



Central Funds

Policy



Academies Financial Handbook on Central allocation

The Academies Financial Handbook, 2020 states:

5.29 A trust with multiple academies can amalgamate GAG for its academies to form one central fund. This can be used to meet the running costs at any constituent academy within the trust. In accordance with its funding agreement a trust **must not** pool [PFI funding](#).

5.30 The trust **must** consider the funding needs and allocations of each constituent academy and **must** have an appeals mechanism. If a constituent academy's principal feels the academy has been unfairly treated, they should appeal to the trust. If the grievance is not resolved, they can appeal to the Secretary of State, via ESFA. Where ESFA receives an appeal, it will review the process that the trust has followed, including whether the trust has considered the funding needs of the constituent academy, and whether the trust's internal appeals process has been applied. ESFA will provide the constituent academy and the trust with the opportunity to provide any evidence they feel is relevant to the case. ESFA's decision will be final and can result in the pooling provisions being dis-applied.

This policy sets out the approach taken by the Tower Trust in respect of the above and will apply to all schools in the Trust for budgets set for 21/22, i.e. applies from 1st September 2021 and all those that join the Trust after this date.

An appeals mechanism is described within this policy document for academies that may feel they are being treated unfairly by the Central Funds process.

Trust Funding from Academies

Each year the Trust will retain a fixed % of the GAG funding for each constituent academy. In 21/22 it will be 5%. This is revised annually in the Summer term alongside budget setting for the year ahead. For clarity, this:

Includes the funding each academy receives in respect of:

- Minimum Funding Guarantee (MFG)
- Other Factors (excluding PFI)
- Pupil Led Factors
- Academies Programme funding (sixth form)
- Advanced Maths Premium Acads
- High value course premium
- Nursery funding

Excludes the funding each academy receives in respect of:

- Academies Bursary Funds (sixth form)
- Funding for Universal Infant Free School Meals;



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- Capital income
 - Capital Improvement Fund income
 - Other income generated by individual academies.
 - Other non-GAG Government funding;
 - PE Sports grants;
 - PFI funding
 - Pupil Premium funding;
 - Summer School funding;
 - Top-up funding for special educational needs (SEN) or additional educational needs (AEN) in mainstream academies;

The Trust will give consideration to the funding needs and allocations of each constituent academy.

A statement will be issued to each Academy not later than 31st June for the next financial year, detailing the funds to be retained by the Trust. The constituent academies will have a period of 10 working days to appeal.

Use of Central Funds

The funds retained by the Trust will be used to fund the following expenditure on behalf of the academies within the Tower Trust during the remainder of 20/21. **There may be adjustments agreed with each school for a change of approach in 21/22 and so far as possible, these adjustments will be built into budgets set for that period.**

Staff

- CEO
- CFO/SBM/Company Secretary
- HR Manager

Central Financial systems, services and compliance

- Annual actuarial re-valuation fees in respect of the Local Government Pension Scheme (FRS102) *
- Orovia Budget Planning Software
- Sage finance software and Accountancy support
- Preparation of Financial Annual Accounts and filing with Companies House
- Monthly Management reporting to Trustees
- External Audit and Accountancy fees
- Audit bank fees from Trust and its respective Academies
- Internal Audit for the Trust and its Academies
- Trust banking fees
- Trust subscription for contracts and asset management
- Trust support of Curriculum Led Financial Planning
- Central Trust statutory returns, including, but not limited to:
 - school resource management self-assessment
 - budget forecast return



- land and buildings collection
- accounts return
- financial statements
- Teachers Pensions end of year Certificate and audit thereof

Central services administration and compliance

- Administration Costs
- Trust ICT hardware
- Trust subscriptions
- Travel / Subsistence /miscellaneous expenditure in respect of Trust activity
- Trust website provision and maintenance
- Trust Policy compliance (generation and maintenance of required policies)
- Trust safeguarding compliance including CPOMS subscription for schools
- Trust GDPR compliance including DPO subscription and annual audit of Trust schools
- Trust Performance Management of Headteachers
- Legal fees including retainer
- Training of Trust staff, Trustees and Committee Members
- Trust liaison with the ESFA
- Trust provision of support to individual Academy or Trust initiatives
- Trust Estate Management
- Bid management for Condition Improvement Fund
- Trust IT assurance audit
- Trust Census reviews
- Academies Risk Protection Insurance for both Academies
- Health & Safety SLA for both Academies
- Trust subscription to Tower Hamlets Education Partnership (THEP) for its schools

Governance

- Trust Governance including hosting and managing meetings to comply with the Academies Financial Handbook, including AGM
- Governor Hub: Trust Governance Hub
- Trust Clerking for Central Trust
- Clerking for Academies

HR

- Ensure legal HR compliance across the Trust, including Safeguarding
- Develop HR strategy as directed by the Trust
- Lead and advise on all HR matters for the Trust and its Academies
- Provision of a quality and highly responsive advisory service to Academies, including, but not limited to:
 - Regular HR surgeries in schools



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- Overseeing recruitment activity at both Academies, including role needs reviews, development and approval of adverts, placing of adverts, interview prep, referencing all pre-recruitment checks, induction and probation reviews
 - Exit interviews
 - Overseeing Payroll
 - Monitoring of contracts, ensuring consistency of performance and pay reviews; ensuring that JDs are correct and updated across the Trust
 - Review and support for all staff HR applications, such as flexible working
 - Overseeing and reporting to Trust on attendance, sickness, reviews, capability and disciplinary
 - Ensuring staff wellbeing support consistently in place and improved across the Trust
- Policy review and development
 - Negotiation and review of all HR related contracts, including Agency staffing
 - Statutory and non-statutory reporting, e.g. audit HR elements, gender pay gap
 - Liaison with Unions and key stakeholders
 - Leading on HR elements to underpin the Trust ethos and brand development

*Initial actuarial valuation for schools/academies joining the Trust is to be funded by the individual academy from the academy Start-up grant.

The Trustees reserve the right to update the areas of expenditure on an annual basis. Where appropriate the top-slice will be adjusted to reflect any increases in costs or increase in the services to be provided directly by the Trust, or as a result of cost-savings generated through streamlining of back-office functions.

Appeals

As required by the Academies Financial Handbook, Academies have the right to appeal if they believe they have been unfairly treated in connection with central funds. Within the Tower Trust, constituent academies have 10 working days from the issuing of a settlement statement from the Trust to the Academy in which to appeal. Appeals should be made in writing directly to the Chief Executive Officer.

The CEO and Trustees will consider the appeal and will notify the academy of their decision within 10 working days of receipt of the written appeal.

In the event that this does not resolve the academy's grievance then the academy has the right to appeal to the Secretary of State, via the ESFA, whose decision shall be final.

Policy Issued: June 2021

Next Review: June 2022

Chair of Trustees: Daniel Scullion



Chief Executive Officer: Susan Ward