever is the lower), all tenders must be opened at the same time, in the presence of the Chief Financial and Operating Officer or a nominated representative.
38. A list of the top 10 suppliers of goods and services shall be reported annually to the Board.
39. In exceptional circumstances and in line with their spending authority, the Chief Financial and Operating Officer (up to £20k) or the Chief Financial and Operating Officer and Chief Executive (up to £100k) can over-ride the policy on obtaining three quotes. Instances of such over-rides will then be reported to the Trustees by exception.
40. These limits do not apply to orders raised for education visits as they are paid through parental contributions, however, it is good practice to obtain three quotes if alternative providers are available.
41. For facilities work, all contractors used for contracts in excess of £50k should

be checked for financial stability, technical ability and that relevant insurance is in place. In the event that a contractor who is not on the Trust's approved list is selected, all of the above checks must be carried out independently by the Central Team/school. Supporting documentation confirming that these checks have been completed must be obtained and attached to the relevant contract file/order form.

42. Payment of Invoices

- 42.1. All invoices should be passed to the relevant Finance Office, on receipt.
- 42.2. The Finance Team will check the accuracy of each invoice and ensure that it meets current statutory requirements, before passing to the budget holder to authorise.
- 42.3. Invoices must only be paid if accompanied by a purchase order approved at the appropriate level.
- 42.4. All cheques/BACs payments must have a minimum of two authorisations.
- 42.5. Use of the Business Credit Card is restricted to Finance Staff only or other staff with prior authorisation from the Finance Manager or Headteacher. Purchases made must be in conjunction with an appropriately authorised purchase order.
- 42.6. Invoices will be paid within 30 days, unless the terms of credit state otherwise. The finance staff will take advantage of any discounts available for early settlement where this is to the Trust/school's advantage.
- 42.7. All invoices are retained by the associated Finance Office electronically in line with the Trust's Records Management Policy.

43. Payment of Invoices from the Self-Employed

- 43.1. When considering appointing consultants, advisors, trainers, instructors or other individuals who supply services to the Trust, the employment status of the person must be determined before commissioning the work. The member of staff that is arranging for the work to be completed must complete the HMRC's Check Employment Status for Tax online tool (CEST) and follow the New Assignment Checklist provided at Appendix A.
- 43.2. The school should email the HMRC CEST tool outcome, the completed New Assignment Checklist and the Status Determination Statement (Appendix B) to finance@lsp.org.uk. This should be sent as an encrypted email (before sending in outlook select options, then click encrypt).
- 43.3. If the outcome of the Status Determination Statement is self-employed, a number of additional documents also need to be completed. This includes:

- 43.3.1. Self-Employment declaration Form (Appendix C)
 - 43.3.2. Company Information Form (Appendix D)
 - 43.3.3. Service Level Agreement (Example template provided as Appendix E)
 - 43.4. Please be aware that some of the information on the Company Information Form will need to be updated on a periodic basis e.g. details of insurance cover.
44. Supplier record amendments
- 44.1. Additions and amendments to supplier records in PSF must be controlled. A 'new supplier / supplier amendment' form must be completed and reviewed by the Central Finance Team before any amendments are made in PSF. For new suppliers the form must be accompanied by the supplier's letterhead and first estimate/quotation/proposal.
 - 44.2. All new supplier/supplier amendment forms must be filed ready for audit accompanied by all necessary paperwork.
 - 44.3. Notification of changes to supplier bank details must always be independently verified before being actioned by contacting the supplier independently of the notification received.
45. Extraordinary Expenditure (including transactions with connected parties and investment transactions)
- 45.1. Novel, contentious and/or repercussive transactions must always be referred to the DfE for approval and the request must be made to, and approved by, DfE before the transaction is agreed and before the transaction occurs.
 - 45.1.1. Novel transactions are those of which the Academy Trust has no experience, or are those outside the range of normal business activity for the Trust.
 - 45.1.2. Contentious transactions are those which might give rise to criticism of the Trust by Parliament, and/or the public and/or media.
 - 45.1.3. Repercussive transactions are those likely to set a precedent and cause pressure on other trusts or the broader public sector to take a similar approach and hence have wider financial implications, including where a trust's proposal could cause additional costs to arise for other parts of government.
46. Irregular or improper purchasing
- 46.1. It is not permitted to purchase any alcohol, items for personal benefit or excessive gifts. This applies even if the purchases are funded by

unrestricted funds.

Transactions with related parties

47. The Trust must be even-handed in its relationships with related parties by ensuring that:
 - 47.1. Trustees comply with their statutory duties as company directors to avoid conflicts of interest, not to accept benefits from third parties, and to declare interest in proposed transactions or arrangements.
 - 47.2. All Members, Trustees, local governors and senior employees have completed the register of business and pecuniary interests.
 - 47.3. No member, Trustee, local governor, employee or related individual or organisation can use their connection to the Trust for personal gain, including payment under terms that are preferential to those that would be offered to an individual or organisation with no connection to the Trust.
 - 47.4. There are no payments to any Trustee by the Trust unless permitted by the articles, or by authority from the Charity Commission, and comply with any relevant agreement with the Secretary of State for Education. The Trust will consider these obligations where payments are made to other business entities who employ the Trustee, are owned by the Trustee, or in which the Trustee holds a controlling interest.
 - 47.5. The Charity Commission's approval is obtained where the Trust believes a significant advantage exists in paying a Trustee for acting as a Trustee.
 - 47.6. Any payment provided to the persons referred to in this section satisfies the 'at cost' requirements.
48. The Trust must keep sufficient records, and make sufficient disclosures in the annual accounts, to show that transactions with these parties, and all other related parties, have been conducted in accordance with the high standards of accountability and transparency required within the public sector.
49. The Trust must report all transactions with related parties to the DfE in advance of the contract or agreement commencing or being renewed, using the DfE's online form.
50. The Trust must obtain the DfE's prior approval, using the DfE's online form, for contracts and other agreements for the supply of goods or services to the Trust by a related party a contract or other agreement exceeds £40,000 in the same financial year ending 31 August. This approval requirement does not apply in the following circumstances (This concession does not apply to transactions with a subsidiary of such a related party):
51. Contracts and other agreements for the supply of goods or services to a trust by the following educational establishments:

- 51.1. Colleges, universities and schools which are sponsors of the academy trust
- 51.2. State funded schools and colleges, including academy trusts
- 52. For the purposes of reporting to, and approval by, the DfE, transactions and agreements with related parties do not include salaries and other payments made by the Trust to a person under a contract of employment through the Trust's payroll.
- 53. Register of Business and Pecuniary Interests
 - 53.1. The Trust's register of interests must capture relevant business and pecuniary interests of Members, Trustees, local governors and senior employees, including:
 - 53.1.1. directorships, partnerships and employments with businesses
 - 53.1.2. trusteeships and governorships at other educational institutions and charities
 - 53.1.3. for each interest: the name of the business; the nature of the business; the nature of the interest; and the date the interest began.
 - 53.2. The register must identify any relevant material interests from close family relationships between the Trust's Members, Trustees or local governors. It must also identify relevant material interests arising from close family relationships between those individuals and employees. 'Close family relationships' is defined in the Academy Trust Handbook.
 - 53.3. The Trust should consider whether any other interests should be registered and should keep their register of business and pecuniary interests up to date.
 - 53.4. The Trust must publish the relevant business and pecuniary interests of Members, Trustees, local governors and accounting officers. The Trustees have discretion over the publication of interests of any other individual named on the register.
- 54. At cost requirements
 - 54.1. The 'at cost' requirement applies to contracts for goods and services from a related party exceeding £2,500, cumulatively, in any one financial year. For these purposes, where a contract takes the Trust's cumulative annual total with the related party beyond £2,500, the element above £2,500 must be at no more than cost.
 - 54.2. To comply with the At Cost Requirements the Trust must pay no more than 'cost' for goods or services provided to it by the following persons ('services' do not include contracts of employment):
 - 54.2.1. Any Member or Trustee of the Trust.

- 54.2.2. Any individual or organisation related to a member or Trustee of the Trust. For these purposes the Academy Trust Handbook provides a definition of when an individual or organisation is related to a Member, or Trustee.
- 54.2.3. An individual or organisation carrying on business in partnership with the member, trustee or a relative of the member or trustee.
- 54.2.4. A company in which a member or the relative of a member (taken separately or together), or a trustee or the relative of a trustee (taken separately or together), holds more than 20% of the share capital or is entitled to exercise more than 20% of the voting power at any general meeting of that company.
- 54.2.5. An organisation controlled by a member or the relative of a member (acting separately or together), or a trustee or the relative of a trustee (acting separately or together) - for these purposes an organisation is controlled by an individual or organisation if that individual or organisation can secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes
- 54.2.6. Any individual or organisation given the right under the Trust's articles of association to appoint a Member or Trustee of the Academy Trust; or anybody connected to such individual or organisation.
- 54.2.7. Any individual or organisation recognised by the Secretary of State as a sponsor of the Trust; or anybody connected to such individual or organisation
- 54.3. The Academy Trust Handbook provides a definition of when a body is connected to another individual or organisation.
- 54.4. The 'at cost' requirement does not apply to the Trust's employees unless they are also one of the parties described above.
- 54.5. If staff of an individual or organisation meeting the 'at cost requirement' are based in, or work from the premises of, the Trust, that individual or organisation and the Trust must agree an appropriate sum to be paid to the Trust for use or occupation of the premises, save to the extent that they are carrying out work for the Trust.
- 54.6. The Trust must ensure that any agreement with an individual or organisation referred to in this section is properly procured through an open and fair process and is:
- 54.6.1. Supported by a statement of assurance from that individual or organisation to the Trust confirming their charges do not

exceed the cost of the goods or services, and on the basis of an open book agreement including a requirement for the supplier to demonstrate clearly, if requested, that their charges do not exceed the cost of supply

55. Trustee/Governors' Allowances - Please refer to Members, Trustees and Governors Allowances Policy.
56. National Leadership of Governance (NLG) Grant
 - 56.1. Funds received under the NLG grant may be paid to Trustees for work undertaken relating to the purpose and terms of the grant.

Assets

57. Acquisition and disposal of fixed assets
 - 57.1. In line with the Academy Trust Handbook, the Trust must seek and obtain prior written approval from the Secretary of State, via the DfE, for the following transactions:
 - 57.1.1. acquiring a freehold on land or buildings;
 - 57.1.2. disposing of a freehold on land or buildings; and
 - 57.1.3. disposing of heritage assets beyond any limits set out in the Trust's funding agreement in respect of the disposal of assets generally. Heritage assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture, as defined in applicable financial reporting standards.
 - 57.2. The Trust may dispose of any other fixed asset (i.e. other than land, buildings and heritage assets as described above) without the approval of the Secretary of State.
 - 57.3. The Trust must ensure that any disposal maintains the principles of regularity, propriety and value for money. This may involve public sale where the assets have a residual value.
 - 57.4. Some property transactions may be novel or contentious and so require the consent of the Secretary of State on that basis (please refer to the Academy Trust Handbook).
 - 57.5. Schools must consult with the Chief Financial and Operating Officer before entering into any transaction that results in the acquisition or disposal of a fixed asset with a value above £1,000.
58. Capital Funding
 - 58.1. Devolved Capital - Schools will target their devolved capital to the

following priority areas:

- 58.1.1. Projects required to ensure that the school is safe and meets all health and safety requirements
 - 58.1.2. Condition projects identified by the Trust to be delivered from the School's Devolved Capital Allocation
 - 58.1.3. Any other projects identified in the School's Estates Development Plan
- 58.2. Approval will be required from the Chief Financial and Operating Officer for Devolved Capital Spend which is outside of the priority areas detailed above. Local Governing Bodies should review their capital budget at least three times a year alongside their revenue budget.
- 58.3. For schools in the centralised service, Devolved Capital Spend will be actioned by the Hub Estates Lead in line with the School's Estates Development Plan.
59. Fixed Asset Register
- 59.1. Maintenance of the fixed asset register is overseen by the Central Finance Team. It is the policy of the Trust that each school must disclose assets which meet the criteria of a fixed asset, i.e. g long-term [tangible assets](#) that are used in the operations of a business which provide long-term financial benefits, have a useful life of more than one year, and are classified as property, plant, and equipment (PP&E) on the balance sheet. Examples of fixed assets include: Land, Machinery, Buildings and facilities, Vehicles (minibuses, trucks forklifts etc), Furniture, Computer equipment and Tools. It is the school's responsibility to complete the documentation for individual acquisitions and submit to the Central Finance Team. Items should be added to the register that have a cost greater than £5,000 and add economic value to an existing asset. The relevant school Headteacher is responsible for ensuring that all equipment is marked as belonging to the school.
 - 59.2. When disposing of assets, the school will endeavour to maximise the proceeds of any asset sale.
 - 59.3. No asset over the value of £1,000 may be sold or scrapped without the authority of the Chief Financial and Operating Officer. The school must inform the Central Finance Team of the disposal of any asset on the Fixed Asset Register.
 - 59.4. Non-valuable items (up to £1,000) can be disposed of internally or by selling at school functions. The school must inform the Central Finance Team of the disposal of any asset on the Fixed Asset Register.
 - 59.5. Valuable items (over £1,000 at the time of disposal) should be referred by the Chief Financial and Operating Officer for approval. Following approval for disposal the items should be advertised to the public and

parents.

- 59.6. For the sale of an asset, for which a capital grant in excess of £20k was received, the approval of the Secretary of State is required prior to sale or disposal.
- 59.7. All losses must be reported to the Chief Financial and Operating Officer.
- 59.8. The Business Manager, Office Manager or Headteacher are responsible for ensuring that the police have been informed if the loss is as a result of burglary or theft, and that the insurance company is informed at the same time. They must also take all necessary action immediately to prevent further loss.

60. Insurance

- 60.1. It is the responsibility of the Chief Financial and Operating Officer to ensure that the adequacy of insurance is reviewed annually and reported to the Audit and Risk Committee.
- 60.2. Details of all Trust wide insurance policies are maintained by the Chief Financial and Operating Officer. Schools should maintain the records of any insurance policies arranged by the school.
- 60.3. Schools must immediately inform their insurers of all accidents, losses and other incidents which may give rise to an insurance claim.
- 60.4. An annual return of all insurance claims is submitted to the Board, at the end of each financial year.

Income generation (including activities) - involving collection of income /donations from parents

- 61. School Lettings - Please refer to the LSP Lettings of School Facilities Policy.
- 62. Charges and Remissions - Please refer to the LSP Charging and Remissions Policy.
- 63. Music Tuition Fees - Please refer to the LSP Charging and Remissions Policy.
- 64. Sale of Goods
 - 64.1. Educational equipment or materials, incidental to the provision of education must be sold at or below their cost price.
 - 64.2. An exception is uniform and sports clothing, which should be sold, inclusive of VAT (where applicable), giving the highest priority to cost and value for parents. When necessary, staff should seek advice from the Trust Finance Manager.
 - 64.3. All Money will be collected and receipted at source by a member of the School's Finance Team. Those students who are receiving music tuition can purchase their musical instrument through the school at cost price.

65. Financial Support to Students

65.1. Any request for financial support for optional extra activities for a student must be made in writing by the parents/carers and addressed to the Headteacher.

66. 16-19 Bursary Funding - Please refer to the DfE 16 - 19 Bursary Funding Guidance.

67. 'Unofficial' School Funds

67.1. Schools in the Trust should not maintain a bank account for unofficial school funds. Such transactions should be administered through official funds and are included with the annual accounts and audited as part of the annual audit.

67.2. It is the responsibility of educational visit organisers to ensure that sufficient funding is available to cover the cost of all activities and their associated administration.

67.3. It is expected that all payments to the Trust will be made through the epayments system via the school website. Collection of any cash/cheques, where absolutely necessary, is to be collected by the School's Finance Team.

67.4. All fund raising by students, for charitable purposes, received by cash or cheque should be paid directly to the School's Finance Team for banking, in readiness for payments to be made by cheque or BACS to the named charity.

67.5. All requests for payment should be accompanied by invoices, or request for payments form signed by the relevant budget holder.

Debts

68. Bad Debts

68.1. Bad debts are only written off when the school has followed all possible procedures to ensure their recovery, as detailed in the Debt Recovery Policy.

68.2. Individual debts below the value of £25 (per annum per pupil/student) for school dinners and out of hours childcare provision may be written off with the authorisation of the Headteacher or Business Manager/Business Partner.

68.3. All other individual debts below £500 must be referred to the Chief Financial and Operating Officer, who has authority to write off the debt.

68.4. Individual debts below £1,000 may be written off with the authorisation of the Chief Executive Officer.

- 68.5. All debts in excess of £500 when written off within the above limits, must be reported retrospectively to the Board of Trustees.
- 68.6. Individual debits above £1,000 must be referred to the Trustees, who have authority to write off the debt.
- 68.7. The prevailing Academy Trust Handbook will specify the level at which bad debt write offs must be authorised by the DfE.

Banking and Cash Handling

69. Bank Facilities

- 69.1. The Trust's bank mandate is subject to annual review by the Board of Trustees. Any changes to the bank mandate must be approved by the Chief Financial and Operating Officer and reported to the Board of Trustees.
- 69.2. Any investments will be managed in line with regulatory guidelines and the Trust's Investment policy.
- 69.3. The bank has been informed that the Trust is not allowed to borrow funds and that no account is allowed to become overdrawn.

70. Bank details - Authorised signatures

70.1. BACS

- 70.1.1. An approved BACS payroll will be sent by individual schools to the Central Finance Team to be submitted for payment. The BACS payment must be authorised by two authorised personnel, one of which must be a member of the Central Team Senior Leadership Team.

70.2. Cheques

- 70.2.1. All cheques will be signed by two authorised personnel and each cheque drawn on public funds must be signed by at least one member of the Central Team Senior Leadership Team.
- 70.2.2. All chequebooks must be held in the safe and pre-printed cheques held in a locked cupboard. On receipt of new cheques their numbers are recorded.

70.3. Credit Cards

- 70.3.1. Credit cards will be recharged to the LSP bank account in full each month. Individual schools must reconcile the credit card control account on a monthly basis and submit the reconciliation, using the template provided, to the Central Finance Team, including a copy of the credit card statement(s).

70.3.2. All credit cards must be held in a safe and secure place when both on and off the school site. Credit cards should be kept in a safe when on school sites, if available.

70.3.3. Credit Card Authorisation Levels are provided in table 6 below:

Table 6 - Credit Card Authorisation Levels	Primary	Secondary	Central Services Budget
Credit Card limit Up to £2,500 Single order/item of up to £500	Budget Holder or Business Manager/ Business Partner	Budget Holder	Finance Manager
Credit Card limit Up to £7,500 Single order/item of up to £2,000	Business Manager/ Business Partner	Business Manager	Finance Manager
Credit Card limit Up to £10,000 Single order/item of up to £5,000	Headteacher	Business Manager	Chief Financial and Operating Officer

70.3.4. Upon being issued a credit card, the cardholder must set up a unique password. The cardholder must register on the Lloyds Commercial Cards online programme

70.3.5. Credit card holders must sign an LSP Terms of Use form and return it to the Central Finance Team. This provides the Trust with assurance that the cardholder understands and will abide by the conditions of use.

70.3.6. Credit cards are only to be used when it is not practical to use the BACS system or when buying online by credit card can result in greater value for money.

70.3.7. Credit cards are only to be used by the named card holder. If a card is to be used by someone other than the cardholder, the cardholder consent must be given in writing and retained with the purchase source documentation.

70.3.8. Credit card purchases must be made in line with normal purchasing procedures. A purchase order requisition must be completed and authorised by the budget holder before the purchase is made. If the cardholder is the budget holder,

another senior member of staff must authorise the requisition before purchase.

70.3.9. Where possible a VAT invoice must be provided for all purchases

70.3.10. Cardholders must adhere to year end restrictions of use unless permission is sought from the Central Team Finance Manager prior to use of the card.

71. Bank Reconciliation

71.1. Bank reconciliations are performed monthly within 7 days of the period end.

71.2. The information is downloaded from Lloyds Commercial Banking Online by the Finance Officer who processes the reconciliation and is later signed/electronically stamped approved by the Finance Manager.

72. Cash Handling

72.1. A receipt should be issued in respect of all monies received by finance staff. Cash and cheques must be locked in a secure place prior to banking to safeguard against loss or theft. All cash must be banked intact and recorded on paying-in slips. Bank paying-in slips must show the split of cash and cheques.

72.2. All monies received should be banked by the finance staff regularly. Where unusually high levels of cash are received these will be banked on the day of receipt. No more than £5,000 of cash should be held on a school site.

73. Cashbooks

73.1. Cashbooks are kept in a computerised format for both public and non-public funds.

Anti-fraud arrangements

74. Please refer to Business Ethics Policy which incorporates an Anti Fraud Policy, procedures and an Anti Fraud Recovery Plan.

75. Fraud Examples - below are some examples of the types of fraud that have occurred across the country:

75.1. Leases - Academies are often offered leases and rental or hire agreements for equipment such as photocopiers, phones and computers. Some of the deals look too good to be true with low or zero upfront costs, although they often entail high life time costs and severe exit penalties. These penalties can cost the same amount as the total amount of the lease. One School, outside of our Trust, fell victim to sharp sales tactics and ended up committing the school to 14 financial

agreements for 12 photocopiers which resulted in expenditure of almost £900,000.

- 75.2. Recruitment - Issues can arise if a senior member of staff recruits a family member or friend. By doing this a number of conflicts of interest can arise such as the senior member of staff signing off additional hours of work that have not been completed by a family member. There is also the possibility of the candidate not being the best person for the role.
- 75.3. If there is a potential conflict of interest, for example a family member has applied for a post within the Trust; the member of staff concerned must disclose the potential conflict to the Head Teacher, Chair of Governors or Chief Financial and Operating Officer immediately. The Head Teacher, Chair of Governors or Chief Financial and operating Officer should ensure that appropriate controls are put in place to manage the potential conflict in an open and transparent manner and the risk of impropriety is minimised.
- 75.4. Cheque Fraud - There have been instances where cheques have been stolen from the cheque books and cashed or legitimate cheques have been intercepted and amended. Additionally, cheque amounts have been changed by the payee.
- 75.5. Some staff fail to line off after the payee's name on the cheque, which has resulted in the payee inserting an additional hundred before the actual amount. Cheque books should be regularly checked and reconciled with payments that have been taken out of the Trust's account.
- 75.6. Credit Cards - There are usage agreements that are in place to prevent the misuse of purchase cards. However, there have been instances where members of staff have used the card for their own personal purchases. An investigation (not in the Lighthouse Schools Partnership) examined the use of a purchase card that had been used for petrol, electrical goods, food, holidays and DIY. It transpired that both the Head Teacher and Office Manager had been extensively using the purchase card for their own personal use.
- 75.7. BACS - BACS payments are not immune to fraud. There are a number of scams such as 'phishing' and 'vishing' which is where fraudsters attempt to obtain log in details by pretending to call from genuine high street banks. They often sound very professional and the fraudsters will sometimes ask staff to call them back on authentic sounding telephone numbers (such as 0845 223344) which the fraudsters have purchased to help them commit the fraud. Equally, it is important to ensure that BACS log in credentials are stored securely and not shared, and when members of staff leave their log in credentials must be deleted.
- 75.8. Invoices - There have been instances where fraudulent invoices have been sent to Academies for goods that haven't been ordered or received. Sometimes these invoices are for small amounts and sent out

in their thousands to Academies up and down the country. These invoices are often sent during the holidays in the hope that staff will be too busy to check each invoice when they return for the start of term.

- 75.9. Income - It is common for Academies to rent out their facilities in order to generate income. Fraud can occur when the income received, especially if payment is made in cash, is stolen by staff or third parties if not properly banked and/or secured.
76. For new suppliers, or for changes in bank details for existing suppliers the following steps should be taken to avoid fraud:
 - 76.1. Find a telephone number from an alternative source i.e. old correspondence or invoice or on the supplier's website.
 - 76.2. Telephone the supplier - do not email the company. Ask to speak to their Accounts Receivable Team.
 - 76.3. Advise them you have had correspondence regarding set up or a new bank account and ask them to provide the bank details to you.
 - 76.4. Once confirmed, update the details on the accounting system, photocopy the advice note and attach to the account adding comments of when the details were changed and by whom.
 - 76.5. Ask a colleague to verify the input on the accounting system is correct.

Security and Passwords

77. Passwords - Security of access
 - 77.1. Computer systems used for Trust/school management are protected by password security to ensure that only authorised staff have access. Passwords must be cancelled immediately when staff leave. Passwords must be changed regularly (at least six times per year for financial and payroll systems), or complex 'password for life' adopted.
 - 77.2. Wherever the functionality is available, 2 factor authentication should be enabled.
78. Security of safes and safe keys
 - 78.1. Trust and school safes must be kept locked and the keys removed and taken home by a designated member of the finance team. The finance team must ensure that the loss of the safe keys is reported immediately to the Headteacher/CFOO (for the Central Team).
 - 78.2. Each school must hold a key log for staff who hold safe keys. Keys should be recovered prior to staff leaving the school.

Whistleblowing (Financial and Business)

79. Please refer to the Business Ethics Policy.

Payroll and Pensions

80. New Appointments

- 80.1. School based positions within the approved budget must be approved by the Headteacher or Business Manager/Business Partner, with the exception of the Headteacher role, which also require Trustees approval.
- 80.2. All new school based positions outside of the approved budget, with the exception of posts fully funded from additional unbudgeted income, must be authorised by the Trustees Finance Committee.
- 80.3. Further details of the decision making powers in relation to appointments are provided in the Scheme of Delegation

81. Payroll - Authorisation

- 81.1. Payroll documentation for new appointments and resignations must be authorised as follows:
 - 81.1.1. Chief Executive and Chief Financial and Operating Officer - authorised by the Board of Trustees.
 - 81.1.2. Other Central Team and Trust wide posts - authorised by the Central Team Senior Leadership Team.
 - 81.1.3. All other school staff - to be authorised by the Headteacher (or delegated to the Deputy Headteacher or Business Manager/Business Partner in agreement with or in the absence of the Headteacher).
 - 81.1.4. All other payroll documentation must be authorised by either the Headteacher or Business Manager/Business Partner.
 - 81.1.5. Contract amendments can be authorised by the Headteacher or Business Manager/Business Partner as long as the amendment is within the approved budget.

82. General

- 82.1. All overtime worked must have prior authorisation by a member of the leadership team. Overtime claims authorised by the end of each month are paid with the following month's salary, in accordance with the iTrent payroll schedule.
- 82.2. All paper based payroll files should be kept securely in the Finance/HR Office. Access to payroll files (electronic or paper based) should be restricted to the Board of Trustees, Headteacher and Finance/HR staff.
- 82.3. Net payments to staff are made by direct debit using the Banks

Automated Clearing System (BACS). All other payments to external agencies are made by direct debit. It is the responsibility of the Finance Manager to ensure that payments are made by the required statutory dates so that no unnecessary fines are incurred.

83. Payroll Procedures

83.1. Guidance documents on payroll processes can be found in the Guides and Forms section of iTrent (HR System).

84. Special Payments

84.1. Certain transactions by public bodies may fall outside their usual planned range of activity and may exceed statutory and contractual obligations. HM Treasury refers to these as special payments and they are subject to greater control than other payments. They include:

84.1.1. staff severance payments

84.1.2. compensation payments

84.1.3. other types of special payments, including ex gratia payments

84.2. Special staff severance payments are paid to employees outside normal statutory or contractual requirements when leaving employment in public service whether they resign, are dismissed or reach an agreed termination of contract. They are different to ex gratia payments.

84.3. Any special payments must be considered, negotiated and agreed in conjunction with the Chief Financial and Operating Officer.

84.4. When considering making a staff severance payment above the statutory or contractual entitlement, the following issues must be considered before making a binding commitment:

84.4.1. that the proposed payment is in the interests of the Trust.

84.4.2. whether such a payment is justified, based on a legal assessment of the chances of the Trust successfully defending the case at employment tribunal. If there is a significant prospect of losing the case a settlement may be justified, especially if the costs incurred in maintaining a defence are likely to be high. Where a legal assessment suggests that the Trust is likely to be successful, a settlement should not be offered.

84.4.3. if the settlement is justified, the Trust would need to consider the level of settlement. This must be less than the legal assessment of what the relevant body (e.g. an employment tribunal) is likely to award.

84.5. Staff severance payments should not be made where they could be seen as a reward for failure, such as gross misconduct or poor performance. The only acceptable rationale in the case of gross misconduct would be

where legal advice is that the claimant is likely to be successful in an employment tribunal because of employment law procedural errors. In the case of poor performance, an acceptable comparison would be the time and cost of taking someone through performance management and capability procedures.

- 84.6. The Trust has delegated authority to approve individual staff severance payments provided any non-statutory/non-contractual element is under £50,000 gross (i.e. before income tax or other deductions). Where the Trust is considering a non-statutory/non-contractual payment of £50,000 or more, (gross, before deductions), the DfE's approval must be obtained before the Trust makes any binding offer to staff.
- 84.7. The Trust should demonstrate value for money by applying the same level of scrutiny to a payment under £50,000 as if it were over the £50,000 delegation and have a business case justifying the settlement. Settlements must not be accepted unless they satisfy the conditions in the Academy Trust Handbook and in the DfE's guidance and submission template.
- 84.8. Additionally, in accordance with HM Treasury's Guidance on [Public Sector Exit Payments](#), academy trusts must obtain prior DfE approval before making a special staff severance payment where:
- 84.8.1. an exit package which includes a special severance payment is at, or above, £100,000; and/or
- 84.8.2. the employee earns over **£174,000**.
- 84.8.3. HM Treasury approval must be sought before any offers, whether oral or in writing, are made.
- 84.9. The Trust must ensure that the use of confidentiality clauses associated with staff severance payments:
- 84.9.1. do not prevent an individual's right to make disclosures in the public interest (whistleblowing) under the Public Interest Disclosure Act 1998.
- 84.9.2. are not novel, contentious or repercussive, and are not used unless prior DfE approval has been obtained.**
- 84.9.3. must not be used to prevent DfE from obtaining sufficient information to fully assess such payments under its regulatory role.**

85. Compensation Payments

- 85.1. Compensation payments are made to provide redress for personal injuries, traffic accidents, damage to property etc. When the Trust is considering making a compensation payment it must consider whether the proposed payment is based on a careful appraisal of the facts,

including legal and insurance advice, where relevant, and ensure that value for money will be achieved.

- 85.2. DfE prior approval must be obtained for the non-contractual/non statutory element of a staff severance payment or compensation payment of £50K or more.
 - 85.3. The Trust should consider whether any cases reveal concerns about the effectiveness of internal control systems and take steps to put failings right.
 - 85.4. Any compensation payments must be considered, negotiated and agreed in conjunction with the Chief Financial and Operating Officer.
86. Other types of special payments including Ex gratia payments
- 86.1. Ex gratia payments are another type of transaction that go beyond statutory or contractual cover, or administrative rules. Examples include payments to meet hardship caused by official failure or delay, and to avoid legal action due to official inadequacy.
 - 86.2. Any other types of special payments must be considered, negotiated and agreed in conjunction with the Chief Financial and Operating Officer. DfE prior approval must be obtained for special payments of any value.
87. Recovery of overpayment of salary - Please refer to LSP recovery of salary overpayments and correction of underpayments of salaries policy.

Reporting timetable

- 88. The DfE produce a reporting timetable each year. The Trust produces an Annual Planner which includes key financial dates.

Related financial documentation

- 89. Academy Trust Handbook
- 90. Business Ethics Policy
- 91. Member, Trustee, Governor Allowances for Expenses Policy
- 92. Charging and Remissions Policy
- 93. Debt Recovery Policy
- 94. Reserves Policy
- 95. Policy and Regulations for Lettings of School Facilities
- 96. Recovery of salary overpayments and correction of underpayments of salaries Policy
- 97. Bank Mandate

Glossary

Academic year - The 'school year' starting 1 September and ending 31 August.

Academy Trust Handbook (ATH) - the main reference tool to help Trust's apply good financial management, setting out the requirements to be followed

Academy Trust - The company that has entered into a funding agreement with the Secretary of State to run one or more academies.

Accounting Officer - The senior executive leader of the Academy Trust, accountable for value for money, regularity and propriety. In SATs, this should be the principal. In MATs, it should be the chief executive or equivalent.

Accounting Officer's statement on regularity, propriety and compliance - The accounting officer must complete and sign this statement in the Trust's annual accounts.

Accounts Direction - DfE's guide for academies on preparing their annual accounts.

Accounts return - A return based on Academy Trusts' annual accounts, incorporating additional data required for the sector annual report and accounts, and for collecting benchmarking data.

Articles of Association - The articles set out the Trust's charitable object(s) and governance arrangements.

Asset - Anything capable of being owned or controlled to produce value and held to have positive economic value. Can be 'revenue' (e.g. cash) or 'capital' (e.g. a building).

Balanced budget - A budget plan setting out projected income and expenditure drawing on unspent funds from previous years as necessary. Trusts do not have to balance income and expenditure in each year to zero and can carry forward unspent GAG (if eligible).

Bank Automated Credits (BACS) - Trust's preferred payment method.

Business Manager (BM) - responsible to the Headteacher for financial management in each school

Business Partner (BP) - for schools utilising centralised services, the Finance Business Partner is responsible to the Headteacher for delivering the finance SLA at the school

Capital - Capital assets or funding are those from which an academy trust expects to derive benefit for more than one year: typically land, buildings, vehicles, and information technology. Capital assets are usually called fixed assets.

Chief executive - The senior executive leader and head of the management team of a MAT. Trusts may use alternative descriptions for this post such as executive principal.

Chief financial officer - The individual leading the finance department: e.g. finance director, business manager or equivalent. In the Lighthouse Schools Partnership this is the Chief Financial and Operating Officer (CFOO)

Companies House - The UK's Registrar of Companies whose functions are to incorporate and dissolve companies, examine and store company information and accounts, and make this publicly available.

Consistent Financial Reporting (CFR) - The consistent financial reporting framework provides a standard template for schools to collect information about their income and expenditure by financial years

De facto Trustee - A person not validly appointed as a Trustee but exercising the functions that could only be properly discharged by a Trustee. See also shadow directors.

Department for Education (DfE) - The Department for Education is responsible for children's services and education, including higher and further education policy, apprenticeships and wider skills in England. The department is also home to the Government Equalities Office.

Economy - Obtaining an outcome for the least possible input of resources.

Effectiveness - Obtaining the desired outcome.

Efficiency - Obtaining the best possible outcome for the resources input.

Exempt Charity - An exempt charity does not have to register with the Charity Commission. The principal regulator of exempt Trusts is DfE. Exempt Trusts still need Charity Commission's approval for some transactions e.g. Trustee payment for work as Trustee.

Financial Reporting Manual - HM Treasury's accounting guide for preparing accounts in government departments and other entities consolidated within Whole of Government Accounts.

Financial year - For Academy Trusts, usually the same as the academic year, from 1 September to 31 August.

Funding Agreement - The agreement between the Academy Trust and the Secretary of State, which includes funding arrangements, obligations and termination provisions.

General Annual Grant - The main revenue funding for Academy Trusts.

Headteacher (HT) - Responsible for the strategic and operational management and performance of their school(s)

His Majesties Revenue and Customs (HMRC) - His Majesty's Revenue and Customs is a non-ministerial department of the UK Government responsible for the collection of taxes, the payment of some forms of state support and the administration of other regulatory regimes including the national minimum wage.

Hub Business Leaders - Provide an operational support network to schools in geographical hubs.

Local Authority (LA) - LAs role in education is to ensure that strategic coherence is in place, build capacity across the education system, champion the needs of vulnerable children and young people, commission home to school transport, ensure a sufficient supply of good education places and to champion the needs of children and families.

Local Governing Body (LGB) - The Local Governing Body is empowered, as a Committee of the Board of Trustees, to act and exercise the powers and responsibilities set out in this scheme of Delegation and in its Terms of Reference.

National Insurance Contributions (NIC) - National insurance helps to pay for some state benefits including retirement pensions.

Pay As You Earn (PAYE) - income tax which is deducted from your salary before you receive it.

Private Finance Initiative (PFI) - PFI involves funding public infrastructure projects using private capital.

Propriety - Dealing with expenditure and receipts in accordance with Parliament's intentions and the principles of parliamentary control. This covers standards of conduct, behaviour and corporate governance.

PS Financials (PSF) - Financial operating system used by all schools within the LSP

Public funds - Funds that, ultimately, derive from parliamentary authority. All Academy Trusts' income, expenditure, assets and liabilities are consolidated into a sector account and will be considered by Parliament to be public unless otherwise demonstrated.

Related Parties - Definitions of related parties can be found in the Academy Trust Handbook. Related parties include:

- Any Member or Trustee of the Trust.
- Any individual or organisation related to a Member or Trustee of the Trust.
- Any individual or organisation given the right under the Trust's articles of association to appoint a Member or Trustee of the Academy Trust; or anybody connected to such individual or organisation.
- Any individual or organisation recognised by the Secretary of State as a sponsor of the Trust; or any body connected to such individual or organisation

Regularity - Dealing with income and expenditure in accordance with legislation, the funding agreement, the handbook, and the Trust's internal procedures. This includes spending public money for the purposes intended by Parliament.

Risk protection arrangement - An alternative to insurance for Academy Trusts where losses are covered by government funds.

Secretary of State - The Secretary of State for Education.

Shadow director - A person in accordance with whose directions or instructions the directors of a company are accustomed to act. See also de facto Trustee.

Special payments - Payments outside the normal range of activities approved by Parliament and therefore requiring greater control, including ex gratia payments, staff severance payments, compensation payments and other extra-statutory or extra-contractual payments.

Statement of Recommended Practice - The Charity Commission document describing the format of charity accounts.

Value Added Tax (VAT) - A tax levied on the sale of goods or services by UK businesses

Value for money - Achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of resources, the avoidance of waste and extravagance, and prudent and economical administration.

Whistleblowing - When an employee reports suspected wrongdoing at work and makes a disclosure in the public interest, under the protection of the Public Interest Disclosure Act 1998.

Appendix A



LIGHTHOUSE

SCHOOLS PARTNERSHIP

New Assignment Checklist for Off payroll working (IR35)

To be completed by the member of staff that is arranging for the work to be completed before the work commences.

Assignment to which this checklist applies	
School:	
Name of member of staff responsible:	
Description of the assignment:	
What status determination was generated by the HMRC CEST tool? (Please attach a copy)	Choose an item.
If HMRC CEST determination is employed please complete section 1 of the checklist	If HMRC CEST determination is self employed please complete section 2 of the checklist
Checklist to be completed when assignment is approved (before identifying who will undertake the work)	
Section 1 - Status determination employed	
To be completed when assignment is approved (before identifying the individual that will undertake the work)	
Job title and description prepared (in conjunction with the Central HR Team)	Choose an item.
Determine length of assignment if fixed term	Choose an item.
Determine number of hours per week to deliver assignment within budget	Choose an item.
Determine appropriate conditions of employment (teaching or support)	Choose an item.
If support, determine number of working weeks to deliver assignment within budget	Choose an item.
Determine appropriate salary level (in conjunction with the Central HR Team)	Choose an item.
Appropriate, fair and transparent recruitment process agreed	Choose an item.
Completed by:	
Date:	

To be completed when recruitment is complete	
Normal recruitment and new starter process followed	Choose an item.
Completed by:	
Date:	
Section 2 - Status determination self-employed	
To be completed when assignment is approved (before identifying the contractor that will undertake the work)	
Draft Service Level Agreement/Contract produced	Choose an item.
Appropriate procurement agreed	Choose an item.
Completed by:	
Date:	
To be completed when procurement process is complete	
Contractor completes self-employed Declaration Form	Choose an item.
Contractor completes Company Information Form	Choose an item.
Service Level Agreement/Contract finalised	Choose an item.
Completed by:	
Date:	

Appendix B



LIGHTHOUSE
SCHOOLS PARTNERSHIP

Off-payroll working (IR35) Status Determination Statement

To be completed by the member of staff that is responsible for the assignment

Details of the individual providing the service

Name of individual providing the service:	
Individuals company trading name (if different):	
Individuals/company registered company number:	
Individuals home address:	
Individuals/company trading address (if different):	
Name, role and contact details of company contact (if different):	

Assignment to which this status determination statement relates

Name of individual providing the service (Off-payroll worker):	
Assignment description:	
School/Central Team:	

Name of member of staff responsible for the assignment:	
Status determination	
The off-payroll rules do apply to the Assignment, i.e. the Assignment is ' Inside IR35 ' - please check the box	<input type="checkbox"/>
The off-payroll rules do not apply to the Assignment, i.e. the Assignment is ' Outside IR35 ' - please check the box	<input type="checkbox"/>
The School's/Trust's reasons for this status determination are:	This must include how the status determination decision was made, e.g. it could include a date stamped PDF of the results from HMRC CEST tool
If the Contractor believes that this status determination decision is incorrect, the Contractor must follow the Trust's dispute procedure with immediate effect.	
Signature:	
Name:	
Position:	
Date of status determination statement:	



Declaration for Contracting the Services of a Self-Employed Worker

The declaration form regarding self-employed worker must be signed by the supported person representing Lighthouse Schools Partnership and the self-employed worker and returned to the Lighthouse Schools Partnership for assurance purposes.

It is essential that self-employed workers provide proof that they are registered as selfemployed for tax and insurance purposes.

Name DIRECT PAYMENT RECIPIENT

(please use block letters) or

Name..... LEGAL REPRESENTATIVE

(please use block letters)

On behalf of Lighthouse Schools Partnership it is understand it is my responsibility to ensure I contract only with persons who meet the HMRC criteria and I have the following paperwork in place:

- A copy of the Service Agreement or Service Provision Contract (terms and conditions) detailing how much the worker is charging, responsibility for their own training and equipment;
- A copy of how and when they will invoice and terms of payment;
- A written statement /evidence from HMRC; Employment Status Indicator (ESI) confirming the worker is registered as a self-employed worker, detailing the registration terms;
- A copy of their Unique Tax Reference Number (UTR)
- Evidence that they take responsibility for paying their tax and national insurance contributions;
- A copy of the appropriate liability insurance and indemnity cover documents;

Only once the proposed self-employed worker has shared relevant documents with Lighthouse Schools Partnership, can the contractual agreement commence.

Details of the self-employed worker contracting with Lighthouse Schools Partnership:

Name (Capitals).....

Job Title.....

Self-employed worker registration details.....their status

Address.....

.....

.....

Signature..... (self-employed worker)

Date.....

Signature..... (Direct Payment Recipient)

Date.....

Signature.....(Legal representative-where applicable)

Date.....

When the services of a self-employed worker are to be utilised and funded by direct payment, please send a copy of the Employment Status Indicator (ESI), Unique Tax Reference Number (UTR) and liability insurance to Lighthouse Schools Partnership who will keep a copy for record purposes.

Lighthouse Schools Partnership will not release money into the designated bank account until the documentation is received.

This form and documentary evidence should be returned to:

Lighthouse Schools Partnerships c/o school in which services relate:-

School Name.....

Contact Person

Address.....

.....

Postcode..... To be returned by.....date

Appendix D



LIGHTHOUSE

SCHOOLS PARTNERSHIP

COMPANY INFORMATION FORM

School/Central Team:	
Company Name:	
Registered Address:	
Company Number:	
Company Type: (e.g LTD/at PLC)	
VAT Registration No.:	
Unique S/E Tax Reference:	
Company Directors:	
Does Company or Directors have CCJs:	
Others with Significant Control:	
Annual Turnover (most recently completed financial year)	£
Number of Schools currently supported Nationally	
Number of Schools currently supported Locally	<ul style="list-style-type: none"> • North Somerset = • Bath & North East Somerset = • South Gloucestershire = • Bristol = • Somerset =

Number of staff fully employed: (not including Sub-Contractors or zero hour contracts)	
Details of Liability Insurance	
Please provide 3 Reference Schools	<ol style="list-style-type: none"> 1. 2. 3.
Do all staff hold an enhanced DBS check?	
Are all staff Safeguarding trained?	
Please confirm you agree to LSP undertaking background checks/searches	



Service Level Agreement

This is a Service Level Agreement (SLA) between [School] and [Contractor’s name, postal address]. This document identifies the services to be provided between MM/DD/YY to MM/DD/YYYY.

Signatories:

On behalf of the Contractor:	
Print name:	
Position:	
Date:	
On behalf of the School	
Print name:	
Position:	
Date:	

1. Contractual Parameters

This section specifies the contractual parameters of this agreement:

- a. Modifications, amendments & extension of this SLA must be agreed by both signatory parties.
- b. [School] reserve the right to terminate this agreement for whatever reason giving xxxxx notice (LSP suggest 48 hours)
- c. The Contractor will indemnify LSP against all losses as a direct result of contractor negligence
- d. The Contractor will indemnify LSP against all losses as a direct result of contractor failing to comply with GDPR/Data Protection
- e. The Contractor will not sub-contract any elements of the goods and services provided without prior written consent

2. Details of Goods &/or Services to be provided

3. Responsibilities

[School] responsibilities:

- [School] shall inform the Contractor of changing business requirements that may necessitate a review, modification, or amendment of the SLA.

Contractor responsibilities

- The Contractor will inform [School] regarding any issue, disruption or delay of provision of this service as necessary, E.g. due to staff absence.
- The Contractor will hold an Enhanced DBS check (school to see evidence)
- The Contractor will have undertaken safeguarding training if appropriate to the role (school to see evidence)
- The Contractor will have public liability insurance (school to see evidence)
- The Contractor will have Professional Indemnity Insurance (school to see evidence)
- The contractor will act in accordance with GDPR regulations

4. Financials

- The fees for the products/services outlined within this agreement are []
- Payment terms will be []
- VAT registration details (if applicable) []
- Bank details []