

Appendix 2

2. Budgets	Allocation (%)	Responsibility
Salaries	80% (1% contingency)	PLT
Saving targets	4%	PLT
Capital Projects	4%	PLT
ICT	2%	PLT
Contingency	1%	PLT
Operation Budgets	9%	Academies
Total	100%	

Finance information Scheme of Delegation

The purpose of scheme of delegation finance section

The trust has delegated certain financial responsibilities to Academy Councils in line with the financial scheme of delegation. Academy Councils and the Academy Headmaster will be responsible for ensuring balanced budgets.

PLT is responsible for managing central budgets for its Academies and sets guidelines for the allocation of financial resources as outlined below. PLT has set each Academy's salary budget at 79% of total fixed funding and revenue with 1% contingency for sickness and absence. Academies are given autonomy to distribute 9% of total budget.

In principle, budget allocations will be managed centrally by PLT

Central Budgets – 91%

- Salaries and Agency budgets for all Academies (79% salary + 1% contingency)
- ICT equipment and upgrades (2% of total revenue funding)
- Capital projects budgets (4% + any funding received for capital work)
- PLT reserves (4% savings target for each Academy to be set aside by PLT into a general reserve account which will be available on a discretionary basis for any Academy with an appropriate need)
- Contingency budgets (1%)

Academies' autonomous budgets areas– 9% of total budget

- Learning Resources
- ICT maintenance

- Planned and reactive building maintenance
- Admin and classroom supplies
- Utilities
- Cleaning
- Professional fees and charges
- Staff development
- Catering
- Exam fees

Other grants and funding – full funding is managed and controlled at Academy level

- Sports grants
- Pupil Premium grants

The above limits are benchmarked against other academies of similar sizes. In order to meet the financial objective of PLT, Academies should follow these guidelines when setting up budgets. PLT expects each of its newly joined Academies to use zero based budgeting technique, meaning that when each budget is drawn up it is not based on the previous year activities, but it is based on entirely new costings and projection. This helps Academies to understand that any redundant historic activities will not be continued.

Budget Setting

As part of a family of Academies we aim to have the greatest amount of impact with efficacy.

Preparation of Budgets

Budgets should be prepared by each Academy Headmaster with the input of the Academy Council: -

- (a) in accordance with the requirements of Best Value i.e. Compare, Consult, Compete and Challenge
- (b) to reflect the priorities within the Academy Development Plan.
- (c) in accordance with the provisions of the PLTs Financial Management Scheme
- (d) within the limit of the approved overall budget share;
- (e) in accordance with properly approved and clearly stated plans and policies for the academy's activities
- (g) in a format which will meet managerial needs and be readily intelligible to users
- (h) in accordance with sound accounting principles; these imply that financial estimates should: -
 - be based on the most up-to-date and reliable information available
 - include provision for all approved activities
 - include provision for contingencies
 - be arithmetically correct
 - be consistent with recognised accounting practice

- meet requisite time limits
- (i) in such a way as to facilitate the subsequent monitoring and control of actual expenditure
- (j) in such a way that they can be related meaningfully to relevant non-financial information

Control of Budgets

Arrangements for the control of budgets should seek to ensure that:-

- (a) expenditure is maintained within approved budgetary provision
- (b) funds are expended for approved purposes only

Such arrangements should include adequate procedures for: -

- (a) the safe comparison and monitoring of the progress of actual expenditure in relation to estimated expenditure - it is emphasised that reports of actual expenditure should be based on complete, accurate and up-to-date financial records which are properly reconciled to the bank account
- (b) the investigation of differences (variances) between actual and estimated expenditure
- (c) appropriate action to correct differences (variances)
- (d) the approval of changes to the budget
- (e) the prevention of unauthorised expenditure

The administration of such procedures implies the existence and proper operation of an accounting system which is capable of producing, for every level of budgetary control, accurate, up-to-date, timely and appropriate financial information which facilitates the comparison and monitoring of actual and estimated expenditure.

Review of Budgets

Arrangements for financial management and administration should incorporate adequate provision for the review of budgets to establish whether the academy's delegated budget is being deployed in the most effective manner for the purpose of achieving managerial objectives.

Documentation of Systems and Procedures

Up-to-date records of how systems and procedures ought to be operated should always be maintained and such documentation should: -

- (a) specify system objectives
- (b) describe clearly how the system, including any related procedures, works
- (c) indicate who has authority to operate the system or any part of it
- (d) include specimen system documents
- (e) specify arrangements for dealing with system problems or failure
- (f) enable any reasonably competent person to understand the system

In order to support strategic PLT activities, a contribution of 6% of each Academy's budget will be levied. In addition, when necessary, specific charges will be made for bespoke intervention when curriculum and performance require e.g. long term or significant deployment of support and resource. It is PLT's intention to review the levy annually.

Budget setting cycles

➤ All final Academy budgets must be submitted to the Board for ratification by 30 June each year.
➤ Indicative budgets must be in place by May each year.
➤ Budgets require authorisation by the Academy Council, Headteacher, Finance & Resources Manager and CEO prior to being presented to the Board.
➤ All Headteachers in conjunction with their Academy Council will submit their Academy Improvement Plan, Summary SEF and Curriculum Led Financial Plan to the CEO by the beginning of November each year.

TRUST ANNUAL PLAN

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
<i>PLT Budget Planning - Allocation of budgets to Academies and setting overall PLT budget for the following academic year</i>				<i>PLT review of each Academy budget. PLT approval/ adjustment as required. PLT finalise overall budgets for the Finance, Resources & Premises Joint Committee and Board's approval.</i>		<i>Approved budgets submitted to EFA by 31st July</i>					

ACADEMIES ANNUAL PLAN

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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<i>Curriculum Led Financial Plan</i>	<i>Indicative budget allocation received from trust</i>	<i>Each Academy sets detailed budget based allocations and submit final signed budget to PLT for approval.</i>	<i>Finalisation of the overall PLT budget. Budgets authorised</i>	<i>Finance, Resources & Premises Joint Committee review the final budget and make adjustments (if applicable) before the budget is submitted to the Board for final approval. Approved budget is then submitted to EFA on or before 31 July.</i>		<i>Academy Improvement Plan, Summary SEF</i>			
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RETURNS

All Academies are required to submit monthly VAT to central finance team by 10th of every month.

All Academies are required to submit monthly accounts to the PLT central finance team by 10th of every month.

All Academies are required to submit budget monitoring reports to the PLT central finance team by 15th of every month.

Financial Levels of Authority

All procurement must be carried out in compliance with the principles of the EU Treaties, include the free movement of goods (Article 28 of the EC Treaty), the right of establishment (Article 43), the freedom to provide services (Article 49), non-discrimination and equal treatment, transparency, proportionality and mutual recognition. For most goods and services where contracts will have a value over their lifetime in excess of the OJEU threshold, a strict procedure must be followed in compliance with the Public Contracts Regulations 2006 and related regulations.

Trustees, officers and staff (representatives) do not have authority to deal with financial matters otherwise than in accordance with the SoD. Also the representatives do not have authority to take any action which would contravene, or be likely to cause PLT or the Academies to contravene the Financial Regulations for Schools, A Financial Management Scheme for Schools and the Standards for Financial Management & Administration.

The Headteacher may delegate to his/her Assistant Headteacher the authority to make appropriate financial decisions in his/her absence but only within the limits allowed for the Headteacher.

The Headteacher shall seek the advice of the CEO if he/she has any doubt about the respective responsibility and authority of either party in relation to this scheme of delegation and/or financial administration or management.

Where action is urgently required in circumstances when the Headteacher, or the Assistant Headteacher in the absence of the Headteacher, does not have delegated responsibility to act, then the Headteacher or his/her Assistant Headteacher must obtain specific authorisation from the Director of Finance (mandatory), and one of either the Chair of the Finance, Resources & Premises Joint Committee, the Chief Executive Officer or the Chair of the Board.

The Headteacher shall have authority to expend resources from within the budget duly approved by the Academy Council provided that such expenditure does not: -

- involve a change in or extension to the Academy Council's existing policies and/or service objectives;
- involve a net increase in expenditure in future years;

The following limits are recommended for the relevant Academy Council approvals.