



POLICY	FINANCE PROCEDURES AND POLICIES
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Finance Policy and Procedures
September 2023

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1. Introduction

- 1.1 The purpose of this policy is to ensure that Unity Education Trust (UET) maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of UET's funding agreement and the Education Funding Agency (ESFA) Academy Trust Handbook.
- 1.2 UET must comply with the principles of financial control outlined in the ESFA Academy Trust Handbook published by the DfE. This policy expands on that and provides detailed information on UET's accounting systems and procedures and should be read by all staff involved with finance.
- 1.3 Other related policies and statements are listed on page 2.
- 1.4 This policy relates to all schools and academies within UET. Adherence to the principles and procedures contained in this policy is mandatory for all staff.
- 1.5 This policy is designed to be consistent with:
 - ESFA Academy Trust Handbook
 - UET Articles of Association / Constitution
 - Master and Supplemental Funding Agreements
 - HM Treasury's "Regularity, Propriety and Value for Money".

1.6 This Policy also contains the following appendices:

- Appendix A Financial Authorisation Limits

2. Organisation

2.1. UET has defined the responsibilities of each person involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for Trustees and staff. The financial reporting structure is illustrated below:

The Board of Trustees, Finance and Audit Committee

2.2. The Board of Trustees and the Finance and Audit Committee have overall responsibility for the administration of its academies' finances and the effectiveness of internal controls. The main responsibilities of the Board are prescribed in UET's Articles of Association, its Scheme of Delegation and in the Funding Agreement between UET and each of its academies with the Department for Education (DfE).

These responsibilities in relation to financial matters include:

UET Board of Trustees

2.3. The Board is responsible for ensuring that high standards of corporate governance are maintained, addressing such matters as:

- ensuring that the Trust's vision and values underpin the way in which the Trust and its schools work;
- ensuring that financial plans are prepared and monitored, satisfying itself that the Trust remains a going concern and financially sustainable;
- approving the Trust's annual budget and keeping it under regular review by receiving reports from the Trust's Finance and Audit Committee who receive monthly management accounts, which should normally be issued on the 15th working day of the following month, and are discussed at each meeting; approving and reviewing each the Trust and each School's annual budgets, keeping these under review and approving any significant changes;
- agreeing a scheme of financial delegation (Finance Policy) to Trust academies and reviewing this annually;
- receiving an annual report from the Trust's auditors and taking appropriate actions;
- assessing and managing risk, (including the preparation of a statement on risk management, for its annual report and accounts);
- challenging and supporting the CEO, Trust officers and academy leaders to achieve best value in terms of impact, outcomes, quality and cost (academy leaders = Headteachers, Executive Headteachers, Heads of School: the term "Headteacher" will be used throughout this policy)
- ensuring all Trustees and Local Governors undertake a relevant and thorough induction programme.

The Finance and Audit Committee

2.4 The Committee is responsible for the detailed consideration of the best means of fulfilling UET's responsibility to ensure sound management of UET and Academy finances and resources, including proper planning, monitoring, and probity.

2.5 The committee's responsibilities are to:

- Identify the key performance indicators which it will use to monitor the areas of provision for which it is responsible.
- Ensure regularity, propriety, and value for money, ensuring the Trustees take ownership of financial sustainability and ability to operate as a going concern.
- Develop a financial strategy for the Trust and consider policies, procedures or plans required to realise such strategy through the implementation of an annual work plan driven by the Development Plans of the Trust and individual schools, and priorities set by the DfE.
- Measure key performance indicators regularly and monitor outcomes.
- Consider the Trust's indicative funding, once notified by the ESFA, and assess its implications for the Trust, in consultation with the CEO and Chief Financial Officer, in advance of the financial year, drawing any matters of significance or concern to the attention of the Trustees.
- Consider and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the Trust and School Development Plans, and recommendations from the Standards Committee.
- Consider and recommend acceptance/non-acceptance of the Trust's budget to the Board.
- Monitor and review monthly management accounts from the CFO, ensuring compliance with the overall financial plan for the Trust and drawing any matters of concern to the attention of the Trust Board.
- Monitor any variances from the budget and ensure that the ESFA is notified as required via the ESFA contact form.
- Liaise with and receive reports from the Standards Committee and then to make recommendations about the financial aspects of matters being considered by them.
- Monitor, review and, where appropriate, approve arrangements for ensuring the effective implementation and operation of personnel/HR and financial procedures on a regular basis, including the implementation of bank account arrangements and, where appropriate make recommendations for improvement, this monitoring to take place through CEO reports, internal audit reports and monitoring visits to the central finance office by the Chair of the Finance and Audit Committee.
- Prepare the financial statement to form part of the Annual Report.
- Ensure the Trust's commercial and fundraising activities are carried out effectively through regular monitoring of the management accounts and review of the self-generated income and expenditure across the Trust.
- Examine and review new initiatives for financial development, including fundraising proposed by the CEO.
- Approve the submission of bids for capital funding or proposed capital projects including bids relating to mergers with other multi-academy trusts and new schools joining UET.
- Oversee significant investment and capital financing decisions.
- Oversee the strategic management of the Trust/school estate and oversee arrangements for monitoring Trust/school premises to ensure that they are fit for purpose and provide an environment in which pupils and staff feel safe, by means of reviews of data presented to the Committee and/or reports of Health and Safety walks conducted by Trustees, Academy Stakeholder governors.
- Approve and keep under review the Trust's reserves and investment policy.
- Keep under review the Trust's Risk policy, and with regard to cyber-crime, to put in place proportionate controls and take appropriate action where a cyber incident has occurred.

Obtain permission from the ESFA to pay any cyber ransom demand, understanding that payment of ransom has no guarantee of restoring access or services and is likely to result in repeated incidents.

- To scrutinise, review and approve Trust policies under delegated authority from the Trust Board.
- To keep the Service Level Agreement with schools under review, to ensure that Headteachers/Heads of Schools are consulted in advance of any significant changes to the Agreement and to take account of any comments received prior to recommending approval of the Agreement to the Trust Board.
- To promptly notify the Trust Board of all financial matters of which the Committee has knowledge, and which may materially affect the current or future position of the Trust, including the ability of the Trust to continue to operate as a going concern.
- Advise generally on the provision of resources and services to the Trust.
- As the Trust's Audit Committee:
 - To produce an annual report of the committee's conclusions and findings to advise the Board and Members, including recommendations on the appointment or dismissal or re-tendering of the external auditor, and their remuneration having regard to the requirements of the Academy Trust Handbook (2023 Edition paras 4.5 – 4.8).
 - To approve the terms of engagement and remuneration for the external auditors and review the external auditor's plan each year to review the annual report and accounts.
 - To receive the auditor's reports, SRMA and the actions taken by the Trust's managers in response to those findings, and to recommend to the Trust Board action in response to audit findings.
 - To ensure the provision of effective internal audits within the Trust and teach of its schools; to receive reports based on these audits; to ensure findings are shared with the appropriate Trustees, Academy Stakeholder Governors and staff; and to review governance and management responses to findings.
 - To ensure internal scrutiny
 - *Is independent and objective – for example it must not be performed by the trust's own accounting officer, chief financial officers or other members of the senior leadership or finance team.*
 - *Is conducted by someone suitably qualified and experienced and able to draw on technical expertise as required.*
 - *Is covered by a scheme of work, driven and agreed by the Finance and Audit Committee, and informed by risk.*
 - *Is timely, with the programme of work spread appropriately over the year so higher risk areas are reviewed in good time.*
 - *Includes regular updates to the Finance and Audit Committee by the person(s) or organisation(s) carrying out the programme of work, incorporating:*
 - *A report of the work to each Finance and Audit Committee meeting, including recommendations where appropriate to enhance financial and non-financial controls and risk management.*

- *An annual summary report to the Finance and Audit Committee for each year ended 31 August outlining areas reviewed, key findings, recommendations, and conclusions, to help the Committee consider actions and year on year progress.*
 - To focus its audit work on providing assurances to the Trust Board:
 - That all risks are being adequately identified and managed with particular regard to reviewing personnel/HR operational risks and the risks to financial controls at the Trust and its constituent academies, and agreeing a programme of work to address, and provide assurance on, those risks.
 - That information submitted to the DfE and ESFA that effects funding, including pupil number returns and funding claims completed by the Trust and by its constituent academies, is accurate and in compliance with funding criteria.
 - That any other internal scrutiny functions recommended for audit committees in the Academy Trust Handbooks are addressed.
- To review, on a regular basis, its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness.

The Chief Executive Officer

2.6 The Chief Executive Officer (CEO) is the Accounting Officer with responsibilities as described in HM Treasury's "Regularity, Propriety and Value for Money". The Accounting Officer has personal responsibility for the propriety and regularity of the public finances for which he is answerable. It must be ensured that, in considering proposals relating to the expenditure or income for which they have responsibilities, all relevant financial considerations are taken into account and full regard is had to any issues of propriety or regularity.

2.7 The main responsibilities of the CEO include:

- the development of the annual budget;
- the development of medium and long -term financial planning;
- managing a wide range of services;
- the regular monitoring of actual expenditure and income against budget;
- maintaining and reporting on effective financial control, securing value for money and managing budgets in accordance with those agreed by the MAT's Board of Trustees.
- maximising the Trust's resources by seeking additional funds from external sources.
- managing and regularly reviewing the use of available resources, including human resources, so as to improve students' learning and achievement
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies;
- ensuring that the regular reports provided to the Board are timely and accurate;
- authorising orders and the award of contracts within the approval limits shown in Appendix A;
- authorising payments within the approval limits shown in Appendix A
- authorising changes to the UET personnel establishment.

The UET Headteachers/Heads of Academies

2.8 Within the framework of the UET's Scheme of Delegation and any specific financial controls determined by the Trustees (see 4.16 below), the Headteacher of each Academy has overall executive responsibility for the academy's activities including:

- approving new staff appointments within the authorised budget/personnel establishment, except for any senior staff posts which the Board of Trustees have agreed should be approved by them, the CEO or by an Academic Review Committee;
- authorising orders and the award of contracts within the approval limits shown in Appendix A;
- authorising payments within the approval limits shown in Appendix A;
- ensuring the delivery of the academy annual budget as approved by UET;
- monitoring regular budget reports with the Chief Finance Officer/Finance Officers and acting on overspends or risk.

The Chief Finance Officer

2.9. The Trust employs a Chief Financial Officer to whom responsibility for the Trust's detailed financial procedure is delegated. The CFO prepares financial reports for the Board and the Finance and Audit Committee, including monthly management accounts which should normally be issued by the 15th working day following the month to which they relate.

Central Finance Team

2.10 The central finance team undertakes the processing of all financial transactions and monthly monitoring reports for the academies. They are supported by staff in schools whose responsibilities are:

- To place purchase orders with suppliers on behalf of the school
- To bank all monies received by the school
- To maintain receipts and accurate logs of credit card expenditure
- To advise the central finance team of any sales invoices that are to be raised
- Maintaining the school inventory

Internal Audit

2.11. The Board, on the recommendation of the Finance and Audit Committee, will agree an annual internal audit/internal scrutiny programme for delivery by independent advisers or auditors other than the external auditor.

The internal scrutiny programme will provide independent assurance to the Board that its financial and non-financial controls are operating effectively and will therefore focus on:

- evaluating the suitability of, as compliance with, financial and non-financial controls;
- offering advice and insight to the Board;
- ensuring all categories of risk are being adequately identified, reported and managed and assuring the Board that:
 - the financial responsibilities of the Board are being properly discharged;
 - resources are being managed in an efficient, economical and effective manner;
 - sound systems of internal financial control are being maintained and
 - financial considerations are fully taken into account in reaching decisions.

2.12. A report of the findings from each visit will be provided to the Finance and Audit Committee for review.

Other Staff

2.13 Other members of staff will have some financial responsibilities and these are detailed in the following sections of this policy.

2.14 All staff are responsible for the security of academy property, for avoiding loss or

damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the academy's financial procedures.

Register of Interests

2.15 It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all UET Members, Trustees, local governors and senior staff are required to declare any financial interests they have in companies or individuals from which the UET may purchase goods or services. The register is open to public inspection.

2.16 The register should include governance roles in other education institutions all business interests such as directorships, shareholdings or other appointments of influence within a business or organisation which may have dealings with the UET. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a trustee or a member of staff by that person.

2.17 The existence of a register of business interests does not detract from the duties of members, trustees, governors and staff to declare interests whenever they are relevant to matters being discussed by the Board or a committee. Where an interest has been declared, that persons should withdraw from decision making in accordance with the provisions set out in UET's Conflicts of Interest policy.

3 Accounting system

3.1 UET uses Star Academy within all its academies. All financial transactions of UET must be recorded on this system.

System Access

3.2 Entry to the Star Academy accounting system is password restricted and the CFO is responsible for implementing a system which ensures that passwords are changed in line with the data protection policy.

3.3 Access to the component parts of the system can also be restricted and the CFO in liaison with the CEO is responsible for setting access levels for all members of staff using the system.

Back-up Procedures

3.4 The Star Accounting system is cloud based and back-ups are managed by the software provider.

Transaction Processing

3.5. All transactions input to the accounting system must be authorised in accordance with the procedures specified in this policy. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in the following sections of the policy.

Transaction Reports

3.6. All transactions input to the accounting system must be authorised in accordance with the procedures specified in this policy. The detailed procedures for the operation of the payroll, the purchase ledger and the sales ledger are identified in the associated operational system procedures.

Reconciliations of Balance Sheet Accounts

3.7 The central finance team are responsible for ensuring the following reconciliations are performed routinely, and that any reconciling or balancing amounts are cleared:

- sales ledger control account monthly
- purchase ledger control account monthly
- payroll control account monthly
- all suspense accounts (none) monthly
- bank balance per the nominal ledger monthly within 9 working days to the bank statement.

4. Financial Planning

4.1 UET's Strategic Development Plan sets out the Trust's long and medium-term objectives. It represents the "big picture" within which more detailed plans are developed.

4.2 UET and each academy prepare, medium and short-term financial plans.

4.3 The medium-term financial plan covers a period of three years in the form of Trust and academy budgets agreed for the first year and forecast for the following two years based realistic projections of student numbers, grant funding, expenditure and other relevant factors. All years of the three-year plan are to include detailed budget information line by line.

4.4 The first-year plan and budget is prepared in the second half of the preceding year. The process includes integrated curriculum and financial planning, pupil: staff ratios, benchmarking, reflections on past aims and objectives (e.g. "did we achieve those, are they still relevant") as well as consideration of objectives in the Trust's Development Plan and the School Improvement and Development Plans. It also takes account of guidance to academies from the DfE, ESFA and other agencies as well as the status of commissioned services from local education authorities and others.

4.5 Lead responsibility for each objective in the Trust Development Plan and School Improvement and Development Plans will be assigned to a named person or group who should monitor performance against the defined success criteria throughout the year and report back.

4.6 Although the process described above will focus primarily on the first year of the plan it will also take account of actions which are expected to continue beyond year one as well as new objectives for the following two years. These continuing and new outline objectives should be noted at the end of the current Trust Development Plan and School Improvement and Development Plans ready to be brought forward for final decisions and incorporation into the next appropriate first year plan and budget. Estimated resource costs, both capital and revenue, associated with each objective should be included along with success criteria against which each can be measured.

4.7 A timetable for the planning cycle described above is determined by the CEO who will assign lead responsibility for the completion of each stage fitting within the Finance and Audit Committee's work plan.

Annual Budget

4.2 The CEO and CFO are responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the CEO, Finance and Audit Committee and finally the Board of Trustees.

4.3 The budget forecast must be submitted to the ESFA by the specified date each year and the CFO is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.

4.4 The annual budget will reflect the best estimate of the resources available to UET for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.

4.5 The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of DfE grant receivable;
- review of other income sources available to the academy to assess likely level of receipts;
- review of past performance against budgets to promote an understanding of the academy cost base;
- identification of potential efficiency savings and
- review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

Balancing the Budget

4.15. Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance for the Trust as a whole and for each individual academy unless, in respect of the latter, the Board approves a deficit budget. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

Finalising the Budget

4.16 Once the different options and scenarios have been considered, a draft budget should be prepared by the CFO for approval by the CEO, the Finance and Audit Committee and the Board of Trustees. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints, including any specific financial controls agreed by the Trustees such as those detailed in the Reserves and Investment policy.

4.17 The budget should be seen as a working document which may need revising throughout the year as circumstances change.

Monitoring, Reporting and Review

4.18 Monthly Management Accounts (including an income and expenditure account, variation to budget report, cash flows and balance sheet) will be prepared by the central finance team for the:

- Headteachers
- CEO
- Chair of Trustees and Chair of Finance and Audit Committee

Copies of the reports will be made available to the Trust Board for review at each of its meetings.

4.19 The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast it may be appropriate to vire money from another budget or from the contingency.

All budget virements must be authorised as shown in Appendix A. The Board may impose additional controls at the start of the year or at any point during the year.

5. Payroll

5.1. The main elements of the payroll system are:

- staff appointments;
- organisational changes
- payroll administration and
- payments.

Staff Appointments

5.2 As part of the annual budget process, the Board will approve a staffing structure (establishment) for UET and academies. Substantial changes (e.g. the addition of permanent full-time posts) can only be made to this establishment with the express approval in the first instance of the CEO who must ensure that adequate budgetary provision exists for any establishment changes.

5.3 Where changes are in line with agreed budgets and in line with the approved Academy Improvement and Development Plan, Headteachers have authority to change the FTE size or scope of posts within their Academy.

5.4 The CEO and Headteachers have authority to appoint staff within the authorised establishment. Headteachers will be appointed by the Trustees: Selection Committees to include CEO, Trustees and ARC representatives. The Trustees and CEO will approve all appointments to the leadership team of UET.

Payroll Administration and Payments

5.5 Payroll is currently outsourced and the approval of the Finance and Audit Committee is needed to change any such arrangements.

5.6 UET has a Pay Policy and all changes to pay must be consistent with this. Any variations to this must be raised with the CEO.

5.7 The monthly payroll must be approved by the CEO prior to payments being made.

5.8 Overall responsibility for the operation of the Payroll Provider rests with the CEO and staff with delegated authority from him, who, in partnership with each school, will also ensure that the Payroll Provider is informed of any relevant changes in order to ensure accurate payment of salaries.; i.e. new starters and leavers, change of personal details, change of terms and conditions to employment, tax code changes and any absence or sickness.

5.9 All severance payments must be approved by the CEO (Accounting Officer) and the Trust Board and may also require ESFA approval (see delegations Appendix A)

Payments

5.10 All salary payments to staff are made by BACS by the Payroll Provider.

5.11 The calculation of gross to net pay is delegated to the Payroll Provider; the CFO will carry monthly checks to ensure that the payroll system is operating correctly.

5.12 After the payroll has been processed the nominal ledger will be updated. Postings will be made to the payroll control account and to individual cost centres and ledger codes in the accounting system. The CFO should review the payroll control accounts each month to ensure they have been reconciled.

Expenses

5.13 Claims will be processed in accordance with the staff expenses policy and Trustees/Governors Expenses policy.

6. Purchasing

6.1 UET wants to achieve the best value for money from all our purchases. This means we want to get what is needed in the correct quality, quantity and time at the best price possible. A large proportion of the Trust and all its academies' purchases will be paid for with public funds and the Trust and its academies' need to maintain the integrity of these funds by following the general principles of:

Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Trust and its academies;

Accountability, the Trust and its academies are publicly accountable for their expenditure and the conduct of their affairs and needs to ensure that spending has been for the purpose intended, that spending decisions represent value for money and that other requirements in the Academy Trust Handbook relating to procurement are followed;

Fairness, that all those dealt with by the Trust and its academies are dealt with on a fair and equitable basis.

Risk, that the suppliers with whom the Trust deals are reputable, financially stable and have the resources required to fulfil our requirements.

Routine Purchasing

6.1 Budget holders will be informed of the budget available to them at the start of the academic year. It is the responsibility of the budget holder to manage the budget, working with the Finance team, and to ensure that any expenditure is consistent with the objectives of the academy. The trust's funds must not be used to purchase alcohol for consumption.

6.2 Appropriate authorisation limits are reviewed annually and approved by the Board (see Appendix A).

6.3 It is necessary to take the principles of best value into account at all times although this is not necessarily the lowest cost. An explanation will need to be provided when the lowest cost quotation or tender is not accepted.

6.4 Procurement procedures are outlined in a separate policy.

Forms of Tenders

6.5. Details of forms of tenders and how to run a tender process are included in a separate policy.

Purchasing Cards

6.6 Procedures for the authorisation of expenditure using purchasing cards are identified in appendices to this policy.

7. Income

7.1 The main sources of income for Unity Education Trust are the grants from the DfE. The receipt of these sums is monitored directly by the CFO who is responsible for ensuring that all grants due to the UET are collected.

7.2 UET also obtains grants and income from:

- Local authorities for Special Education Needs (SEN) and Looked After Children (LAC) students;
- Local authorities and others for commissioned services
- students, mainly for trips and catering;
- the public, mainly for hiring of school facilities.

Trips

7.3 Each academy has a specific procedure on Trips. A designated staff member must be appointed for each trip to take responsibility for the collection of sums due.

7.4 The designated staff member will be responsible for estimating the costs, ensuring the cash is collected, producing a reconciliation etc.

7.5 Students should make payments via the on-line Cashless system, by direct bank transfer (or exceptionally by cheque or cash).

Lettings of School Facilities

7.6 Letting and hire of UET facilities will be conducted in line with the Lettings Policy for each academy.

Custody

7.7. Monies collected should be held securely in the Academy Finance Office Safe and should be banked and reconciled promptly. Official, academy receipts should be issued for all cash received where no other formal documentation exists.

8. Charging & Remissions

8.1 UET will ensure that educational opportunities provided during school hours are available to all students regardless of ability to pay and that other activities are charged for in a fair and transparent way. No student will be excluded from essential curriculum activities because of their parents' inability to pay.

8.2 The separate Charging and Remission Policy is designed to be consistent with the requirements relating to charging laid out in the Funding Agreement.

8.3 Academies may charge for some optional activities which take place wholly or mainly outside academy hours. UET may invite voluntary contributions for these from parents. Parents who wish to discuss financial matters are able to discuss them in confidence with the Headteacher

9. Cash Management

Bank Accounts

9.1. The opening of all accounts must be authorised by the CEO who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

Payments and withdrawals

9.2 All cheques and other instruments must bear the signatures of two of the following authorised signatories as listed in Appendix A.

9.3 This provision applies to all accounts, public or private, operated by or on behalf of the Board of Trustees and is detailed in the UET bank mandate. Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure.

Administration

9.4. All bank accounts must be reconciled monthly and checked by the Central Finance Team, within nine working days of month end. The CFO will periodically review the bank reconciliations

Petty Cash Accounts

9.5 The Trust does not hold Petty Cash.

Cash Flow Forecasts

9.6. The CFO is responsible for preparing cash flow forecasts to ensure that the academy has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds. Similarly plans should be made to transfer funds from another bank account or to re-profile GAG to cover potential cash shortages and reported to the CEO immediately.

Reserves

9.7 UET will build and maintain a revenue reserve fund to provide flexibility and certainty in forward planning.

9.8 All revenue reserves are controlled by the Board including those transferred in upon conversion and cannot be spent without the approval of the Board.

9.9 In accordance with ESFA and charity accounting standards, the Board will maintain financial records which identify revenue reserves by academy.

9.10 The current policy is shown in the Reserves and Investment Policy.

Investments

9.11 Investments must be made only in accordance with written procedures approved by the Board of Trustees and/or Finance and Audit Committee. Investments must be reviewed and reported on as set out in the Reserves and Investments policy.

9.12 The current policy is shown in a separate document.

10. Fixed assets

Asset register

10.1 All items purchased with a value over the academy's capitalisation limit must be entered in an asset register.

10.2 The Asset Register helps:

- ensure that staff take responsibility for the safe custody of assets;
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse;
- to manage the effective utilisation of assets and to plan for their replacement;
- help the external auditors to draw conclusions on the annual accounts and the academy's financial system and
- support insurance claims in the event of fire, theft, vandalism or other disasters.

10.3 The current policy is shown in a separate document.

Depreciation

10.4 UET will depreciate fixed assets in line with recognised accounting standards, best practice and DfE guidelines. Depreciation on assets is as follows: -

ICT Equipment	33% straight line
Other ICT Equipment (Server/s)	10% straight line
Fixture & Fittings	25% straight line
Longer life Fixture & Fittings	10% straight line
Buildings	2% straight line
Motor vehicles	10% straight line
Leasehold land and buildings	Straight line over the life of the lease

No depreciation is provided on freehold or leasehold land. Depreciation on assets in the course of construction is not charged until they are brought into use.

10.5 The current policy is shown in a separate document.

Security of assets

10.6 All the items in the register should be permanently and visibly marked as the academy's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the Finance and Audit Committee. Inventories of academy property should be kept up to date and reviewed regularly. Where items are used by the academy but do not belong to it this should be noted.

Disposals

10.7 See Redundant Equipment Policy.

Loan of Assets

10.8 Items of academy property (excluding staff laptops, IT equipment, text books and

other paper-based documents) must not be removed from academy premises without the authority of the Headteacher. A record of the loan must be recorded in a loan book and booked back in academy when it is returned.

10.9 If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the academy's auditors.

Leases

10.10 UET is able to enter into operational leases as outlined in the Academy Trust Handbook

10.11 Finance leases are classed as borrowings and can only be entered into with the specific authority of the ESFA.

10.12 All leases must be approved by the CEO

11. Monitoring Outcomes & Review

11.1 Outcomes will be monitored and reviewed by regular internal checks and scrutiny by senior management.

11.2 Effectiveness of this policy and any associated procedures will also be monitored by the Finance and Audit Committee, supported by External Audit and regular testing by Internal Audit which must not be undertaken by the external auditors. Audit results will be presented by written reports to the Finance and Audit Committee. Findings & recommendations will be used to revise this policy and associated procedures- this will be undertaken by referring any recommendations for changes to the Board of Trustees.

11.3 Key indicators of the success of this policy are:

- No inappropriate use of money
- Adherence to budgets
- Value for Money being demonstrated
- Expenditure targeted on key priority areas
- Surplus cash funds invested to optimise returns whilst always ensuring security takes precedence over revenue maximisation
- Timely reports to Board, DfE and others
- Up to date, accurate records
- Adherence to the relevant financial, audit and accountability 'musts' in the Academy Trust Handbook.

APPENDIX A

Delegated Duty	Value	Delegated Authority
1. Ordering Goods and Services (raising requisitions) All ICT related purchases must also be approved by the Academy Head of ICT. Tendering procedures as per Appendix B	Up to £1,000	Budget Holder
	£1,001 - £10,000	As above plus Headteacher
	Over £10,001	CEO
	Over £20,000	CEO & Chair of Finance Trustees
Trust Ordering Goods & Services	Up to £25,000	CEO
	Over £25,000	CEO & Chair of Finance Trustees
2. Signatories for BAC's, cheques and individual payments, as per the bank mandate for the MAT account. (including BACS payments other than payroll)		
	Up to £49,999	CFO or Trust Finance Officer & CEO
	£50,000 to £149,999	CEO & Director of Education
	Over £150,000	CEO & Chair of Trustees
3. Payroll BACS	Any	CFO & CEO, reviewed by Trust Finance Officer
4. Signatories for DfE grant claims and DfE returns for individual academies	Any	Two signatories from: <ul style="list-style-type: none"> - Chief Executive Officer - Headteacher - CFO

5. Signatories for DfE grant claims and DfE returns for MAT	Any	Two signatories from: <ul style="list-style-type: none"> - Chief Executive Officer - CFO - Board of Trustees - Finance Trustees
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Delegated Duty	Value	Delegated Authority
6. Virement of budget provision between budget heads.	Up to £10,000	Headteacher and CFO, reporting to the CEO
	£10,001 - £50,000	As above plus CEO, reporting to the Finance and Audit Committee of Trustees
	Over £50,000	Finance and Audit Committee of Trustees
7. Virement of funding between academies	Any	Board of Trustees, Heads of Academies & CEO
8. Disposal of assets	Up to £1,000	Headteachers & CFO
	£1,001 - £5,000	Headteacher & CEO
	Over £5,000	As above plus Finance and Audit Committee of Trustees DfE approval required as appropriate for disposal of assets funded with DfE grant, or transferred from an LA at nominal consideration
9. Write-off bad debts	Up to £1,000	CFO & Headteachers
	Over £1,000	Chief Executive Officer, with referral to the Finance and Audit Committee annually
10. Purchase or sale of any freehold property	Any	Board of Trustees and DfE approval required
11. Granting or take up of any leasehold or tenancy agreement	Any	Board of Trustees DfE approval required for any lease of land or buildings over seven years
12. Raising invoices to collect income	Any	Central Finance Team

Delegated Duty	Claimant	Delegated Authority
13. Expense Claims	Academy Staff	Headteacher
	Headteacher	Chief Executive Officer
	CFO	Chief Executive Officer
	Chief Executive Officer	Chair of Trustee
	Governor or Trustee	CFO & Chair of Trustees
17. Purchasing Cards (see policy in Appendix B)	Approved staff in schools (limit £500)	CFO
	Premises Lead (£1,500 and Trade UK card £2,500)	CFO
	Headteacher (limit £5,000)	CFO
	Headteacher (Northgate) £10,000	CFO
	Chief Executive Officer (limit £15,000)	CFO & Report to Trustees

BACK UP ARRANGEMENTS IN URGENT CASES	IN THE ABSENCE OF: Chair of Finance Trustees Chief Executive Officer Headteacher	AUTHORITY <u>MAY</u> BE EXERCISED BY: Chair of Trustees or another member of Finance and Audit Committee Director of Education Chief Executive Officer
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ESFA Schedule of freedoms and delegations (references in brackets are to 2022 edition of Academy Trust Handbook)

Novel, contentious and repercussive	Novel, contentious and repercussive transactions	ESFA agreement required 5.6
Special payments	Staff severance compensation	ESFA agreement required if £50,000 or more before tax 5.11 and 5.16.
	Ex gratia payments	ESFA agreement required 5.18
Write-offs and liabilities (subject to £250,000 ceiling)	Writing-off debts and losses	ESFA consent required if exceeds 1% of annual income or £45,000 individually; or 2.5% or 5% of annual income cumulatively 5.19 and 5.20
	Entering into indemnities (beyond the normal course of business), guarantees or letters of comfort	ESFA consent required if exceeds 1% of annual income or £45,000 individually; or 2.5% or 5% of annual income cumulatively 5.19 and 5.20

Acquisition and disposal of fixed assets	Acquiring land/buildings	freehold	ESFA agreement required 5.23
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	Disposing of a freehold on land/buildings		ESFA agreement required 5.23
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	Disposing of heritage assets		ESFA agreement required 5.23
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	Other disposals		Trust has full discretion 5.24
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Leasing	Taking up a finance lease		ESFA agreement required 5.26
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	Taking up a leasehold on land and buildings		ESFA agreement if lease term seven years or more 5.26.
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	Taking up any other lease		Trust has full discretion 5.27
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		Granting a lease on land and buildings	ESFA agreement required 5.26.
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GAG		GAG carry forward	No limits if trust eligible 5.29.
<hr/>			
		Pooling by trusts with multiple academies	No limits (except PFI) if trust eligible 5.30.
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Borrowing		Loan, overdraft	ESFA agreement required 5.33
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		Credit cards (for business use)	Trust has full discretion provided charges not incurred 5.33
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Related transactions	party	Supplies to the trust from related parties	ESFA agreement required over £40,000 and over associated limits in 5.42 unless exempt as set out in 5.42
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POLICY No 1	ACCOUNTING POLICIES
STATUS/DATE OF THIS VERSION	Reviewed by Finance & Audit Committee 5 October 2023
APPROVED BY	
RATIFIED BY	
REVIEW	September 2024

Basis of preparation - The financial statements will be prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction and the Companies Act 2006. A summary of the principal accounting policies, which will be applied consistently, except where noted, is set out below.

Going Concern –

The Academies Accounts Direction requires academy trustees to produce a statement on the academy trust's ability to continue to operate as a going concern, including disclosure of any financial uncertainties facing it. The requirement derives from [Financial Reporting Council's Guidance on Going Concern](#) which states what should happen when a business does not prepare accounts on a going concern basis or when there are material uncertainties casting significant doubt upon its ability to continue to adopt the going concern basis of accounting. Provided this is the case, it is not necessary for assets to be valued on an impaired basis (because it is thought that the business is going to be wound up). By making this judgement, the academy trust justifies deferring recognition of certain expenses (such as payments required to pay down a pension deficit) until a later period when the academy trust will, presumably, still be operational. The threshold for departing from the going concern basis of accounting is very high, as there are often alternatives to winding up. However, it should be emphasised that the decision as to whether the accounts should be prepared on a going concern basis is a matter for the academy trustees. They prepare the accounts and then present them to the auditors who may, or may not, concur.

Recognition of incoming resources - These will be on a receivable basis.

- Grants Receivable will be included in the Statement of Financial Activities (SOFA) on a receivable basis. The balance of income received for specific purposes but not expended during the period will be shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition will be deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income will be accrued.

- Donations are recognised on a receivable basis where there is certainty of receipt, and the amount can be reliably measured.
- Sponsorship income provided to the Trust/School which amounts to a donation will be recognised in the SOFA in the period in which it is receivable. Any sponsorship money received with no restriction on its use will be credited to the unrestricted fund in the SOFA.
- Donated services and gifts in kind - The value of donated services and gifts in kind will be recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the School can be reliably measured. An equivalent amount will be included as expenditure under the relevant heading in the SOFA, except where the gift in kind is a fixed asset in which case the amount will be included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the depreciation policies below.
- Other income will be recognised in the period it is receivable.

All expenditure will be recognised in the period in which a liability is incurred and will be classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings, they will be allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs will be allocated based on the spread of staff costs.

- Costs of generating funds - These will be costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Charitable activities – These will be costs incurred on the Trust/School's educational operations.
- Governance Costs will include the costs attributable to compliance with constitutional and statutory requirements, including audit, Trustee and Governors' meetings and reimbursed expenses.
- Resources will be recorded net of VAT, except for business costs where VAT is irrecoverable. They will be classified under headings that aggregate all costs relating to that activity.

Accounting for fixed assets -

Assets or groups of assets costing £5,000 or more will be capitalised as tangible fixed assets and will be carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets are acquired with the aid of specific grants, either from the government or from the private sector, they will be included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants will be credited to a restricted fixed asset fund in the SOFA and carried forward in the Balance Sheet. Depreciation on such assets will be charged to the restricted fixed asset fund in the SOFA to reduce the fund over the useful economic life of the related asset on a basis consistent with the depreciation policies (see below).

Depreciation

Depreciation will be provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Freehold buildings 2%

Land 0%

Fixtures, fittings and equipment 25%

ICT equipment (except servers) 33%

Servers 10%

Motor Vehicles 10%

Longer life fixtures and fittings 10%

Assets in the course of construction will be included at cost. Depreciation on these assets will not be charged until they are brought into use.

A review for impairment of a fixed asset will be carried out if events or changes in circumstances.

indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments.

Impairment losses are recognised in the Statement of Financial Activities.

Leased Assets

Rentals under operating leases will be charged on a straight-line basis over the lease term.

Investments

See Reserves and Investment Policy

Stock

Stocks will be valued at cost.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi-employer scheme, and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme, and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities

are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations will be obtained at least triennially and will be updated at each balance sheet date. The amounts charged to operating surplus will be the current service costs and gains and losses on settlements and curtailments. They will be included as part of staff costs. Past service costs are recognised immediately in the SOFA if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost will be shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses will be recognised immediately in other gains and losses.

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency or other Funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency.



POLICY No 2	ANTI-FRAUD, CORRUPTION, GIFTS AND HOSPITALITY POLICY
STATUS/DATE OF THIS VERSION	Reviewed by Finance & Audit Committee 5 October 2023
APPROVED BY	
RATIFIED BY	
REVIEW	September 2024

1. INTRODUCTION

- 1.1 This policy and procedure defines the expected conduct of all staff engaged at the Trust, whether in paid or voluntary employment, in relation to deterring and/or detecting fraud and corruption, and who to report it to.
- 1.2 It includes clear guidelines on what is acceptable in terms of gifts and hospitality and how these matters are declared.
- 1.3 UET is committed to ensuring that it acts with integrity and has high standards of personal conduct. Everyone involved with the Trust has a responsibility in respect of preventing and detecting fraud. All staff, Trustees and Governors have a role to play. The Trust also recognises the role of others in alerting them to areas where there is suspicion of fraud.
- 1.3 Recognising a potential fraud and being able to report it is just as important as the measures to prevent and detect.
- 1.4 It is the duty of all employees, Trustees and Governors to take reasonable steps to limit the possibility of corrupt practices, and it is the responsibility of the Auditors to review the adequacy of the measures taken by the school to test compliance and to draw attention to any weaknesses or omissions.
- 1.5 Any investigation carried out in relation to alleged irregularities is linked to the Trust's Disciplinary & Dismissals procedure.

2. DEFINITIONS

2.1 Fraud

Fraud is a general term covering theft, deliberate misuse or misappropriation of assets or anything that leads to a financial advantage to the perpetrator or others upon whose behalf he or she acts, even if these “others” are in ignorance of the fraud. Fraud is in fact intentional deceit and for this reason it cannot include negligence. Fraud incorporates theft, larceny, embezzlement, fraudulent conversion, false pretences, forgery, corrupt practices and falsification of accounts.

2.2 **Corruption**

The term ‘corrupt practices’ is defined for the purpose of this code as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by the Trust, schools, staff, Trustees or Governors.

2.3 **Gifts and Hospitality**

Any gifts, rewards and benefits that are disproportionately generous or that could be seen as an inducement to affect a business decision should be declared.

The acceptance of gifts and hospitality is a sensitive area where actions can easily be misconstrued. Therefore, employees’ actions should be such that they would not be embarrassed to explain them to anyone.

2.4 **Irregularities** fall within the following broad categories, the first three of which are criminal offences –

- **Theft** - the dishonest taking of property belonging to another person with the intention of depriving the owner permanently of its possession.
- **Fraud** - the intentional distortion of financial statements or other records by persons internal and external to the Trust/School, which is carried out to conceal the misappropriation of assets or otherwise for gain.
- **Bribery and corruption (Gifts & Hospitality – see section 4 below.)**- involves the offering or the acceptance of a reward, for performing an act, or for failing to perform an act, which leads to gain for the person offering the inducement.
- **Failure to observe**, or breaches of, Scheme of Delegation and Financial Regulations; Trust/School Procedures which in some circumstances can constitute an irregularity, with potentially significant financial consequences.

2.5 Examples of what could constitute fraud and corruption are -

- Theft of cash.
- Non-receipt of income
- Substitution of personal cheques for cash.
- Travelling and subsistence claims for non-existent journeys/events.
- Travelling and subsistence claims inflated.
- Manipulating documentation to increase salaries/wages received, e.g., False overtime claims.
- Payment of invoices for goods received by an individual rather than the Trust/school;
- Failure to observe, or breaches of, regulations and/or other associated legislation laid down by the academy.
- Unauthorised borrowing of equipment.
- Breaches of confidentiality regarding information.
- Failure to declare a direct pecuniary or otherwise conflicting interest.
- Concealing a generous gift or reward.

- Unfairly influencing the award of a contract.
- Deception.
- Using position for personal reward.

2.6 The above list is not exhaustive, and fraud and corruption can take many different paths. If in any doubt about whether a matter is an irregularity or not, clarification must be sought from the Chief Financial Officer.

Similarly, if there is concern or doubt about any aspect of a matter which involves an irregularity, or an ongoing investigation into a suspected irregularity, the best approach is to seek advice from the Headteacher or Trust CEO

3. POLICY STATEMENT

- 3.1. This policy and procedure defines Anti-Fraud & Corruption and Gifts & Hospitality and offers guidance for all staff.
- 3.2 The Trust aims to be an honest and ethical institution. As such, it is opposed to fraud and seeks to eliminate fraud by the way it conducts business. This document sets out the policy and procedures for dealing with the risk of significant fraud or corruption. In order to minimise the risk and impact of fraud, the Trust's objectives are, firstly, to create a culture which deters fraudulent activity, encourages its prevention and promotes its detection and reporting and, secondly, to identify and document its response to cases of fraud and corrupt practices.
- 3.3 This policy, in line with the Trust's values of integrity, consistency, impartiality, fairness and best practice, provides both staff and management with mutually understood guidelines for the administration of this procedure.
- 3.4 The scope of this procedure extends to all employees, permanent, voluntary and fixed term.
- 3.5 Time limits specified in this document may be extended by mutual agreement.
- 3.6 If requested, employees may be accompanied by a recognised trade union representative or work colleague, not involved in any part of the process, at any interviews.

4. GIFTS AND HOSPITALITY

- 4.1 These guidelines will help you to judge what sort of gift, and what level of hospitality is acceptable.
- 4.2 The following general rules apply and must guide decisions on receipt of gifts and hospitality as an employee of the Trust:
 - To accept gifts should be the exception. You may accept small 'thank you' gifts of token value, such as a diary, a coffee mug or bunch of flowers, not over £25 in value. You should notify the Chief Financial Officer of any gift or hospitality over this value for entry in the Register of Business Interests.
 - Always say "no" if you think the giver has an ulterior motive. Be sensitive to the possibility that the giver may think that even small gifts or simple hospitality will elicit a prompter service or preferential treatment.
 - Never accept a gift or hospitality from anyone who is, or may be in the foreseeable future, tendering for any contract with the Trust/school, seeking employment with the Trust or

is in dispute with the Trust/school, even if you are not directly involved in that service area.

- Where items purchased for the Trust/school include a 'free gift', such a gift should either be used for Trust/school business or handed to the CEO/School Business Manager to be used for charity raffles etc.
- If you are in doubt about the acceptability of any gift or offer of hospitality, it is your responsibility to consult the Chief Financial Officer or CEO or Headteacher or Head of Services.

4.3 A gauge of what is acceptable in terms of hospitality is whether this Trust/school would offer a similar level of hospitality in similar circumstances.

- Occasional working lunches with customers, providers or partners are generally acceptable as a way of doing business provided, they are not to an unreasonable level or cost.
- Invitations to corporate hospitality events must each be judged on their merit. Provided the general rules have been considered, it may be acceptable to join other company/organisations guests at:
 - sponsored cultural and sporting events, or other public performances, as a representative of the Trust/school; special events or celebrations.

But, consider the number of these events, and always take into consideration what public perception is likely to be if they knew you were attending.

- Acceptability depends on the appropriateness of the invitations, in terms of the level of hospitality, the frequency and the status of the invited employee. In all such cases the CEO/Headteacher must be consulted.
- Paid holidays or concessionary travel rates are not acceptable. Neither are offers of hotel accommodation nor the use of company villas/apartments.
- If you are visiting a company to view equipment that the Trust/school is considering buying, you should ensure that expenses of the trip are paid by the Trust/school. Acceptance of refreshments and/or a working lunch may be acceptable, but care must be taken to ensure that the Trust/school's purchasing and/or tender procedures are not compromised.
- Acceptance of sponsored hospitality that is built into the official programme of conferences and seminars related to your work are acceptable.
- Offers to speak at corporate dinners and social gatherings, or events organised by, for example, a professional body, where there is a genuine need to impart information or represent the Trust/school must be agreed in advance with the CEO/Headteacher. Where your spouse or partner is included in the invitation, and approval has been given for you to attend, it will be acceptable for your spouse or partner to attend as well, but if expenses are incurred, these will be met personally.
- Any invitation you accept should be made to you in your professional/working capacity as a representative of the Trust/school.

5. ROLES AND RESPONSIBILITIES

5.1 Staff, Trustees and Governors

UET has adopted the following measures to demonstrate its commitment to anti-fraud and corruption:

- Finance and Audit Committee meets regularly.
- A requirement for all staff and Trustees/governors to declare prejudicial interests and not contribute to business related to that interest.
- A requirement for staff and Trustees/ governors to disclose personal interests.
- All staff and Trustees/governors are made aware of the understanding on the acceptance of gifts and hospitality.
- Clear recruitment policies and procedures.

Staff and Trustees/governors also have a duty to report to another member of staff or Trustee/governor whose conduct is reasonably believed to represent a failure to comply with the above.

5.2 Chief Financial Officer

The Chief Financial Officer has a responsibility for ensuring that effective systems of internal controls are maintained and will safeguard the resources of the school.

In respect of fraud, it is therefore the responsibility of the Chief Financial Officer to ensure internal controls prevent and detect any frauds promptly. This includes:

- Proper procedures and financial systems.
- Effective management of financial records.
- Management of the Trust's financial position.

5.3 External Audit

The Trust's Annual Report and Financial Statements include an Independent Auditors' Report. This report includes a view as to whether the financial statements give a true and fair view and whether proper accounting records have been kept by the Trust throughout the financial year. In addition, it reports on compliance with the accounting requirements of the relevant Companies Act and confirms compliance with the financial reporting and annual accounting requirements issued by the Dept of Education.

6. REPORTING A SUSPECTED FRAUD

- 6.1 All allegations of suspected fraud and irregularities are to be brought to the attention of the Chief Financial Officer and referred to the CEO/Headteacher, unless this individual is involved in the irregularity in which case the Chair of Trustees-should be informed.
Please also refer to the Trust's Whistleblowing Policy.

7. RESPONSE TO ALLEGATIONS

- 7.1 The CEO will have initial responsibility for coordinating the initial response. In doing this he/she will consult with the Human Resource advisors regarding potential employment issues. The CEO will also seek legal advice as necessary.

- 7.2 The Chief Financial Officer and CEO will ascertain whether the suspicions aroused have substance. In every case, and as soon as possible after the initial investigation, they will pass the matter on to the Chair of the Finance (Audit) Committee. Even if there is no evidence to support the allegation, the matter must be reported.
- 7.3 The Finance and Audit Committee will undertake the management of the investigation.
- They will, if appropriate, conduct a preliminary investigation to gather information and reach an initial view as to whether further action is required.
 - They will determine whether the findings, conclusions and any recommendations arising from the preliminary investigation should be reported to the Chair of Trustees.
 - If further investigations are required, they will determine which outside agencies should be involved (police, auditors).
- 7.4 The CEO is required to notify the Board of Trustees of any serious financial irregularities. This action will be taken at the first opportunity following the completion of the initial investigations and will involve keeping the Chair of the Board fully informed between Trust meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.
- 7.5 If evidence of fraud is forthcoming then the Board of Trustees will inform the Department for Education as required by the Funding Agreement and will consider whether to refer the matter to the police.

8. CONFIDENTIALITY AND SAFEGUARDS

- 8.1 UET recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the alleged malpractice. The Trust will not tolerate harassment or victimisation and will do what it lawfully can to protect an individual when a concern is raised in good faith.
- 8.2 This does not mean that if the person raising the concern is already the subject of a disciplinary, redundancy or other procedure, that those procedures will be halted as a result of the concern being reported.
- 8.3 There is a need to ensure that the process is not misused. For further guidance refer to the Trust's Disciplinary, Grievance and Capability policy.

9. LINKS WITH OTHER POLICIES:

- 9.1 The Board of Trustees is committed to preventing fraud and corruption. To help achieve this objective there is a clear network of systems and procedures in place for the prevention, detection and investigation of fraud and corruption. This Anti-Fraud and Anti-Corruption policy attempts to consolidate those in one document and should be read in conjunction with the following policies:
- Whistle-Blowing Policy
 - Finance Policy and Procedures
 - Disciplinary Policy
 - Equal Opportunities Policy



POLICY No 3	BAD DEBT POLICY
STATUS/DATE OF THIS VERSION	Reviewed by Finance & Audit Committee 5 October 2023
APPROVED BY	
RATIFIED BY	
REVIEW	September 2024

1. Wherever possible, income due will be collected before or at the time the relevant sale or service is provided. Where this is not possible, an invoice will be raised for immediate payment.
2. All debts will be recorded, and non-payment will be followed up by issuing reminders as outlined below. Where a service is being provided, this will cease immediately, and the debtor will be informed of this in writing. The service will not be reinstated until the debt is cleared and payment of future services is made in advance.

- 3 weeks from date of invoice - 1st reminder
- 6 weeks from date of invoice - 2nd reminder
- 9 weeks from date of invoice - final reminder

The final reminder will be sent by recorded delivery and threatens legal action if the account is not settled within 14 days.

3. After 14 days, where a debt is still outstanding, legal action will be considered and the debtor will be informed of this in writing. The debt may be referred to the Trust's Solicitors or an independent debt collection recovery agency where appropriate.
4. Legal action will not be taken for debts under £100.

5. If, after every effort has been made to collect the debt and legal action is considered impractical or has been unsuccessful, individual bad (irrecoverable) debts may be written off in accordance with the following procedures:
 - those up to the value of £1,000 to be approved by the Chief Executive Officer and Headteachers.
 - those exceeding £1,000 and up to the limit at which prior approval from the ESFA is required, to be approved by the Chief Executive Officer with a report annually to the Trust Finance and Audit Committee (the CEO may wish to refer individual decisions to the Finance and Audit Committee)
 - Those exceeding the delegated limits set out in the Academy Trust Handbook to be referred to the ESFA for prior approval.

6. The VAT element of any debt must not be written off as this contravenes HM Customs and Excise statutory requirements.



POLICY No 4	CHARGING AND REMISSIONS
STATUS/DATE OF THIS VERSION	Reviewed by Finance & Audit Committee 5 October 2023
APPROVED BY	
RATIFIED BY	
REVIEW	September 2024

This policy is operated by all the schools in Unity Education Trust. **There may be sections that are specific to one school, and these will be added by the school either as an annex or in place of yellow highlighted sections below.**

1. INTRODUCTION

Additional activities at UET schools make a valuable contribution towards the all-round educational experience of children and their personal and social development. This charging and remissions policy describes how we will do our best to ensure a good range of visits and activities is offered and, at the same time, try to minimise the financial barriers which may prevent some pupils taking full advantage of the opportunities. We are committed to adhering to legal requirements regarding charging for school activities, and meeting all statutory guidance provided by the Department for Education. Legislation allows schools to charge for certain activities which take place both inside, and outside, school hours. The charging policy adopted by the Board of Trustees of UET is as follows.

2. CHARGES FOR SCHOOL ACTIVITIES

2.1 You will be charged with the following activities:

- Music tuition: individual tuition in playing a musical instrument, which is neither part of the syllabus for an approved public examination, nor part of the National Curriculum (including teaching provided under first stage access to Key Stage 2 instrumental and vocal tuition programme). Schools may charge for instrumental or vocal tuition provided individually or to groups provided the tuition is at the request of the pupil's parents. **The school will not charge for a pupil who is looked after by a local authority** and will seek to subsidise lessons where parents are in receipt of qualifying benefits, or the pupil is eligible for free school meals as well as students who have opted to do a GCSE in music.
- Ingredients and materials: ingredients and materials for practical subjects where parents have indicated in advance that they wish to receive the finished articles.

- Travel: the cost of travel when a pupil makes use of transport not provided by the authority or school, to travel direct from home to an activity approved of, but not provided by, the authority or school.
- Board and lodging: board and lodging will be charged in all cases where a school activity involves pupils in nights away from home.

2.2 Voluntary Contributions

We may also organise activities during school time that are voluntary and collective and can only take place provided sufficient voluntary contributions are received by a particular date. In this case, there will be no discrimination against those who have not made a voluntary contribution.

3. ACTIVITIES OUTSIDE SCHOOL HOURS

3.1 A charge will be made for all non-residential activities, which take place wholly, or more than 50% outside school hours, where the child's participation has been agreed to in advance by the parents. The charge will include the cost of travel, entrance fees, insurance, books, equipment and any staff (teaching or non-teaching) engaged for or to enable the activity.

3.2 Residential trips outside school hours - a residential trip is deemed to take place outside school hours if the number of 'missed' school sessions is less than half of the number of half days taken up by the trip. Charges will be made as described above.

3.3 Public Examinations - charges are made for the entry of a pupil for a prescribed examination for which he/she has not been prepared by the school, or where the pupil entered for examinations in the same subject with two examination boards.

4. REMISSION OF CHARGES

4.1 The school has limited funds to enable families in financial difficulties to send their children on visits/activities. There can be no guarantee that all requests can be met and if the full cost of the trip/activity cannot be met through assistance funding and voluntary contributions, the trip/activity will be cancelled.

4.2 For parents who are in receipt of Universal Credit, Income Support, Income Based Jobseekers Allowance, Support under part VI of the Immigration and Asylum Act 1999, Child Tax Credit (provided that Working Tax Credit is not also received) Working Tax credit run on, the guaranteed element of State Pension Credit, an income related employment and support allowance may apply for remission of charges:

- Remission of charges only applies to board and lodgings charges, which are levied directly by the school and where they relate to activities, deemed to take place wholly or partly in school hours.
- Remission will not apply to such charges when they relate to activities wholly outside school hours, except if the activity is prescribed in a syllabus for a public examination, if it is prescribed by the National Curriculum or fulfills duties relating to Religious Education.

4.3 Parents who have difficulty meeting any charges should discuss the matter in confidence with the Headteacher/Head of School.

4.4 The Headteacher/Head of School has authority to approve the remission of charges.

5. BROKEN EQUIPMENT (REPLACEMENT)

5.1 The Trustees will allow pupils and/or their parents to be asked for a contribution towards the cost of replacement items where these were damaged or broken as a direct result of misconduct. In the event of deliberate vandalism, the contribution may equate to the full cost.

6. REFUNDS POLICY

6.1 The full contribution to an activity will be refunded if a child is absent due to illness.

6.2 If a trip must be cancelled parental contributions will be refunded.

6.3 If contributions to an activity exceed the total cost a refund will be given if the excess per child is over £5.

6.4 Excess income less than the above amounts per child will be retained within school funds to be utilised for future activities.

6.5 Excess expenditure will be funded from school funds.



POLICY No 5	DISPOSAL OF ASSETS/REDUNDANT EQUIPMENT
STATUS/DATE OF THIS VERSION	Reviewed by Finance & Audit Committee 5 October 2023
APPROVED BY	
RATIFIED BY	
REVIEW	September 2024

1. The Board of Trustees has the authority to declare equipment, furniture or any other assets or stores surplus to requirements and to arrange for their sale or write off, provided the items concerned were purchased in full or in part from its delegated budget. Land, buildings and heritage assets are always excluded from this authority as their disposal requires the prior written approval of the Education and Skills Funding Agency.
2. Where the estimated disposal value of surplus or redundant assets (equipment) or stores and the sale is to be by public auction or competitive tendering, authority for disposal can be given as follows:
 - Up to £1,000 by the Headteacher (Headteacher) and Chief Finance Officer
 - £1,001-£5,000 by the Headteacher (Headteacher) and the Chief Executive Officer
3. The prior approval of the UET Finance and Audit Committee will be required where:
 - The estimated disposal value is in excess of £5,000, up to any limit at which prior approval from the Education and Skills Funding Agency is required.
 - The sale is not to be by public auction or competitive tendering.
4. A list of equipment disposed of will be presented to the Finance and Audit Committee at its next meeting. This list will show, so far as may be known, the item, department, date of manufacture or purchase, values when new and when made redundant (estimated where necessary) and disposal value. The list will also confirm that IT equipment has been properly wiped of all personal data.
5. The Trust/School's electronic asset register will be amended to show disposals and such entries will be endorsed by Finance Office.

6. For items capitalised in the Trust/School's accounts, if at the time of disposal/sale the item has not reached its full depreciation term, the remaining value (actual sale value) will be written back/adjusted in the Balance Sheet.
7. The net income (i.e., excluding VAT) from the sale of surplus or redundant assets or stores purchased from the school budget will be credited back to the Trust/School budget.



POLICY No 6	LETTINGS POLICY
STATUS/DATE OF THIS VERSION	Reviewed by Finance & Audit Committee 5 October 2023
APPROVED BY	
RATIFIED BY	
REVIEW	September 2023

This policy is operated by all the schools in Unity Education Trust. **There may be sections that are specific to one school, and these will be added by the school either as an annex or in place of yellow highlighted sections below.**

Key points and summary

1. The Board of Trustees of UET regards the buildings and grounds of its academies community assets and will make every reasonable effort to enable them to be used as much as possible. However, the overriding aim of the Trust is to support schools in providing the best possible education for their students, and any lettings of the premises to outside organisations will be considered with this in mind. The Trust's delegated budget (which is provided for the education of its students) cannot be used to subsidise any lettings by community or commercial organisations. A charge will be levied to meet the additional costs incurred by the Trust/school in respect of any lettings of the premises. As a minimum, the actual cost to the Trust/school of any use of the premises by an outside organisation must be reimbursed to the school's budget.

2. This policy aims:

- To ensure that lettings are not in conflict with the fundamental purpose of the Trust/schools.
- To support community involvement in the life of the Trust/schools.
- To support the community in sporting, cultural and educational pursuits.
- To be consistent with the Trust's equal opportunities policy.
- To maximise the commercial opportunity for lettings.
- To ensure costs are fully calculated and covered.
- To provide a professional service to users of the Trust's/school's premises and ensure good customer care.
- To monitor the maintenance of the high standards of the premises and grounds.

3. Each of UET's schools will manage its own lettings in accordance with the points set out above.

The detailed arrangements for each school -refer to school policies



POLICY No 7	PAYMENT OF EXPENSES/ALLOWANCES TO TRUSTEES AND GOVERNORS
STATUS/DATE OF THIS VERSION	Reviewed by Finance & Audit Committee 5 October 2023
APPROVED BY	
RATIFIED BY	
REVIEW	September 2024

UET has the discretion to pay allowances to Trustees and Governors for certain expenses which they incur in carrying out their duties. The Board of Trustees believes paying such allowances, in specific categories as set out below, is important in ensuring equality of opportunity to serve as Trustees and governors for all members of the community and so is an appropriate use of Trust/school funds. Trustees and Governors may not claim for attendance at meetings or for actual or potential loss of earnings.

Eligible Expenses

1. **Childcare or baby-sitting allowances** (excluding payments to a current/former spouse or partner or relative).
2. **Cost of care arrangements for an elderly or dependent relative** (excluding payments to a current/former spouse or partner or relative).
3. The extra costs Trustees/Governors incur in performing their duties either because they have **special needs or because English is not their first language**.
4. **The cost of travel** to governor training sessions and other approved meetings held at venues other than the Trust offices (for Trustees) or School (for Governors). (Travel to venues outside Norfolk must be approved in advance by the Chair of Trustees (for UET Trustees) or the Chair of the Local Governing Body (for local governors) or the Chair of the Finance and Audit Committee.

Allowance rates

1. **Care arrangements:** actual costs incurred but not exceeding the National Minimum Wage hourly rate.
2. **Special needs:** actual costs incurred.
3. **Travel:** for public transport, actual costs incurred; for mileage, current LA casual user rate.

Criteria for claims

1. This scheme (and revisions to it) will come into effect immediately after approval by the Board of Trustees.
2. All claims must be submitted on the official claim form, available from the school offices, within one month of the expenditure being incurred. Claims must be authorised by the Chief Financial Officer and Chair of Trustees.
3. Receipts must be submitted to support claims for reimbursement e.g., bus ticket.
4. The normal systems for authorising and processing payments will apply to claims made under this scheme.

Monitoring and review

1. The UET Finance Committees of UET and local governing bodies will monitor expenditure at least once a year.
2. The Scheme will be reviewed by the Board of Trustees and by local governing bodies which may request the Trust Board to approve variations to apply to their governing body. All members of the Trust Board and local governing bodies may vote on the nature and rates of allowances, irrespective of direct or indirect financial interest.



Unity Education Trust

POLICY No 8	PROCUREMENT AND TENDERING
STATUS/DATE OF THIS VERSION	Reviewed by Finance & Audit Committee 5 October 2023
APPROVED BY	
RATIFIED BY	
REVIEW	September 2024

1. INTRODUCTION

UET wants to achieve the best value for money from all our purchases. This means getting goods and services in the correct quality, quantity and time, at the best price possible. A large proportion of purchases will be paid for with public funds and UET needs to maintain the integrity of these funds by following the general principles of:

- **Probity**, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Academy/Trust.
- **Accountability**, the Academy/Trust is publicly accountable for its expenditure and the conduct of its affairs.
- **Fairness**, that all those dealt with by the Academy/Trust are dealt with on a fair and equitable basis.
- **Value for Money**, the Academy/Trust shall aim for:
 - o Economy, minimizing the cost having regard to appropriate quality.
 - o Efficiency, an appropriate relationship between outputs and costs.
 - o Effectiveness, the achievement of the intended outputs.

2. ROUTINE PURCHASING, RECEIPT AND PAYMENT

Routine purchases can be requested and are authorised as per the financial authorisation levels detailed in UET's Finance Policy and Procedures. A quote or price must always be obtained before any order is placed. The Finance Office have a list of regularly used suppliers, however, if the purchaser considers that better value for money can be obtained by ordering from a supplier not regularly used by the Academy/Trust then this must be discussed and agreed with the Finance Office.

All orders must be made, or exceptionally confirmed, in writing using an official order form, stocks of which are held in the Finance Office. Orders must bear the signature of the member of staff requesting the order and must be countersigned by the budget holder as required. The signature of the budget holder confirms that there is sufficient budgetary provision.

Official forms are used for all services except utilities, rent, rates petty cash and any payments due under a loan/lease agreement. Urgent verbal orders must be confirmed by a written order.

Individuals must not use official orders to obtain goods for themselves.

Each order must be entered on the financial system as a commitment.

On receipt goods must be checked against the delivery note and the delivery note checked against the invoice. The invoice must also be checked against the order. Evidence of these checks and the initials of the person who carried them out must be added to the invoice. Wherever possible checks are not done by the person who signed the order.

Payment is made within agreed time limits after certification by an approved signatory.

Wherever possible an invoice is not authorised for payment by the person who signed the order nor by the person who checked the receipt of goods/services. Payment is only made against the supplier's VAT invoice and not on a Statement.

3. TENDERING

FORMS OF TENDERS

There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below.

Open Tender:

This is where all potential suppliers are invited to tender. The school must discuss and agree how best to advertise for suppliers, e.g., general press, trade journals or to identify all potential suppliers and contact them directly if practical.

This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

Restricted Tender:

This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:

- there is a need to maintain a balance between the contract value and administrative costs,
- Many suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the school's requirements,
- The costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

Negotiated Tender:

The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate where:

- the above methods have resulted in either no or unacceptable tenders,
- only one or very few suppliers are available,
- extreme urgency exists,
- repeat services or additional deliveries by the existing supplier are justified.

4. QUOTATION AND TENDERING

Except in the case negotiated tenders, the minimum required numbers of tenders or quotations from appropriate contractors for a given estimated value of contract are:

- Above £2,000 and up to £5,000 two oral quotations; (The member of staff to whom the quotations are given should make a written note of the amounts of the quotes, the name of the person giving the quote and the date of the quote. The written note should be given to the Chief Financial Officer for filing).
- Above £5,000 and up to £10,000, two written quotations.
- Above £10,000 and up to £25,000, three written quotations
- Above £25,000 and up to £50,000 three formal quotations to be submitted in writing by a specified date and time and based on a written specification and evaluation criteria.
- Above £50,000 and up to the 'Find a Tender' thresholds, four tenders.

For goods, services and works over the 'Find a Tender' thresholds the DfE recommend that Trusts obtain legal advice or support from an approved procurement specialist. Thresholds are currently as follows:

- goods – £189,330
- works – £4,733,252.
- most services – £189,330

Some services for education, health and care are covered by the 'light touch regime'. The threshold for these is £663,540 – details of the light touch regime can be found within The Public Contract Regulations 2015. Examples of light touch services include catering,

5. PROCEDURES

All purchases with a value greater than £50,000 must be put out to formal tender. The following procedures must be followed in such circumstances:

1. A specification will be prepared, authorised by the chair of the relevant committee/CEO/Academy Head and sent to at least three suppliers. It is anticipated that for any major building works the services of an architect would be engaged to deal with the handling of specifications and suitability to tender.
2. Where appropriate, the suppliers invited to tender should be drawn from an approved list **or** from those agreed with the architect. Otherwise, invitations to submit tenders will be advertised in local newspapers and trade journals if appropriate. The invitations to tender will include:
 - (a) an introduction/background to the project.

- (b) the scope and objectives of the project;
 - (c) any technical requirements;
 - (d) implementation details for the project;
 - (e) the terms and conditions of the tender; and
 - (f) the form and date of response to the academy, or in the case of building works, to the architect or quantity surveyor.
3. The invitation to tender should state the date and time by which the completed tender document should be received by the academy. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.
 4. All tenders submitted should be opened at the same time and the tender details should be recorded. The people that should be present for the opening of tenders are as follows:
 - i. For contracts up to £100,000 - the CEO or Headteacher, the CFO; plus a Trustee (ideally member of the UET Finance Committee)
 - ii. For contracts over £100,000 - the Chief Executive Officer, the CFO; plus at least two Trustees

A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by people present at the tender opening.

5. For purchases exceeding £50,000, provided the expenditure is included in the budget, the decision as to which tender to accept will be taken by the CEO, in consultation with the chair of UET Finance Committee and the Academy Head (where relevant).
6. Where expenditure is not included in the budget or anticipated expenditure exceeds the budget allocation, the decision as to which tender to accept will be taken by the UET Finance Committee, in line with their terms of reference and then ratified by the Board of Trustees; and
7. The reasons for accepting a particular tender must be documented, especially if it is decided to accept other than the lowest tender. All decisions must be reported to the full Board of Trustees.

6. ACCEPTANCE OF TENDER

The following points will be considered when deciding which tender to accept:

1. The overall price and the individual items or services which make up that price.
2. Whether there are any 'hidden' costs; that is additional costs which the Trust/academy will have to incur to obtain a satisfactory product.
3. Whether there is scope for negotiation, while being fair to all tenderers.

4. The qualifications and experience of the supplier, including membership of professional associations.
5. Compliance with the technical requirements laid down by the Trust/school.
6. Whether it is possible to obtain certificates of quantity.
7. The supplier's own quality control procedure; pre-sale demonstrations, after sales service and, for building works, a six-month defects period and insurance guarantees.
8. The financial status of the supplier.
9. References from other establishments.
10. Understanding & compliance with Health & safety, CDM regulations and Child Protection issues related to working on a school site. In the case of building works, where the tendering process is being carried out by the architect or quantity surveyor, they will be responsible for checking the documents of the lowest tender before making a recommendation to the academy.

Once a tender is accepted an order should be issued immediately to the supplier in the normal way.

The successful contractor should be informed that UET and its academies are NON-SMOKING sites.



POLICY F9	RESERVES AND INVESTMENT
STATUS/DATE OF THIS VERSION	Reviewed by Finance & Audit Committee March 2023
APPROVED BY	
RATIFIED BY	
REVIEW	March 2024, in particular to decide whether to proceed with the proposal highlighted below concerning the management of strategic reserves as a pooled resource.

Reserves Objectives 2022-23

The policy of the Trust is to carry forward a prudent level of revenue reserves designed to meet its short-term cash flow needs, whilst also managing the longer-term cyclical needs of planning, and any capital investment that may be required. The policy is subject to the constraint that the level of reserves does not exceed the level permitted by the ESFA within the Academy Trust Handbook; currently there are no limits imposed by the ESFA.

It is the policy of UET to have levels of reserves which are neither so high that they tie up money which should be spend on current Trust/school activities nor so low that they put future activities of the Trust/schools at risk.

The levels of reserves will be reviewed and set on an annual basis as part of the budget setting process.

The Finance and Audit Committee may recommend to the Board of Trustees a single figure or separate figures for each school or different kinds of reserves and, in doing so, will have regard to factors including:

- the risks of unforeseen emergencies or other unexpected needs for funds.
- unforeseen day-to-day operational costs, such as the need to employ temporary staff to cover for long-term sickness.
- a fall in a source of income, during the year (e.g., lettings).

- planned commitments that cannot be met from future income alone, including funds set aside for major capital projects and the possibility of match-funding being required for projects supported by separate capital grants or donations.
- the need to fund temporary cash-flow deficits, to meet expenditure required before a funding grant is received.

For 2022/23 the Trust Reserves Policy has been reviewed, considering the needs of its academies, the current educational landscape and the ongoing challenges around funding and costs.

Academy reserve levels

Academies will maintain **operational** and **strategic** reserves.

Operational reserves are to enable individual academies to manage fluctuations in their normal operating income and expenditure. Utilisation of these reserves will be at the discretion of the academy in consultation with the CFO/CEO and part of the annual budget setting process and agreement of Trustees. The operational reserve target should generally be 5% of current year GAG income. Where an academy's operating reserve is forecast to fall outside of these parameters, the Trust will work with the academy to bring the reserve into line over an agreed time period. Positive operational reserves remaining at the financial year-end are carried forward to the following year and can be considered in the budget-setting process.

Strategic reserves are maintained to manage the wider financial risk profile of the Trust and to allow for larger planned expenditure which would fall outside of the parameters of an academy's operational budget.

Academies are expected to maintain strategic reserves at a level of 2.5% of current year GAG income. It is noted that academies may not be able to achieve this target range – challenges such as fluctuation in pupil numbers, long periods of staff absence and challenges around school improvement, for example, may mean that the academy must focus on maintaining its operational reserve only. However, if strategic reserves do fall below the threshold in an academic year, it would be expected that the budgeting process for the following year would include a contribution towards increasing the reserve going forward.

Academies own their strategic reserve monies in the same way as they own budget surpluses or deficits. However, it is being proposed that strategic reserves will be managed as a pooled resource accessible to all academies and designed to respond to need, but also opportunities.

Academies may apply to access their own strategic reserve and/or that of others if their own reserves are not sufficient for the planned level of expenditure. Allocations will be subject to the approval of the Trust Board on the recommendation of the CEO and Trust Directorate. Academies which receive an allocation will be required to agree a repayment profile which returns the academy to a positive reserve position within a fair and reasonable timeframe. The CEO may also access strategic reserves to make a central appointment to support one or a group of schools if this is required. Approval of such appointments will be through the Trust Board and a repayment profile will be agreed as above.

If, in exceptional circumstances such as the closure of an academy, the Trust Board finds it necessary to write off an allocation made from the strategic reserves of other schools those reserves will be repaid from income earned by the Trust from the investment of cash balances.

The Finance and Audit Committee will receive an annual report.

The reserves policy will be monitored regularly for any changes in legislation or directions from the DfE and evaluated in the light of comments made by the ESFA, auditors and other interested parties.

The annual accounts for 2022-23 has total revenue reserve levels of £6,035,672 (excluding earmarked grant income brought forward). However, there are significant variations from school-to-school. Each academy continues to own its own deficit or surplus and those with deficits work to budget plans designed to reduce and eventually eliminate their deficits. All schools carrying forward a deficit from 2021-22 into 2022-23 have a budget plan which reduces their deficit by the end of the 2022-23 financial year.

The CEO has overall responsibility for “managing and regularly reviewing the use of available resources, including human resources, so as to improve students’ learning and achievement”. As Accounting Officer, the CEO is also charged with securing value for money across the Trust. To achieve these objectives the CEO may initiate, with the relevant Headteacher/Head of School/Head of Service, reviews of staffing structures, the use of premises or other resources.

In view of continuing uncertainty about future funding levels and the volatility of the energy market and other costs the Trust will continue to implement the following controls in 2022-23:

- (a) No staff posts which fall vacant will be filled without the written approval of the CEO.

- (b) The Trust may apply restrictions on expenditure from other budget headings to apply from the start of the year or at any point during the year. These controls which will be notified in writing to the Headteacher/Head of School and recorded in Trust Board or Trust Finance and Audit Committee minutes, may include a requirement for prior approval from the CEO or CFO for some kinds or levels of expenditure.
- (c) Restrictions and decisions taken in accordance with (a) and (b) above will have regard not only to the school's budget and expenditure in 2022-23 but also forecasts for the following two years.

Additionally, the Trust will designate funds within the strategic reserves which are held or may be needed for specific purposes. For 2022-23 these will be as follows:

- Northgate MUGA --- £53,000
- SSSfN – potential restructuring costs --- £1,000,000
- Central – potential restructuring costs - £150,000
- Premises Emergency fund - £100,000
- MAT growth and new services – £40,000

INVESTMENTS

Purpose and Scope

To set out the processes by which the Trust can invest funds surplus to day-to-day operational requirements and to ensure that investment risk is properly and prudently managed.

In doing so Trustees must:

- Act within their Trust's power to invest
- Set investment objectives
- Set the parameters that deposit counterparties need to meet
- Consider the liquid level of cash required to be held either overnight or within current accounts
- Approve the type of products that the Trust can invest in and seek external guidance if required
- Define processes to manage and make investment decisions
- Monitor and review investments on a regular basis

Responsibility

The opening of accounts in accordance with the above principles and the arrangements for depositing and withdrawing funds is delegated to:

Finance and Audit Committee up to £25,000

Board of Trustees above this amount

The Finance and Audit Committee will review the performance of investments on a regular basis and report to the Board of Trustees.

The Trustees delegate the day-to-day responsibility of managing and implementing the investment policy to the Chief Financial Officer to ensure investments are managed in accordance with this policy and monitor regularly how the Trust's investments are performing.

Objectives

To identify a level of funds that can be placed on deposit to generate additional income for the Trust in order to support its on-going objectives.

Counterparty risk

Following the banking crisis in 2008, The Bank of England have (through the FCA) implemented changes to stress testing and capital requirements of UK FCA registered banks to ensure the stability of the UK Banking system.

As such the Trust can only make deposits with Banks or Building Societies with a UK banking licence and regulated by the FCA and PRA.

Counterparty limits

For Institutions with a "good" or better credit rating or implied credit rating (also known as Investment grade), the Trust will deposit a maximum of £3,000,000, (plus interest accrued) These ratings include:

Baa3 / P-3 or better (Moody's) or

BBB- / A-3 or better (S&P) or

BBB- / F3 or better (Fitch) or

An implied rating of BBB- or better

The Credit rating or Implied Credit Rating will be checked at the time of placing a deposit with a new bank.

It is worth noting that Implied Credit Ratings are usually the 'long term' position, however, the Trust will only by depositing 'short term' in deposits with a maturity date or notice period of 12-months or less

It is recognised that our current account balance(s) may exceed the deposit limits stated above. For the purpose of this investment policy, current account balances are excluded from the counterparty limits detailed above.

If an institution has a lower credit rating than that detailed above, the Trust will deposit a maximum of £85,000 (plus interest accrued).

Investment Products

The Trust can invest surplus funds in a mixture of interest-bearing accounts and money market facilities (where the capital is not placed at risk) including:

Overnight (instant access)

Notice accounts (typically from 30 to 100 days)

Fixed term deposits (typically from one to twelve months)

Investment maturity dates should not exceed 12 months in term.

Monitoring and Reporting

The Chief Financial Officer will report investments held and performance of investments against objectives to the Finance and Audit Committee for review each time it meets. The reporting should include:

- Funds invested
- Maturity dates
- Interest rates
- Returns achieved
- Recommendations for next three months

Review

Trustees should review the investment policy annually.



POLICY No 10	RETENTION OF FINANCIAL RECORDS
STATUS/DATE OF THIS VERSION	Reviewed by Finance & Audit Committee 5 October 2023
APPROVED BY	
RATIFIED BY	
REVIEW	September 2024

Record Description	Retention Period	Action at the end of life of the record
Annual Accounts	Current + 6 years	Review to see whether a further retention period is required
Loans and Grants	Date of last payment + 12 years	Review to see whether a further retention period is required
Contracts under seal	Contract Completion date + 12 years	Secure Disposal
Contracts under signature	Contract Completion date + 6 years	Secure Disposal
Unsuccessful tenders	3 years	Unsuccessful tenders are the property of the tenderer. If they require return of the paperwork it may be necessary to do so.
Copy Orders	Current + 2 years	Secure Disposal
Budget Reports	Current + 6 years	Secure Disposal
Invoices and Receipts	Current + 6 years	Secure Disposal
Annual Budget and background papers	Current + 6 years	Secure Disposal

Delivery Documentation	Current + 6 years	Secure Disposal
Debtors Records	Current + 6 years	Secure Disposal
Cheque Books	Current + 3 years	Secure Disposal
Paying in books	Current + 6 years	Review to see whether a further retention period is required
Banking Sheet Summary Reports	Current + 6 years	Secure Disposal
Bank Statements	Current + 6 years	Review to see whether a further retention period is required
Free School Meal Reports	Current + 6 years	Secure Disposal
Petty cash Paperwork	Current + 6 years	Secure Disposal
School Plans	Permanent	Retain in school whilst operational
Maintenance and contractors	Current + 6 years	Secure Disposal
Leases	Expiry of lease + 6 years	Secure Disposal
Lettings	Current + 3 years	Secure Disposal
Burglary, theft and vandalism report forms	Current year + 6 years	Secure Disposal
Maintenance Log Books	Current year + 6 years	Secure Disposal
Contractors' Report	Current year + 6 years	Secure Disposal
Educational Visit Activity Accounts	Current year + 3 years	Secure Disposal
Inventory Records	Current + 2 years	Secure Disposal
Nominal Code Lists	Current + 1 year	Shred



POLICY 11	STAFF EXPENSES POLICY
STATUS/DATE OF THIS VERSION	Reviewed by Finance & Audit Committee 5 October 2023
APPROVED BY	
RATIFIED BY	
REVIEW	September 2024

1. Introduction

This Trust is committed to reducing the cost, and consequent impact on the environment, of its business travel. Business travel can be a necessary part of an employee's duties but that does not mean it shouldn't be challenged to reduce the cost and impact it creates. This can be done by considering things like the need, frequency and mode of travel.

Before business travel is undertaken, it is important to establish if the journey is necessary – e.g., is it possible to use technology to have a face-to-face meeting instead? Is the venue within walking distance and can the individual walk there?

Through the implementation of this policy, the Trust Board will be mindful of the employer obligation to seek to maintain and protect the mental health and wellbeing of all staff as far as is reasonably practicable.

2. Scope

This policy applies to teaching and support staff and is in accordance with both the burgundy and green book.

3. General principles

Business travel expenses will be reimbursed for all necessary expenditure reasonably incurred by employees in the performance of their duties. The appropriate claim procedure must be followed, within the set timeframe (see para 7). For what constitutes business travel please see para 6.1. Employees should only make business journeys, which are required as part of their duties, when absolutely necessary. Other options which are more efficient and cost effective should always be considered before travel is undertaken.

Employees whose post requires them to travel are responsible for their travel arrangements and these must be carried out in the most effective and efficient way to perform the job. The Trust will support necessary business travel.

Mileage payments will be made within Her Majesty's Revenue and Customs guidelines. Only the actual cost of travel should be reimbursed, any extra amount may be classed as earnings and therefore be liable to tax.

Where employees use their own car for business travel, they should ensure they have the appropriate car insurance in place.

An employee's contract should define their place of work.

4. Headteacher/Manager responsibilities

- Ensuring employees comply with the **[Driving for work compliance code]**, including checking employee driving licences are valid before authorising business travel.
- Authorising the most carbon efficient and economic method for attendance at meetings and other events.
- Making sure other options are used as an alternative to travelling for business purposes where possible.
- Checking claims are in accordance with this policy.
- Making sure reasonable adjustments are explored for employees covered by the Equalities Act 2010 who feel they are adversely affected by travelling to and from work.

5. Employee responsibilities

- Using an alternative to travelling for business where one exists.
- Making sure the selected option is the most carbon efficient and economic.
- Making sure claim forms are completed in accordance with this policy.
- Making sure claims are not made for mileage for travel from home to work and work to home, except for where the policy provides for it.
- Making sure personal vehicles are roadworthy and have required documentation (business travel insurance, MOT and tax).
- Driving within the law.

6. Travel and related claims

6.1 What constitutes business travel

Below are examples of what constitutes business travel. The examples apply where the place the employee is travelling to, is not their 'normal' place of work (normal home to work mileage should be deducted if they are travelling direct from home to the destination):

Business mileage includes:

- travelling between schools/academies in a multiple site organisation (where the travel is agreed by the school/Trust)
- travelling to and from school/academy sites not part of the employee's school/trust
- travelling to and from training
- travelling to and from meetings
- transporting pupils (e.g., special schools taking pupils to activities)
- residential trips where the employee's attendance is required, and they travel independently of the school transport.
- other travelling in order to perform official duties e.g., taking cash to the bank

Below are examples of what type of travel costs can be reimbursed:

- mileage
- car parking charges
- cycle mileage
- public transport charges
- taxi fares

6.2 Calculating mileage

Hybrid or fixed base workers:

Hybrid workers are based at a school/trust (or other school/trust location) which they go to for things like teaching, training, meetings, administration and to collaborate with colleagues, but also work from home or other remote locations.

Fixed base workers work at a fixed location or a small group of locations. This includes works whose role cannot easily be done from home (such as teachers and teaching assistants) and those who do not regularly travel for work.

Both of these types of employees must deduct their return home to work base mileage once from each day's travel claim. Where it is easier to travel direct from home to an appointment, or vice versa, rather than call in to the work base first, only mileage above their normal home to work base mileage can be claimed. Therefore, their total travel claim for any day must exclude normal home to work base and return miles.

If travel is required when working from home, then time that is more than the normal home to workplace journey can be claimed.

6.3 Mileage Payments

Employees who use their own car, van, motorcycle or cycle* for the performance of their duties are entitled to be reimbursed in accordance with Her Majesty's Customs and Revenue (HMRC) approved mileage rates. [Read the current rates on gov.uk.](#)

Where there are changes to the HMRC rates, these will be applied to the rates paid to employees. Where more than one employee makes the same or a similar journey, they should travel together.

In addition to mileage rates (see *Allowances and rates*), employees who take passengers can claim a passenger mileage payment per passenger per mile if the passenger is an employee of the school or trust or of a school or trust partner organisation on the same business. Where the passenger does not start or finish their journey at the same time as the driver, the driver can claim for the number of miles that the passenger travelled with them.

Employees are responsible for their own travel to and from work. Where it is easier to travel direct from home to an appointment, or vice versa, rather than call in to the normal place of work first, only mileage above normal home to work mileage can be claimed. Therefore, normal home to normal place of work miles should be deducted. Every employee should have a 'normal' place of work.

Home to place of work mileage is payable only where a second journey from home to a place of work is made on the same day in order to carry out official duties. Where an employee agrees to work on a day they would not normally work, it is still their responsibility to get to and from work (including training courses).

Where employees journey from home to another location other than their normal place of work (e.g., when travelling from home to a training event or to an off-site meeting), they cannot claim mileage if the miles travelled are less than that which would have been travelled on the shortest route from home to work. If the distance is more, then a claim for those miles additional to the shortest home to work mileage is allowable.

6.4 Rail Travel

Employees should use the most cost-effective travel arrangements and make use of off peak or other reduced rates where possible. First class travel is occasionally cheaper than the standard fare, but otherwise first class may only be used if:

- the timing of a journey would make it impossible to work effectively, e.g., peak holiday periods, or
- standard class accommodation is full.

Where first class travel is proposed and would be more expensive than the standard fare, it must be approved in advance by the Headteacher, who will assess the benefit compared to the additional cost.

If an employee requires a support worker, provided through Access to Work, whilst travelling, any rail travel costs should be reimbursed as a reasonable adjustment.

6.5 Bus fares and parking expenses

Bus fares and car parking charges incurred on school business may be reclaimed. No payments will be made for parking charges at the employee's normal place of work. The only exception relates to employees with a declared disability affecting mobility. In this situation, reasonable charges for car parking at, or as near as possible to, their usual place of work will be reimbursed where there is no free parking available.

The school will not reimburse parking or other similar fines.

6.6 Subsistence (food and drink)

Employees are normally responsible for their own food and drinks during the working day and are not normally entitled to claim a subsistence allowance.

Subsistence allowances cannot be claimed simply because an employee is away from base at a mealtime.

Subsistence can be claimed in exceptional circumstances where it would be unreasonable to expect the employee to pay for their meal, and the employee is unavoidably put to exceptional expense – for example:

- Attending a conference or training event when the employee is required to purchase a meal at the event.
- Attending an event that necessitates an overnight stay where meals are not included.
- When, as part of a pupil's social care, an employee is required to take a meal as part of an excursion and incurs additional costs.

An employee cannot claim subsistence for:

- being away from their base during the normal working day
- breakfast when leaving home early or tea or supper when returning home late.

Employees should agree with their Headteacher before expenditure is incurred. Expenditure will normally only be reimbursed if receipts are submitted with the claim. However, where it is not possible to obtain a receipt and, provided the employee gives a justifiable reason for not providing a receipt, the Headteacher will adopt a reasonable approach.

There are maximum allowances for breakfast, lunch, tea and evening meal (dinner) (see *Allowances and rates*). These are updated annually in April.

6.7 Accommodation

Overnight stays must be approved in advance by the Headteacher.

In some situations, particularly certain training courses, accommodation is provided as part of the package, so the employees do not need to claim. In other cases, the employee will be reimbursed the actual cost of bed and breakfast incurred, up to a maximum amount (see *Allowances and rates*). As with subsistence, there are separate maximum amounts, one for normal business, and another for staying in London. These are reviewed each April.

If expenditure in excess of the maximums is unavoidable (e.g., no accommodation is available in the appropriate price range, or there is a requirement to stay at a particular hotel because an accessible room is required) this can be reimbursed provided prior approval from the Headteacher is obtained.

7. Out-of-pocket expenses

Employees attending residential training courses, travelling abroad, escorting clients/pupils, attending conferences etc. can claim reimbursement where they have been put to exceptional expense. Wherever possible, approval for the expenditure must be agreed in advance, by the Headteacher, and receipts should be submitted with claims.

8. How to claim

Employees should complete the *Business Travel expenses claim form F304*, attaching relevant VAT receipts. Claims must be made on or before the 19th of each month. Late submissions will result in delayed payment due to the additional processing time needed. Claims submitted more than three months after the travel date will not be paid. Only in very exceptional circumstances will a late payment be authorised.

Employees should note the terms of the declaration on the claim form. No-one should make or approve a claim if the conditions explained in this policy have not been met. Breach of the policy intended to defraud or which incur unnecessary and unapproved costs may be subject to disciplinary procedures.]

It is important that claims are not made outside the terms of this policy unless permission has been given, by the Headteacher, specifically to deal with a particular situation.

Employees and Headteachers must ensure that all claims are made in accordance with this policy. Where required advice will be sort from HR.

9. Authorisation

Responsibility for authorising business travel rests with the Headteacher. Employees should seek approval in advance for any unusual journeys where there may be any doubt about the legitimacy of the journey or the amount of mileage that can be claimed.

If employees choose to travel by car when it would be practical and/or cheaper to travel by train or other public transport the employee's claim should be limited to the equivalent of the public transport rate.

10. Checking driving licences

Where employees are travelling for work, whether regularly or only occasionally, their driving licence (and insurance if required) must be checked and a record of the check must be kept. The school will not keep copies of driver documentation.

The categories of staff required to have their driving licence checked include:

- employees who travel for work and use their own vehicle.
- employees who drive school owned, hired, or leased vehicles.

Annual checks should include checking:

- that drivers hold a valid licence for the vehicle they drive.
- that vehicles are appropriately taxed and insured (including business use on private insurance)
- that driving convictions are identified, and appropriate action is taken.

For full requirements on checks see the *Driving for work compliance code*

11. Insurance

Employees who use their vehicle for work should make sure they have insurance to cover business travel. This is normally referred to as 'Business, Social and Domestic' cover by Insurance companies. The employee is responsible for making sure they are insured.

12. Other conditions

Where an employee is required to travel from their normal place of work to carry out their role, travelling time is included within their normal working day. However, employees who are travelling to training courses can only claim up to the hours they work in a normal working day. Where there are excessive demands placed on an employee, for example very long distances travelled which extend significantly over the working day and where such occurrences happen repeatedly over a short period of time, then the Headteacher will have discretion, as a gesture of goodwill, to allow some time in lieu.

13. Allowances and Rates

Car or van users: Pence per mile (with effect from 6 April 2011):
First 10,000 miles - 45p After 10,000 miles - 25p
Motorcycle users: Pence per mile (with effect from 6 April 2011):
24p
Bicycle Users Pence per mile (with effect from 6 April 2011):
20p

Passengers	Additional pence per mile (with effect from 6 April 2011) 5p per passenger
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Meal Allowances - Maximum claimable per meal (with effect from 1 April 2023):
Breakfast: Standard: £7.16 Special: £9.47
Lunch: Standard: £9.84 Special: £14.25
Tea: Standard: £3.87 Special: £4.77
Evening Meal: Standard: £12.19 Special: £19.04

Accommodation *	Maximum rate per night (with effect from 1 April 2023)
London	£116.98
Elsewhere	£84.04

* For travel abroad an additional maximum amount of £41.87 per week will be paid. This equates to a daily rate of £5.98 based on 7 nights.



POLICY 12	PURCHASING CARD POLICY
STATUS/DATE OF THIS VERSION	Reviewed by Finance & Audit Committee 5 October 2023
APPROVED BY	
RATIFIED BY	
REVIEW	September 2024

Objectives

- To allow Academy personnel access to efficient and alternative means of payment for approved expenses, while maintaining the necessary controls over the use of academy or Trust funds.
- To improve efficiency and reduce costs of payables processing.
- To remove the need for petty cash.

Procedures

- Wherever possible, all academy purchases should be made via a purchase order from the academy and paid through the BACS system on receipt of an invoice. Where online purchases via purchasing card are deemed necessary a requisition should be raised and approved according to the Trust Scheme of Delegation before any payment is made.
- Purchasing cards and their limits are issued to academies at the discretion of the Trust Board.
- The day-to-day operation and control of the institution's purchasing cards are the responsibility of the Chief Financial Officer.
- Holders of cards must use them only for the purposes for which they have been issued and within authorised purchase limits.
- The misuse of such cards shall be grounds for disciplinary action.
- Cards must not be loaned to another person, nor should they be used for personal or private purchases.
- Cardholders should obtain approval to purchase from the relevant budget holder and should ensure that there is sufficient budget available to meet the costs, record of approval to be retained.

- The following purchases are expressly prohibited: Alcoholic beverages/tobacco products, recurring expenditure or any service to which the Trust becomes obliged to purchase in future and any other items deemed inconsistent with the values of the Trust.
- Cash advances on purchasing cards are not allowed under any circumstances. This includes the use of any form of cash withdrawal or cash back facility.
- Cardholders will be required to sign a Cardholder Agreement indicating they accept these terms. Individuals who do not adhere to this policy risk revocation of their purchasing card privileges and possible disciplinary action.
- Monthly purchasing card statements to be printed and receipts to be provided by the card user. The Headteacher or Line Manager (or in their absence the CEO) is to approve and sign the Purchasing Card Monthly Statement Cover Sheet (attached), supported by the purchasing card statement and receipts. These are to be submitted to the Finance Officer within five working days of the statement date.
- The CEO's Statement Cover Sheet is to be signed by the Chair of Trustees.
- All Academy purchase cards shall be paid in full monthly by the Academy so as not to incur interest charges.
- All card holders are responsible for promptly forwarding relevant paperwork associated with any transactions made through their accounts to the Finance Office who will check them against the monthly bank statement and enter the details into the Academy's financial system.



POLICY	LGPS Pension Discretion Policy
STATUS/DATE OF THIS VERSION	July 2023
APPROVED BY	Board of Trustees
RATIFIED BY	16 July 2023
REVIEW	July 2025

This policy is operated by all the schools in Unity Education Trust (as listed below).

There may be sections that are specific to one school and these will be added by the school either as an annex or in place of yellow highlighted sections below.

Any queries about the policy should be directed, in the first instance, to the Headteacher/Head of School:

- Beeston Primary
- Garvestone Primary
- Grove House Infant
- Kings Park Infant
- Northgate High School and Dereham Sixth Form College
- The Pinetree School
- The Short Stay School for Norfolk
- Churchill Park
- Greyfriars Primary
- Highgate Infant School
- Kings Oak Infant School
- Wimbotsham and Stow Primary
- Magdalen Primary
- St Germans Primary
- Great Dunham Primary

Employer's Policy Statement - Exercise of Discretionary Powers

The Local Government Pension Scheme regulations provide a number of discretions which employers may exercise, which determine how the scheme will be applied to their employees in certain circumstances. The table below sets out how Unity Education Trust (UET) exercises those discretions. This applies in schools where UET is the employer.

References to regulations are to the Local Government Pension Scheme regulations 2013 unless otherwise indicated.

UET's Constitution provides that discretions under the LGPS are exercised by the Trust Board. The exercise of discretions under the LGPS must be placed before a full meeting of the Board of Trustees and be subject to an agreed resolution. All decisions will be made within relevant legislation including the Restriction of Public Sector Exit Payments Regulations 2020.

Additional pension contributions: Regulation 16(2e) and 16(4d)

The employer can fund in whole or in part Additional Pension Contributions. The payment can be made by regular contributions or by a lump sum and the cost of this would fall to the employer.

UET will not normally fund additional pension contributions under this Regulation but may do so in wholly exceptional circumstances where other factors outweigh the cost.

Awarding additional pension: Regulation 31

The employer can award additional pension, up to a maximum annual value of £6500 in some circumstances and this amount is subject to an annual increase each April. This cost would fall to the employer.

UET will not normally award additional pension under this Regulation but may do so in wholly exceptional circumstances where other factors outweigh the cost.

Flexible retirement: Regulation 30(6)

With the consent of their employer an employee in the Scheme aged 55 or over may reduce their hours or grade and elect to receive immediate pension benefits, actuarially reduced where applicable, even where they haven't left their employment. Any cost would fall on the employer.

UET will not normally award additional pension under this Regulation but may do so in wholly exceptional circumstances.

Any cost for early payment would fall to the employer

Waiving of actuarial reduction: Regulation 30(8)

The employer may agree to waive in whole or in part any reduction that would otherwise apply where an employee retires between aged 55 and under normal pension age (Regulation 30(5)) or takes flexible retirement (Regulation 30(6)).

In the case of early retirements, UET will not waive, in whole or part, the actuarial reduction on benefits paid on early retirement except on compassionate grounds where there are exceptional personal circumstances.

Early payment of pension: Regulation 30 of LGPS (Benefits, Membership and Contributions) Regulation 2007 (two decisions to be made)

1. Where a member is aged 55 to 60 and has a deferred LGPS pension relating to an earlier period of employment which ended before 1 April 2014, they can request to receive their benefits immediately, with the agreement of their former employer.

Where there is no financial cost to UET, a request for early release of benefits is unlikely to be refused. Where costs are incurred the Accounting Officer will consider the request taking into account the circumstances.

2. Their pension would be reduced actuarially unless the employer agrees to waive the reduction (at its own cost).

UET may determine on compassionate grounds that retirement benefits should not be reduced.

Transitional Regulations 2014: SCHEDULE 2 Regulation 1 (1)(c)

Where a member aged 55 to 60 requests their benefits and has accrued protection against actuarial reduction by virtue of the '85 year rule' under earlier regulations, that protection does not apply unless their employer agrees. Where the employer does agree, the cost of the protection by operation of the 85 year rule would fall to the employer.

UET will not agree to the application of the '85 year rule' in these circumstances except on compassionate grounds where there are exceptional personal circumstances.

Non-Compulsory Items:

Shared cost AVCs: Regulation 17(1)

An employer may share the cost of an Additional Voluntary Contributions scheme; the cost would fall on the employer.

UET will not normally fund additional pension contributions under this Regulation. sacrifice shared cost AVC scheme and may be withdrawn or changed at any time

Forfeiture of pension rights: Regulations 91, 92

Recovery or retention of monetary obligations: Regulation 93

In certain circumstances such as employment-related convictions, or as a result of their own criminal, negligent or fraudulent act in connection with their employment, pension rights in full or part may be forfeited and/or other measures taken by the employer by paying over pension rights to specified dependants of the member in respect of the employee's pension account.

UET may exercise the discretions provided under these regulations depending on the circumstances of the case. This power is delegated to the PPP Committee.

Appointment of adjudicator for member disagreements: Regulation 74(1)

Each Scheme employer is required to appoint an adjudicator who will consider applications from any person whose rights or liabilities under the Scheme are disputed and to make a decision regarding such applications.

The Trust Board will act on behalf of UET.

Transfers of non-LGPS pension rights: Regulation 100(6)

A member who has previous pension rights in a non-LGPS scheme may transfer them into the LGPS provided they opt to do so within 12 months of joining the LGPS in that employment. The employer has discretion to extend the twelve month limit.

UET will extend the 12 month period only in exceptional circumstances or where the delay was beyond the member's control.

Members' contribution rates: Regulation 9(3)

The employer has to decide how frequently it will reassess the pay and contribution levels for staff. New starters will be allocated to the appropriate contribution banding on commencement of employment with UET, provided they are eligible for the scheme.

UET will reassess the appropriate contribution bandings for employees:

- when a member receives an increase or decrease in their salary and this involves them moving into a new salary grade,
- where a member's contractual working hours change by five hours or more per week, and
- on an annual basis, with effect from 1 April each year.

Midyear changes in salary due to pay awards or incremental progression within a grade will not trigger reassessment.

