



**Shaw
Education
Trust**

Control of Assets Policy

Procedure Originator: Helen Turner

Approved By: C-Suite

Queries to: H. Turner

Review Interval: 3 years

What is an Asset?

The Education and Skills Funding Authority [ESFA] defines an asset as:

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

EFA, Academies Financial Handbook 2015, p46.

Register of Assets

Without exception, each academy must maintain a register of inventory of all assets valued or cost above £500.

An annual check of assets on the register must be undertaken by an independent officer to ensure that physical items agree with items listed on the inventory. The independent officer should sign and date the inventory to confirm agreement.

The independent officer should report to the Academy Council on completion of the asset register check. This must be completed by 31 December each year. All discrepancies should be investigated and reported to the Academy Council.

The Academies Trust Handbook 2023 states that ESFA consent is required for a write-off of loss if it exceeds:

- 1% of annual income or £45,000 individually; or
- 2.5% or 5% of annual income cumulatively [5.19 and 5.20]

If the loss is of a reportable value, please notify the CFO of the Trust immediately.

Security of Assets

The Academy should have a system in place to record all property belonging to the Trust which is taken off site. A signature should be obtained, and its return recorded. Items such as laptops which are a requirement of the post carried out by the employee can be signed out on an annual basis and checked back in at the end of the Academy year. The number of items within an employee's possession outside of the Academy should be limited and there should be a check before giving out additional equipment.

All items taken off site are the employee's responsibility and it would be expected that any loss or damage whilst in their possession would be claimed from their own insurance policy. Employees should sign to agree to this measure before removing equipment off the Academy site.

It is the responsibility of all persons working within the Academy to always ensure the security of the premises. The "responsible person" is the person that has direct control over a particular area for e.g., the minibuss driver must assume responsibility over the security of the minibuss fleet. The principal must assume the overall responsibility for safeguarding and the security of the site.

The Academy should have a mechanism in place for reporting risks around the security of the premises to the Academy Council and a review of security should be undertaken regularly.

The number of keys in existence to buildings, safes, etc. should be limited to the minimum practical and access to them must be controlled. The Academy Delegated Accountability Framework must include a central register of all keys within the academy and a list of all key holders.

All keys to safes, cash boxes and other receptacles in which money or valuables secured must be always carried on the person of those responsible.

Fixed Assets: Depreciation Policy

An item that has been recorded on the academy asset inventory [as described above for an asset valued or cost above £500] which is valued over £3,000 [per individual item] should be depreciated. Items at this value, £3,000 or more are considered to have a useful life longer than the financial year they were purchased in.

The depreciation will be calculated and charged on a monthly basis. Depreciation will be charged for the full year in which the asset is acquired.

A budget can be set within the Fixed Asset Fund to provide an indicative charge for depreciation for the year to the Fixed Asset Fund Account.

The Depreciation policy is as follows:

	Method	Rate
Land [Leasehold from Local Authority on conversion]	Straight Line	125 years
Land [Freehold on conversion]	None applied	None applied
Buildings [Freehold and Leasehold on conversion]	Straight Line	50 years
Land and Buildings [not on conversion]	Straight Line	50 years
Land and Building Improvements	Straight Line	10 years
Furniture & Equipment	Straight Line	4 years
Plant and Machinery	Straight Line	4 years
ICT Software and equipment	Straight Line	4 years
Motor Vehicles	Straight Line	4 years

Note: Other Assets transferred to the Academy at the point of conversion: Only assets which would be capitalised under the Academy policy e.g., those that are considered to have a remaining useful economic life of more than 1 year and are individually worth more than £3,000 (based on replacement cost) to the Academy at the point of conversion.

The appropriate accounting transactions are processed for all capitalised assets and recorded on the Fixed Asset Register. Transactions will be recorded within the Fixed Asset Fund account in addition to the transaction to the Balance Sheet.

All items that have been included on the Fixed Asset Register should be security marked by the Academy, where practicable, indicating that the item is the property of the Academy and stating the number allocated to the asset on the register.

Intangible Assets

An intangible asset is an asset that lacks physical substance (unlike physical assets such as machinery and buildings). It includes patents, copyrights, franchises, goodwill, trademarks, trade names, the general interpretation also includes software and other intangible computer based assets.

An item that has been recorded on the academy asset inventory [as described above for an asset valued or cost above £500] which is valued over £3,000 [per individual item] should be amortised. Items at this value,

£3,000 or more are considered to have a useful life longer than the financial year they were purchased in.

The amortisation will be calculated on an annual basis for preparation of the year end accounts. Amortisation will be charged for the full year in which the asset is acquired.

The Amortisation policy is as follows:

	Method	Rate
Computer Software	Straight Line	4 years

Valuation of Land and Buildings

Land and Buildings are valued on a cost basis, unless there is a specific reason to believe the value of the asset has been impaired.

Assets in the course of construction

Assets in the course of construction are included in the fixed assets register at cost. Depreciation on these assets is not charged until they are bought into use and reclassified to freehold or leasehold land and buildings.

Transfer of assets on conversion (including transfer of existing academies)

Where assets and liabilities are received to the Shaw Education Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Shaw Education Trust.

Assets that are under PFI (Private Funding Initiative) are not recognised on the balance sheet under the contract ends and lease passed to the Trust.

Write-Off and disposal of Assets

Academies within the Trust wishing to write-off or dispose of Academy Assets, that are deemed to be surplus to requirements, unusable or obsolete, must obtain Shaw Education Trust approval where the asset value exceeds £2,000. Approval for the writing off, of debt below £2,000 should be determined within the local Academy Delegated Accountability Framework

The Shaw Education Trust will refer to the Academies Trust Handbook 2023 which sets out the requirements on the Shaw Education Trust in obtaining ESFA approval for the writing off of debts and losses.

Sale of Assets

Except for buildings, land and heritage assets, assets can be disposed of without the ESFA's prior approval. Academies within the Trust wishing to sell Academy Assets must however obtain Shaw Education Trust approval for a single asset or group of assets valued in excess of £1,000. For the sale of assets [or group of assets] below £1,000 academies are free to determine the approval requirements within their Academy Delegated Accountability Framework

Academies must ensure that any disposal of asset achieves the best price that can reasonably be obtained and maintains the Principals of regularity, propriety and value for money.

Any income generated from the sale of assets may only be spent on resources for pupils within the Academy.

Use of Capital Funds

Any capital grants or funding received by the academy must be used specifically for capital purposes. Please note that not all capital expenditure will be added to the central fixed asset register and depreciated. For example, an item of capital expenditure that is less than £3,000 in value.

Schools Condition Allocation

The Trust receives an annual entitlement for Schools Condition (SCA – Schools Condition Allocation). The SCA grant is paid by the Secretary of State pursuant to Section 14 of the Education Act 2002 for the purpose of maintaining and improving the academy estate, so that children can learn in a safe environment. Investment must prioritise keeping academy buildings and grounds safe and in good working order by tackling poor building condition, building compliance, health and safety issues and energy efficiency.

In order to ensure that this budget is apportioned transparently, equitably and to the greatest impact, the Trust operate a central, single Asset

Management Plan (AMP) which contains all known data relating to the condition and suitability of the school buildings within the Trust. This includes data derived from condition surveys, planned preventative maintenance regimes and school's individual strategic requirements.

Expenditure of the grant includes investment in buildings, grounds, Health and Safety, Energy Efficiency, IT Infrastructure and general refurbishments including associated furniture and Equipment.

Investment priorities are determined through the application of the AMP methodology which considers "Condition", "Priority" and the following areas of Impact; Teaching and Learning, Pupil Experience, Staff Welfare, Equality and Diversity, Business Continuity, Reputation and Environment & Sustainability thereby targeting those areas of greatest need whilst ensuring that all investment renders the maximum achievable impact.

Grant expenditure is continually monitored by the Director of Estates with oversight conducted by the Trust's "Capital Steering" and Trust Board respectively.

This policy has been equality impact assessed and we believe in line with the Equality Act 2010. It does not have an adverse effect on race, gender or disability equality.



Shaw Education Trust

Shaw Education Trust Head
Office,
Kidsgrove Secondary School,
Gloucester Road,
Kidsgrove,
ST7 4DL

Twitter	@ShawEduTrust
LinkedIn	@ShawEducationTrust
Call	01782 742910
Email	info@shaw-education.org.uk
Visit	www.shaw-education.org.uk

**Pupil &
people
centred**

**Act with
integrity**

**Be
innovative**

**Be best
in class**

**Be
accountable**