FINANCE POLICY
Statutory

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

Policy Record	
Policy Status	Approved
Date Last Approved	12 November 2026
Approved by	Finance Committee
Policy Review cycle	Annually (Term 6)
Scheduled Review date	Summer 2027

This policy remains valid, and in operation, until a new or updated policy is published.

Document history can be found at the end of this policy.

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 (ATH),

   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 Policy,

2.9. Business Ethics Policy

2.10. Debt Recovery Policy, and

2.11. 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

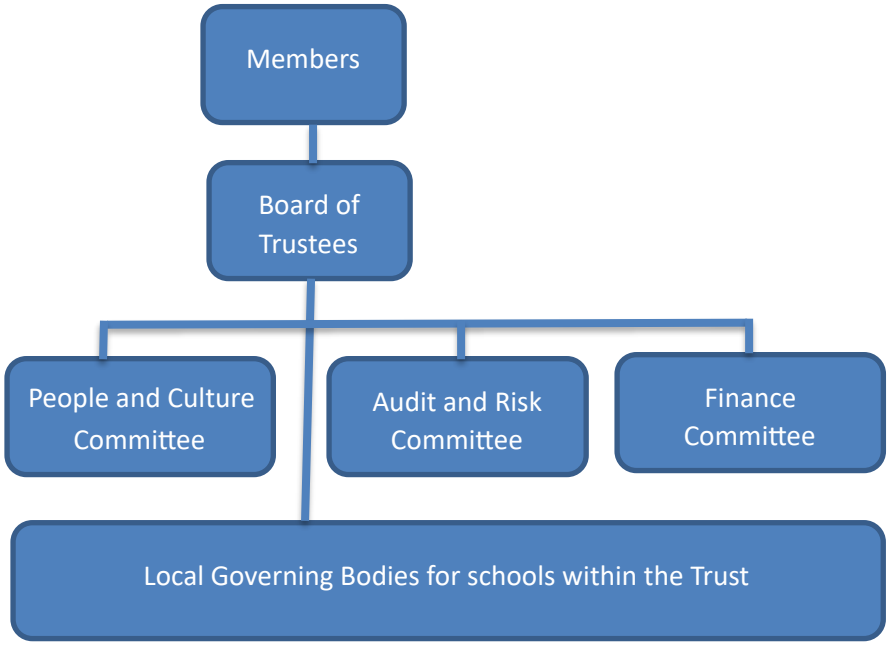
4. The current version of the Academy Trust Handbook (ATH) will represent the context within which the Lighthouse Schools Partnership and its schools operate.

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 or 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 and ensure that it has appropriate financial knowledge, skills and experience across trustees and committee membership, in line with the requirements of the Academy Trust Handbook.

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. Oversee and ensure appropriate use of funding and effective financial performance, ensuring compliance with financial regulations of the DfE, Charity Law and Funding Agreement and leading an ethos of financial awareness and responsibility.

8.5.2. Take a longer-term view of the trust's financial plans consistent with the requirement to submit 3-year budget forecasts to DfE.

8.5.3. Set a policy for holding reserves, and explain it in its annual

8.5.4. report, including a clear plan for managing reserves

8.5.5. Ensure effective financial performance and budget management, ensuring rigour and scrutiny.

8.5.6. Ensure regularity, propriety and value for money in use of the Trust's funds,

8.5.7. Take ownership of the trust's financial sustainability, reserves and its ability to operate as a going concern, ensuring that financial plans are prepared and monitored.

8.5.8. Approve and minute approval of a balanced budget for the Trust, including individual school budgets, for the coming financial year, which can draw on unspent funds brought forward from previous years, agreeing the Budget Forecast Return before submission to the DfE and publishing a summary of how funding is distributed across schools within the Trust.

8.5.9. Ensure the compatibility of all financial plans with the development priorities set out in the strategic plan.

8.5.10. Ensure budgets for the current year and beyond, and any revised outturns for the full year, are compiled accurately, based on realistic assumptions, including any provision being made to sustain capital assets, and reflect lessons learned from previous years.

8.5.11. Monitor the Trust's performance against budget on a monthly 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

investments, and the balance sheet.

8.5.12. Monitor and review the effectiveness of financial policies, procedures, controls and their application.

8.5.13. Ensure decisions about executive pay (including salary and any other benefits) follow a robust evidence-based process and are a reasonable and defensible reflection of the individual's role and responsibilities, and that the approach to, and levels of pay and benefits is transparent, proportionate, defensible and compliant with the Trust's Pay Policy.

8.5.14. Ensure appropriate insurance cover arrangements are in place.

8.5.15. Ensure that the Trust's strategies and processes for procurement and value for money are effective and compliant.

8.5.16. Ensure that the Trust manages the schools' estate strategically and effectively, maintaining the estate in a safe, warm and dry condition.

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). The Audit and Risk Committee meet at least four times a year. The Finance Committee meet regularly and review the Trust's management accounts monthly. The Chair of Trustees is a member of the Finance Committee.

9. The Local Governing Body (LGB)

9.1. Each school's local governing body has responsibility to:

9.1.1. Considering the school's indicative funding allocation and assessing 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 in conjunction with the Headteacher,

9.1.3. Reviewing an annual budget to the Board of Trustees together with projections for the following two financial years, ensuring alignment with the School Development Plan Monitoring the school's income, expenditure and forecast outturn throughout the year against the approved budget, including reviewing significant variances, with reference to the approved budget including reviewing significant variances,

9.1.4. Hold the Headteacher to account for the effective management and use of financial resources and for compliance with the Trust's Scheme of Delegation, Finance Policy and approved budget. 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.

10.2. The accounting officer takes personal responsibility (which must not be delegated) for assuring the board that the Trust is complying with the funding agreement and Academy Trust Handbook. This includes applying candour and transparency in discussions with the board relating to, but not limited to, financial assurance, financial management, financial reporting and irregularity.

10.3. The Accounting Officer must immediately notify Trustees of any actual or emerging risks to the Trust's ability to continue as a going concern.

11. Headteachers/Executive Headteachers

11.1. Each school's Headteacher/Executive 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 Trust's Chief Financial Officer (CFO). The Trust will ensure the Chief Financial Officer meets the qualification requirements and expectations contained within the current Academy Trust Handbook.

12.2. The CFOO is responsible for:

12.2.1. Providing a technical and leadership role, including attendance at finance committee and audit and risk committee meetings to assist the trustees in providing effective financial oversight.

12.2.2. Providing information, advice and training on all financial

related issues to stakeholders as appropriate.

12.2.3. Liaising with Members, Trustees, Governors, staff, DfE, auditors, other bodies and organisations as and when necessary, in all areas concerning financial management.

12.2.4. Providing a financial strategy, financial management and benchmarking information to the Board of Trustees so they can deliver their financial responsibilities and value for money.

12.2.5. Monitoring the Trust's ability to continue as a going concern and reporting to the Trustees, immediately in the case any actual or emerging risks to the Trust's going concern.

12.2.6. 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.

12.2.7. 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.

12.2.8. Ensuring compliance with ATH, DfE, Charity Law regulations and statutory requirements.

12.2.9. Reviewing, updating and developing the Trust's finance policies, as necessary, including to comply with changes to the ATH.

12.2.10. Ensuring that all financial transactions are in accordance with published procedures and statutory regulations.

12.2.11. 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.

12.2.12. Ensuring that all financial staff have the necessary qualifications and training to undertake their respective tasks.

12.2.13. Ensuring that the Trust's payroll is delivered within statutory regulations.

12.2.14. Ensuring that the pension arrangements are implemented in line with Pension Organisation regulations (both Teaching and Support Staff Pension Organisations).

12.2.15. Preparation and management of the Trust's annual central services budget for services funded by the Core Services Charge.

12.2.16. Line Management of the Trust's Finance Managers.

12.2.17. Preparation of consolidated accounts for presentation to the Trust Board and the DfE.

12.2.18. Ensuring all financial reporting is completed according to the agreed reporting schedule.

12.2.19. Co-ordinating the deployment of finance staff across the Trust.

12.2.20. Forecasting the Trust's financial position through the year and advising the Trust Board on any remedial actions required.

12.2.21. Producing management accounts in accordance with the agreed schedule.

12.2.22. Applying discipline in financial management, including managing debtors, creditors, cash flow investments and monthly bank reconciliations.

12.2.23. 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, VAT, pension annual audits and other statutory returns.

13.1.2. Managing the Trust's Commercial credit cards, 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. Managing the Trust's Fixed Asset Register

13.1.6. Being point of contact with the Trust's appointed external and internal auditors.

13.1.7. Providing central support and training on financial matters to staff across the Trust.

13.1.8. Providing the Chief Executive Officer, Chief Financial and Operating Officer and Headteachers with regular financial updates and alerting them to any concerns.

13.1.9. Assisting with the operation and maintenance of budgeting, finance and payroll computer accounting systems.

13.1.10. Monitoring payment performance and reported in line with regulatory requirements and to Trustees.

13.1.11. Investigating, recommending and implementing changes to systems and procedures, to improve financial performance and satisfy value for money criteria.

13.1.12. Overseeing purchasing and ensuring that it is compliant with the ATH and Finance Policy.

13.1.13. Managing the delivery of the Finance Business Partner service to schools receiving centralised services.

13.1.14. Supporting schools and monitoring compliance against Trust finance policy and associated procedures.

13.1.15. Supporting schools and checking accuracy of forecasted outturn position.

13.1.16. Supporting schools and checking accuracy of budget planning.

13.1.17. Supporting schools and checking accuracy of entries to close the school accounts.

13.1.18. Providing a first point of contact for financial queries.

13.1.19. Attending interviews for Secondary School Business Managers if requested.

13.1.20. Providing induction support in the first year to new Headteachers or School Business Managers.

13.1.21. Supporting the delivery of training across the Trust.

13.1.22. 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. Informing the Central Finance Team of changes to the school's assets e.g. additions and disposals

15.1.13. Being point of contact within the school for the Trust's appointed external and internal auditors, participating in data collection and testing as part of any audit process.

15.1.14. Producing the necessary year end entries to accurately report the school's financial position at the year end.

15.1.15. 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:

Table 1	

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 update the fixed asset register on disposal of an asset	Inform the FBP of the 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 for all purchases.

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), both revenue and capital. This will include the review of the forecasted outturn position on a monthly basis, 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. Each Headteacher will be aware of the Trust's Reserves Policy and take action, in line with the policy, to move towards school reserves being within the target range for schools.

17.3. 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. This will include the revenue and capital and the school's reserve position.

17.4. The Trust Board will review the Trust's revenue and capital 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.

17.5. 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 Trustees.

18. Budgeting

18.1. Each school's Headteacher is responsible for the preparation of the annual budget (both revenue and capital), along with projections for the following two financial years, in conjunction with the Chief Financial and Operating Officer.

18.2. Headteacher's should take into consideration benchmarking information when producing multi-year budgets. Budgeting should be integrated with curriculum planning. This is achieved through the deployment model in primary schools and the ICFP module in IMP in secondary schools.

18.3. 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:

18.3.1. 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.

18.3.2. Each school's Local Governing Body will scrutinise and challenge this draft.

18.3.3. The Board of Trustees will review and ratify the budgets presented to the Board of Trustees.

18.4. The Chief Financial and Operating Officer will agree a draft budget for the Trust's centrally retained budgets with the Chief Executive and Senior Leadership Team for the Central Team by end of April annually.

18.5. Each school's budget and the Trust's centrally retained budgets, revenue and capital, will be reviewed and ratified by the Board in July annually.

18.6. Budgets will be submitted to the DfE as required and by the required deadline by the Chief Financial and Operating Officer.

18.7. Schools/federated schools within the Trust are expected to set and maintain an in-year balanced budget where costs are met from income in a given year. Schools/federated schools within the Trust are expected to meet the budget that is agreed for the financial year. Any areas of overspend will need to be identified and addressed to ensure that the agreed budget is achieved by the end of the financial year.

18.8. Accumulated reserves can be utilised, subject to the provision of the Reserves Policy. The utilisation of accumulated reserves to set a

balanced budget must be agreed by the school's LGB and submitted to the Board of Trustees for consideration as part of the budget setting process.

18.9. Where a deficit budget is forecast, the schools should work in partnership with the Chief Financial and Operating Officer to establish a plan to achieve a sustainable budget and to consider contributions from the Support Fund, as appropriate.

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 oversee the process of an appropriate, reasonable and timely response by the Central Team or schools to any findings by auditors, taking opportunities to strengthen the Trust's systems of financial management and control.

19.4. LGBs must review and monitor the timely response to any findings by auditors for their school(s), ensuring that the school's leadership is taking opportunities to strengthen the school's systems of financial management and control.

Financial Administration

20. Accounting Systems

20.1. Schools within the Lighthouse Schools Partnership use IRIS 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 yearend for any value over £100 in Primary schools or £1,000 in Secondary schools and centrally retained budgets.

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, insurance reimbursements.

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, maintaining appropriate 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 centrally retained budgets 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. 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 is only considered for significant planned changes in spending/income plans that impact most schools in the Trust. All virements or updates to the approved budget that have an overall financial impact on the Trust need to be approved by the Trustees Finance Committee.

23.3. Changes to individual school budgets will not result in a new approved budget. 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. Virements should not be completed to cover an unplanned over or underspending.

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 centrally retained budgets)

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 2 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 centrally retained budgets.

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 2 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 2 below details the authorisation limits for journals:

Table 2 - Journals	Primary	Secondary	Centrally retained budgets
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 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 up 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 with private sellers, 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 raised and 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. Where internal requisitions are used, 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 purchase order 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 3 below details the expenditure authorisation limits:

Table 3 - Expenditure authorisation limits	**Primary**	**Secondary**	**Central Services Budget**
Planned Expenditure – Purchas Orders No expenditure should be incurred or commitment entered into without formal delegated authority. **All purchase orders** raised for expenditure to be authorised at the appropriate level, according to the following purchasing authority levels All figures in this table exclude VAT			
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
Up to £50,000 for Purchases/ Contracts* that have been specifically identified in the budget agreed by the Board of Trustees	Headteacher and CFOO	Headteacher	CFOO
Over £50,000 for Purchases/ Contracts* that have been specifically identified in the budget agreed by the Board of Trustees	n/a	Headteacher and CFOO	CFOO
Additional staffing or purchases/contracts* of over £15,000 in primary schools or £50,000 in secondary schools and Centrally retained budgets that have been NOT been specifically identified in the budget agreed by the Board of	Local Governing Body with pre-approval of Finance Committee (when required by the Reserves Policy)		CFOO with pre-approval of Finance Committee (when required by the Reserves Policy)

Trustees (if not fully funded from additional unbudgeted income)		
ALL orders and contracts value between £20,001(primary schools) or £50,001 (secondary schools) and £173,100*	CFOO (following approval from the Local Governing Body)	CFOO & Chief Executive
All orders and contracts value over £173,100*	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 to not apply to purchases that are funded by parental contributions e.g. educational visits		

30. When identified through a Health and Safety compliance check, Hub Estates Leads have the authority to spend up to the value of £500 from the schools repairs and maintenance budget, without direct authorisation from the Headteacher, although immediately reported to the Headteacher.

31. The Central Team/Schools must be able to demonstrate separation of duties for all purchases.

32. Petty Cash/Claim for Reimbursement/Expenses Claim

    32.1. 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

    32.2. The relevant budget holder must authorise expenditure before the purchase of any goods/services, unless exceptional circumstances deem this impossible.

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

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

33. Value of Procurement Requirements are detailed in table 4 below:

Table 4 - 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 purchase order and authorised in line with the requirement in table 3
£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 purchase 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 - £173,100 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 purchase order, with written approval obtained from the CFOO/CEO. The CFOO will report any unbudgeted items funded from the Central Services Budget retrospectively to the Board of Trustees.
Above £173,100 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.
All figures in this table exclude VAT	

34. 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.

35. The Trust/school will accept the lowest tender or quotation in all purchasing decisions unless:

    35.1. After having followed the procedures there is good evidence that the lowest priced supplier cannot perform to the specification.

35.2. A decision has been taken to judge quality and price together before prospective suppliers have been sought.

35.3. A specialist provider is required e.g. Asbestos removal would be undertaken by contractor linked to annual service contract and current Asbestos Risk Assessment

36. 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.

37. 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.

38. Where a formal tendering procedure is used (>£173k 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.

39. A list of the top 10 suppliers of goods and services shall be reported annually to the Board.

40. 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.

41. 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.

42. 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.

43. Payment of Invoices

43.1. The Trust recognises the importance of paying suppliers promptly and fairly and will maintain payment practices that support value for money, effective supplier relationships and responsible stewardship of public funds. The Trust will seek to comply with the Government's prompt payment principles and pay valid invoices in accordance with agreed contractual terms.

43.2. Undisputed invoices should be processed and authorised promptly.

43.3. All invoices should be passed to the relevant Finance Office, on receipt.

43.4. 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.

43.5. Invoices must only be paid if accompanied by a purchase order approved at the appropriate level.

43.6. Disputed invoices will be investigated and resolved as quickly as possible.

43.7. Suppliers will be informed where payment is delayed due to query or dispute.

43.8. Interest and compensation claims under the Late Payment of Commercial Debts legislation will be minimised through effective invoice processing controls.

43.9. All cheques/BACs payments must have a minimum of two authorisations.

43.10. 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.

43.11. Invoices will be paid within 30 days, unless the terms of credit state otherwise. The finance, or other authorised staff will take advantage of any discounts available for early settlement where this is to the Trust/school's advantage.

43.12. All invoices are retained by the associated Finance Office electronically in line with the Trust's Records Management Policy.

44. Payment of Invoices from the Self-Employed

44.1. 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.

44.2. The school/central team 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).

44.3. If the outcome of the Status Determination Statement is self-employed, a number of additional documents also need to be completed. This includes:

44.3.1. Self-Employment declaration Form (Appendix C)

44.3.2. Company Information Form (Appendix D)

44.3.3. Service Level Agreement (Example template provided as Appendix E)

44.4. 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.

45. Supplier record amendments

45.1. 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.

45.2. All new supplier/supplier amendment forms must be filed ready for audit accompanied by all necessary paperwork.

45.3. Notification of changes to supplier bank details must always be independently verified before being actioned by contacting the supplier independently of the notification received. Bank details must be checked using the tool on PS Financials, details can be confirmed by selecting 'Check Payee Details' on the payments tab of the supplier account maintenance window.

46. Extraordinary Expenditure (including transactions with connected parties and investment transactions)

46.1. Novel, contentious or repercussive transitions 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 is agreed and before the transaction occurs.

46.1.1. Novel transactions are those of which the Academy Trust has no experience, or are those outside the range of normal business.

46.1.2. Contentious transactions are those that may cause criticism of the Trust by Parliament, the public or the media.

46.1.3. 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.

47. Irregular or improper purchasing

47.1. 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

48. The Trust must be even-handed in its relationships with related parties by ensuring that:

48.1. Trustees comply with their statutory duties as company directors to avoid conflicts of interest, not to accept benefits from third parties, and declare interest in proposed transactions or arrangements.

48.2. All Members, Trustees, local governors and senior employees have completed the register of business and pecuniary interests.

48.3. No member, Trustee, local governor, employee or related individual or organisation uses 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.

48.4. 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 need to 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.

48.5. The Charity Commission's approval is obtained where the Trust believes a significant advantage exists in paying a Trustee for acting as a Trustee.

48.6. Any payment provided to the persons referred to in this section satisfies the 'at cost' requirements.

49. 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.

50. The Trust must report all contracts and other agreements with related parties to the DfE in advance of the contract or agreement commencing or being renewed, using the DfE's related party online form.

51. The Trust must obtain the DfE's prior approval, using the DfE's related party online form, for contracts and other agreements for the supply of goods or services to the Trust by a related party where 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:

51.1. Contracts and other agreements for the supply of goods or services to a trust by the following educational establishments:

51.1.1. Colleges, universities and schools which are sponsors of the

academy trust

51.1.2. State funded schools and colleges, including academy trusts

51.2. This concession does not apply to transactions with a subsidiary of such a related party

52. For the purposes of reporting to, and approval by, the DfE, contracts 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 financial Interests

53.1. The Trust's register of interests must capture relevant business and financial 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 interests from close family relationships between the Trust's Members, Trustees or local governors. It must also identify relevant 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 the accounting officer. 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 ('services' do not include contracts of employment) 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 (‘persons’ meaning both individuals and organisations):

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 is the following persons are related to a Member or Trustee:

54.2.2.1. A relative of a Member or Trustee – a relative is defined as a close member of the family or member of the same household, who may be expected to influence, or be influenced by, the person, including, but not limited to, a child, parent, spouse or civil partner.

54.2.2.2. An individual or organisation carrying on business in partnership with the member, trustee or a relative of the member or trustee.

54.2.2.3. 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.

54.2.2.4. 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

54.2.3. 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.

54.2.4. 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. A body is connected to another individual or organisation if it is controlled by the individual or organisation, or controls the organisation, or is under common control with the individual or organisation. For these purposes, control means either:

54.3.1. Holding more than 20% of the share capital (or equivalent interest)

54.3.2. Having the equivalent right to control management decisions

of the body

54.3.3. Having the right to appoint or remove a majority of the board or governing body

54.4. The 'at cost' requirement does not apply to the Trust's employees unless they are also one of the parties described in section 53.2. While these provisions do not apply to contracts of employment, the principles of value for money and using public money properly, including managing conflicts of interest, still apply. Salaries should be appropriate to the individual's skills and experience and to wider market rates.

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 to supply goods or services to the Trust 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

54.6.2. 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. acquiring a leasehold on land or buildings;

57.1.3. disposing of a freehold on land or buildings; and

57.1.4. 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. Any school wishing to acquire or dispose of land, buildings and/or heritage assets will need to seek Trustees approval, via the Central Team, from the Board of Trustees.

57.3. 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.

57.4. 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.

57.5. 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).

57.6. Schools must consult with the Chief Financial and Operating Officer before entering into any transaction that results in the acquisition of a fixed asset with a value above £5,000 or the disposal of a fixed asset with a value above £1,000.

58. Capital Funding

58.1. In line with the Trust's Estates Vision and Management Strategy, schools will target their devolved capital to the following priority areas:

58.1.1. Providing the best possible learning environments

58.1.2. Ensuring that the school estate is safe, warm and dry

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. No asset over the value of £100,000 may be sold or scrapped without the authority of the Board of Trustees. 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 money (including an item's quality, durability and sustainability). 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 e-payments 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 debts 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 paylist 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 register the card on Lloyds Commercial Cards Portal and set up a unique password.

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 £2,500 of cash should 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 and Cyber incident arrangements

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

75. All instances of fraud, theft or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any financial year must be reported to the Central Finance Team and on to the DfE.

76. Any actual or suspected cyber security incident affecting the confidentiality, integrity or availability of Trust systems, financial records, payroll, banking arrangements or personal data must be reported immediately to the Trust Services Team.

77. Significant instances of fraud or cyber incident will be reported as appropriate to all relevant parties.

78. The Trusts will not pay any cyber ransom or extortion demands, including cyber ransomware.

79. Information on incidents of fraud and cyber-attack will be monitored and controls adjusted accordingly. This will be shared as appropriate.

Security and Passwords

80. Passwords - Security of access

    80.1. 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.

    80.2. Wherever the functionality is available, 2 factor authentication should be enabled.

81. Security of safes and safe keys

    81.1. 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 be reported immediately to the Headteacher/CFOO (for the Central Team).

    81.2. 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)

82. Please refer to the Business Ethics Policy.

Payroll and Pensions

83. New Appointments

    83.1. 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.

83.2. All new school-based positions outside of the approved budget, with the exception of posts fully funded from additional unbudgeted income, must be authorised in line with the Trust's Reserves Policy.

83.3. Further details of the decision making powers in relation to appointments are provided in the Scheme of Delegation

84. Payroll - Authorisation

84.1. Payroll documentation for new appointments and resignations must be authorised as follows:

84.1.1. Chief Executive and Chief Financial and Operating Officer - authorised by the Board of Trustees.

84.1.2. Other Central Team and Trust wide posts - authorised by the Central Team Senior Leadership Team.

84.1.3. 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).

84.1.4. All other payroll documentation must be authorised by either the Headteacher or Business Manager/Business Partner.

84.1.5. Contract amendments can be authorised by the Headteacher or Business Manager/Business Partner as long as the amendment is within the approved budget.

85. General

85.1. 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.

85.2. 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.

85.3. 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.

86. Payroll Procedures

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

87. Special Payments

87.1. 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:

87.1.1. staff severance payments

87.1.2. compensation payments

87.1.3. other types of special payments, including ex gratia payments and extra contractual payments

87.2. Special staff severance payments are paid to employees outside normal statutory or contractual requirements when leaving public employment. They are different to ex gratia payments.

87.3. Any special payments must be considered, negotiated and agreed in conjunction with the Chief Financial and Operating Officer and may need prior approval from the DfE in order to comply with the Academy Trust Handbook.

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

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

87.4.2. 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 greater than 50% prospect of losing the case, a settlement may be justified, especially if the costs of a defence are likely to be high. Where a legal assessment suggests that the Trust has at least a 50% chance of being successful, a settlement should not be offered.

87.4.3. 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.

87.5. 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 succeed (greater than 50%) 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.

87.6. 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 making any offer to staff.

87.7. 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 justified business case. Settlements must not be accepted unless they satisfy the conditions in the Academy Trust Handbook and in the DfE's guidance and submission template.

87.8. Additionally, in accordance with HM Treasury's Guidance on Public Sector Exit Payments: Use of Special Severance Payments and the DfE's special severance payments guidance, academy trusts must obtain prior DfE approval before making a special staff severance payment where any of the following apply:

87.8.1. an exit package of £100,000 or above includes a special severance payment

87.8.2. the employee earns over £174,000.

87.8.3. a payment is novel, contentious or repercussive, Section 3.4 of HM Treasury's guidance contains examples of such payments including where:

87.8.3.1. The trust has legal advice that the chances of successfully defending the matter in a court or tribunal is more than 50%, and

87.8.3.2. an exit package includes a confidentiality agreement, see 84.9 below

87.8.4. HM Treasury approval must be sought before any offers, whether oral or in writing, are made.

87.8.5. the Trust is subject to a Financial Notice to Improve (FNtl) or Notice to Improve (NTL).

87.9. In respect of special severance payments, confidentiality clauses are always novel, contentious or repercussive, and so must not be used unless the trust has obtained prior DfE approval.

87.10. In addition, for any severance payment (special or otherwise) any confidentiality clause:

87.10.1. do must not prevent an individual's right to make disclosures in the public interest (whistleblowing) under the Public Interest Disclosure Act 1998.

87.10.2. must not be used to prevent DfE from obtaining sufficient

information to fully assess such payments under its regulatory role.

88. Compensation Payments

88.1. Compensation payments are made to provide redress for loss or injury, for example personal injuries, traffic accidents, damage to property. When the Trust is considering making a compensation payment it will base the decision on a careful appraisal, including legal advice, where relevant, and ensure value for money.

88.2. DfE prior approval must be obtained for the non-contractual/non statutory compensation payment of £50K gross or more.

88.3. The Trust should consider whether any cases reveal concerns about the effectiveness of internal control systems and take steps to put failings right.

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

89. Other types of special payments which go beyond statutory or contractual cover or administrative rules include ex gratia payments, extra-statutory payments, extra-contractual payments and extra-regulatory payments.

89.1. Ex gratia payments include payments to meet hardship caused by official failure or delay, and to avoid legal action due to official inadequacy.

89.2. 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.

90. Recovery of overpayment of salary - Please refer to LSP recovery of salary overpayments and correction of underpayments of salaries policy.

Reporting timetable

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

Related financial documentation

92. Academy Trust Handbook

93. Business Ethics Policy

94. Member, Trustee, Governor Allowances for Expenses Policy

95. Charging and Remissions Policy

96. Debt Recovery Policy

97. Reserves Policy

98. Investment Policy

99. Policy and Regulations for Lettings of School Facilities

100. Recovery of salary overpayments and correction of underpayments of salaries Policy

101. 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.

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.

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 (GAG) - 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.

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 (RPA) - An alternative to insurance for Academy Trusts where losses are covered by government funds.

Secretary of State - The Secretary of State for Education.

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.

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.

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
4	Louise Malik	August 2019	Various amendments
5	Louise Malik	August 2020	Various amendments
6	Louise Malik	August 2021	Various amendments
7	Louise Malik	August 2022	Various amendments
8	Louise Malik	August 2023	Scheduled review
9	Louise Malik	August 2024	Scheduled review
10	Louise Malik	August 2025	Scheduled review
11	Louise Malik	August 2026	Scheduled review

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	☐
The off-payroll rules **do not** apply to the Assignment, i.e. the Assignment **is** '**Outside IR35**' – please check the box	☐
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:	

Appendix C

LIGHTHOUSE SCHOOLS PARTNERSHIP

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	• 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	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	

Appendix E

LIGHTHOUSE SCHOOLS PARTNERSHIP

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 [ ]