

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST FINANCIAL POOLING POLICY

Author	Matthew Hayes
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Contents

- 1.0 Introduction..... 2**
- 2.0 Purpose..... 2**
- 3.0 Approach to Central Services and Pooled Resources..... 2**
- 4.0 Responsibilities..... 2**
 - 4.1 Board of Directors..... 2
 - 4.1 Heads’ Board..... 2
 - 4.2 Trust Business Manager/Finance Team..... 2
- 5.0 Central services provided to SGET academies by lead school. 3**
 - 5.2 Actual Charges for Central Services 3
 - 5.3 Shared Services 4
 - 5.5 Summary of Central Service Charges 4
- 6.0 Trust wide contracts awarded with the SGET 5**
- 7.0 Intra-Trust Charges..... 5**
- 8.0 Budget Setting 6**
- 9.0 Management of Surplus funds..... 6**
- 9.0 Appeals..... 6**
- 10.0 Implementation & Communication Plan..... 7**
- 12.0 Further sources of information/references 7**
- Equality impact assessment screening form Appendix i 8**

1.0 Introduction

The Academies Handbook states that a multi-academy trust has the freedom to amalgamate GAG funding for all its academies to form one central fund. This fund can then be used to meet the normal running costs at any of the academies within the trust. In addition all multi-academy trusts must include an additional note to their financial statements giving details of any central charges that the trust made during the year.

It is therefore a requirement for SGET to give individual consideration to the funding needs and allocations of each academy within the trust.

2.0 Purpose

The purpose of this document is to provide an overview of SGET's approach to delivering this requirements and describes the Trust's approach to central services and pooled resources.

3.0 Approach to Central Services and Pooled Resources

An underlying principle of the Shropshire Gateway Educational Trust is partnership working and transparency. Through this principle the Trust believes that joint working can flourish with the ultimate aim of providing the highest level of education from Primary through to Secondary education, giving all students a gateway to a successful future.

The same principles have been applied to the pooling policy with the aim of ensuring that central costs are applied clearly, appropriately and equitably.

4.0 Responsibilities

4.1 Board of Directors

The Board of Directors has wide responsibilities defined under statute, regulations and the EFA. Full details are included within the Trust's Finance Policy.

4.1 Heads' Board

The Heads' Board provides operational leadership within the organisational and advises the Board of Directors on strategic direction. This includes financial management and how resources into the Trust are received, pooled and distributed amongst member academies.

4.2 Trust Business Manager/Finance Team

The Trust Business Manager/s and Finance Team work closely to support the operational and strategic direction set out by the Directors' and Heads' Boards. The Business Manager/s and Finance Team will ensure that the allocation of Central Service costs, Trust Wide Contracts and Intra Trust Charges are coded to the appropriate nominal codes and cost centres in line with the Trust's Pooling Policy.

5.0 Central services provided to SGET academies by lead school.

There are two types of central service charges. The first charge reflects that Lacon Childe School, as lead school, co-ordinates and provides a number of these central services. The costs identified within this section relate to additional costs that have been incurred in order to support the running and development of the Multi Academy Trust. Services provided within this category are:

- Executive Head Leadership¹
- Business Management

5.1 Charges for these services are levied on the on the basis of each academy's GAG funding as a percentage of the Trust's whole GAG allocation². Other government grants (e.g. high needs SEN, Pupil Premium) are excluded from this calculation because these funding streams are intended to follow the pupils concerned to enhance provision of their education and therefore reflect the type of pupil rather than the number of pupils.

5.2 Actual Charges for Central Services

Overhead	Cost	Academy Name	GAG Funding 16/17	%	Total Allocation
		Clee Hill	£ 457,625	27	£ 4,890
Executive Head	£ 5,000	Cleobury Mortimer	£ 843,866	50	£ 9,017
Business Management	£ 13,064	Stottesdon	£ 389,138	23	£ 4,158
		Total	£ 1,690,629		
Total	£ 18,064				

¹ Charges reflect the additional costs incurred as a result of Primary Schools joining the trust. Because of this Lacon Childe is excluded from these charges

² Does not include Lacon Childe.

5.3 Shared Services

The second central service charge relates to costs that are shared across all schools within the MAT. Services provided within this category are detailed within the table below:

Board Costs	£	500	Clee Hill	£	457,625	11	£	6,214
Accountant	£	6,380	Cleobury M	£	843,866	21	£	11,458
Audit	£	11,925	Lacon Childe	£	2,397,149	59	£	32,549
Clerking	£	870	Stottesdon	£	389,138	10	£	5,284
Occupational Health	£	600						
H&S	£	1,169	Total	£	4,087,778			
HR Advice	£	6,590						
Payroll & HR	£	10,018						
EWO	£	10,530						
Admissions	£	807						
SIMS Support	£	6,116						
Total	£	55,505						

(indicative costs only - actual cost will depend on no of payslips processed)
(two year agreement with 10% discount)

5.4 Charges for these services are levied on the basis of each academies GAG funding as a percentage of the Trust's whole GAG allocation. Other government grants (e.g. high needs SEN, Pupil Premium) are excluded from this calculation because these funding streams are intended to follow the pupils concerned to enhance provision of their education. They therefore reflect the complexity of the pupils' needs rather than the just the number.

5.5 Summary of Central Service Charges³

Academy	Central	Shared	Total Charge	Total GAG 2016/17	% of GAG
Clee Hill	£ 4,890	£ 6,214	£ 11,104	£ 457,625	2.4
Cleobury Mortimer	£ 9,017	£ 11,458	£ 20,475	£ 843,866	2.4
Lacon Childe	£ -	£ 32,549	£ 32,549	£ 2,397,149	1.4
Stottesdon	£ 4,158	£ 5,284	£ 9,442	£ 389,138	2.4
	£ 18,065	£ 55,505			

³ Lacon Childe GAG % is lower due to the non-application of charges at 5.2

6.0 Trust wide contracts awarded with the SGET

A function of the Heads' Board and Business Management Team is to work across the Trust to secure best value for money. This will be supported by a robust approach to procurement and ensuring that, wherever possible, any economies of scale available to the Trust are achieved.

When undertaking procurement activities the Trust will aim to ensure that costs analysis is provided at both Academy and Trust level. Where there is no detriment to the Trust and its ability to secure best price, the value of the contract or purchase of goods will be charged at cost to each academy. This will ensure that all academies will enjoy the benefits of scale but that the principle of transparency is achieved. Where it is not possible for cost analysis to be provided at academy level, the value of the service or goods will be included within the calculation for paragraph 5.3 of the Trust overheads.

No individual school will enter into any form of contract until consultation with the other schools within the trust has taken place. This will ensure that wherever possible economies of scale can be achieved.

6.1 Contracts within this category include (not intended to be definitive):

- Education Improvement
- Insurance (non RPA)
- Licensing
- Finance Software Support

Because the costs associated with trust wide contracts do not form part of the central overhead charge and are passed through to each academy at cost, they will appear in accounts as an expense transaction. Details of how costs are calculated and the value of those costs is therefore not included within this policy.

7.0 Intra-Trust Charges

Across the Trust each academy has a different range of human resources and skills. This policy recognises that other schools within the Trust may benefit from being able to access these additional resource. It is anticipated that when sharing resources there is likely to be an additional cost (e.g. additional hours' payment). Where this occurs it will result in an intra-trust charge; the cost of such charges will be based on the additional costs incurred by the academy providing the service.

Because the costs associated with trust wide contracts do not form part of the central overhead charge and are passed through to each academy at cost, they will appear in consolidated and non-

consolidated accounts as an expense transaction. Details of how costs are calculated and the value of those costs is therefore not included within this policy.

7.1 SGET Inter School Charges include:

- IT technician support
- Premises Services

8.0 Budget Setting

The Trust is required to submit a consolidated budget plan to the EFA by the 31st July of each year. In order to achieve this deadline, budget setting will be undertaken in each individual academy to allow sufficient time for the consolidated plan to be approved by Directors in early July. Each individual budget plan will feed into the consolidated Trust budget plan for the forthcoming year.

The budget planning process will be a strategic three year rolling plan and will consider what resources are required to deliver education within each establishment. It will consider all income from government grants, other generated income, planned pay & non-pay expenditure over the full three year period. The process will ensure that any reduction or increase in allocation of funds from one year to the next is transparent and is supported by clear rationale. Any such changes will be subject to peer review and agreement at the Heads' Board. This will ensure that, whilst budget setting is undertaken within each academy, the Heads' Board are cognisant of the consolidated approach that must be taken by the Trust's Directors.

9.0 Management of Surplus funds

At the end of each financial year any unplanned surplus funds⁴ will be pooled. This pooled funding will be used by the SGET Heads' Board and Board of Directors as a contingency reserve and to support future academy and trust-wide developments.

Cost pressures and developments will be identified and agreed at the Heads' Board who agree or recommend, in line with the Trust's Financial Scheme of delegation, how the pooled resource should be used for the forthcoming years.

9.0 Appeals

If an academy's head teacher feels that the academy has been unfairly treated, they should first appeal to the Trust's Board of Directors. If the grievance is not resolved, they can then appeal to the Secretary of State, via EFA, whose decision will be final and who can dis-apply the provisions for pooling in this handbook in relation to the multi-academy trust.

⁴ Surplus funds are defined as any surplus funds that fall outside the budget setting process (see section 8.0)

10.0 Implementation & Communication Plan

The Trust's Pooling Policy shall be monitored through the Heads' Board and Implemented by the Trust Business Manager and Finance Team

12.0 Further sources of information/references

Academies Financial Handbook 2016

<https://www.gov.uk/government/publications/academies-financial-handbook>

Equality impact assessment screening form

Appendix i

Section one: screening for impact	
Name of policy	SGET Pooling Policy
Project lead completing assessment:	Matt Hayes
Position:	Business Manager
1. What is the main purpose of the strategy/project/policy?	
Describes the SGET approach to pooling of resources	
2. Who will be the main stakeholders/users of the policy? Please consider the impact of the policy on the different groups of stakeholder /users.	
Board of Directors, Heads' Board, Business Manager, Finance Team	
3. Please enter in your start and proposed end dates of the assessment.	
4. Have you already consulted with people about this work? If yes, briefly describe what you did and with whom. Is there any external or additional research that you can use to support the development of this policy?	
N/A	

5. Use the table to show:
- Where you think that the policy could have a negative impact on any of the equality strands, that is, it could disadvantage them – if no impact please note the evidence for this.
 - Where you think that the strategy/project/policy could have a positive impact on any of the groups or contribute to promoting equality, equal opportunities or improving relationships within equality characteristics.

	Positive impact	Negative impact	No impact	Reason and evidence (provide details of specific groups affected even for no impact)
Age			✓	Policy is concerned with financial management.
Disability			✓	Policy is concerned with financial management.
Gender			✓	Policy is concerned with financial management.
Gender identity			✓	Policy is concerned with financial management.
Sexual orientation			✓	Policy is concerned with financial management.
Race			✓	Policy is concerned with financial management.
Religion or belief			✓	Policy is concerned with financial management.

6. If you have indicated there is a negative impact on any group, is that impact:		
Legal? (not discriminatory under anti-discriminatory legislation)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Intended?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Level of impact?	High <input type="checkbox"/>	Low <input type="checkbox"/>

If the negative impact is possibly discriminatory and not intended and/or of high impact you must complete a full equality impact assessment. If not, complete the rest of section one below.	
7. Could you minimise or remove any negative impact that is of low significance? Could you add any additional action to have a positive impact rather than no impact?	
Can be available in large print if required.	
8. If there is no evidence that the strategy, project or policy promotes equality, equal opportunities or improved relations – could it be adapted so that it does? If so, explain how.	
No	
9. Please list the outcome following this equality impact assessment (this could be no changes, some changes, further work needed around particular groups or cease development of the policy).	
Can be available in large print if required.	
Signed:	Date: