



Financial Policy & Procedures Manual

Incorporating: Thornden School Services Ltd

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Responsible Officer	Chief Financial Officer

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1. Introduction

- 101 The purpose of this manual is to ensure that the Trust 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 our funding agreement with the Department for Education (DfE). This policy has been established in accordance with the guidance as to best practice afforded by the Academies Financial Handbook which describes the financial responsibilities of Trusts reflecting their status as companies limited by guarantee.
- 102 The Trust must comply with the principle of financial control outlined in the academies guidance published by the DfE. This manual expands on that and provides detailed information on the Trust's accounting procedures and system manual should be read by all staff involved with financial systems.

2. Organisation

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

The Trust Board

- 202 The Trust Board has overall responsibility for the administration of the Trust's finances. The main responsibilities of the Trust Board are prescribed in the Funding Agreement between the Trust and the DfE and in the Trust's scheme of governance. The main responsibilities include but are not limited to:
- Ensuring that grants from the DfE is used only for the purposes intended;
 - Ensuring that funds from sponsors are received according to the Trust's funding agreement, and are used only for the purposes intended;
 - Approval of the annual budget;
 - Appointment of the Chief Executive Officer (Accounting Officer) and
 - Appointment of the Chief Financial Officer, in conjunction with the Chief Executive.

The Audit Committee

- 203 The Audit Committee is a committee of the Trust Board. The Audit Committee meets at least once a term, but more frequent meetings can be arranged if necessary.
- 204 The main responsibilities of the Audit Committee are detailed in written terms of reference which have been authorised by the Trust Board.

Chief Executive – The accounting officer

- 205 Within the framework of the School Improvement Plan as approved by the Trust

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Board the CEO has overall executive responsibility for the Trust's activities including financial activities. The accounting officer has specific responsibility for what is set out in the academies financial handbook and includes:

- Assuring the Governing board that there is compliance with the Academies Financial Handbook and funding agreement
- Complete and sign a statement on regularity, propriety and compliance each year
- Advise the board in writing if action it is considering is incompatible with the articles, funding agreement or handbook

Chief Financial Officer (CFO)

206 The CFO works in close collaboration with the CEO through whom he or she is responsible to the Trustees, and must be appropriately qualified and/or experienced. The main responsibilities of The CFO are:

- the establishment and operation of a suitable accounting system;
- In collaboration with the Executive Team preparation of short and longer term budgets for approval by the Trust Board
- the management of the Trust financial position at a strategic and operational level within the framework for financial control determined by the Trust Board;
- to provide day-to-day guidance and support to the Finance and Payroll staff
- implementation and operation of rigorous and robust audits and control;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust;
- the preparation of monthly and annual management accounts;
- to manage the tendering of service contracts
- oversight of insurance of the Trust
- Making relevant cash investments as set out in the investment appendix
- signing cheques in line with the bank mandate
- and ensuring forms and returns are sent to the DFE in line with the timetable in the DFE guidance and the Academies Financial Handbook.

Internal Audit

207 Internal Audit are appointed by the Audit Committee and provide Trustees with an internal scrutiny of matters as lead by the Audit Committee. The main duties of Internal Audit are to provide the Trust Board with independent assurance that:

- the financial responsibilities of the Trust 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.

208 Internal Audit will undertake a programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Trust Board at least once per year. A report of the findings and recommendations from each visit will be presented to the Audit Committee.

Other Staff

209 Other members of staff within the trust will have some financial responsibilities – a

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budget holder list will be compiled at each new budget year which delegates sign off level. All staff are responsible for the security of Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Trust's financial procedures.

- The Heads of school/ Principal/Executive Head Teacher will hold a delegated budget level for their school as authorised by Trustees and will be held accountable for their school budget. They will authorise all pay claims for additional hours worked.
- Re-imbursements relating to mileage and subsistence will be authorised by the Head of School or School Principal or Executive Head Teacher. Reimbursement to the Heads of School/School Principal or Executive Head Teacher will be authorised by the Trust CEO/CFO., and re-imbursements to the CEO will be authorised by the Chair of Trustees

Job Title	Financial Responsibilities
CEO	As set out in Appendix 1
Deputy CEO	As set out in Appendix 1
CFO	As set out in Appendix 1
Other SLT members	As set out in Appendix 1
Finance Manager and Finance Business Partner	<p>As set out In Appendix 1</p> <ul style="list-style-type: none"> • Manage Central finance teams • Review and monitor budget allocations, forecasts and management accounts • Assist CFO in annual budget setting and monitoring • Oversee and operate accurate payroll function for the Trust in conjunction with HR Manager and HR Officer • Dual authorise payments • Ensure fund accounting is accurately maintained • Authorise paylists • Dual authorise bank payments • Complete month end and lead schedules and procedures for designated academies • Oversee inter company transactions • System administrator for PS financials • Report financial areas of concern to the CFO • Support the CFO to maintain an up to date working budget in HCSS (Access Education Budgets) • Ensure the monthly payroll is checked against the budget forecast advising CFO/HR Manager of any differences • Sign and process VAT return

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Job Title	Financial Responsibilities
Senior Finance Assistants	<ul style="list-style-type: none"> • Support Finance Manager/Finance Business Partner to complete month end procedures • Complete bank reconciliation process • Ensure various income streams are currently accounted for – including H and AT Fund accounting • Input invoices/Poin • Prepare paylists • Process internal recharges as directed • Process and reconcile E-payments to PS Financials • Count and reconcile/bank cash collected • Prepare VAT returns • Debtor collection assistance • Raise sales invoices
Finance Assistants	<ul style="list-style-type: none"> • Process orders • Process GRN's • Process invoices • Process and reconcile credit card transactions • Raise sales invoices • Debtor collection • Count and reconcile/bank cash collected • Assist trip leaders in the financial administration of trips
HR or Office Managers HR Officer (and Business Manager)	<ul style="list-style-type: none"> • Processing HR/Payroll paperwork • Advise on employment law to minimise risk • Maintain HR records to ensure budgetary position correct
Head of School/Principal/Executive Head Teacher	<ul style="list-style-type: none"> • As set out in Appendix 1 • Authorising orders • Assist with budget setting process with CFO/CEO • Participate in monthly financial health check to ensure budget on track
Budget Holders	<ul style="list-style-type: none"> • As set out in Appendix 1 • Authorise orders • Authorise Invoices for payment/confirm receipt of goods • Monitor spends against allocated budget
Administration Teams/Trip Co-ordinator	<ul style="list-style-type: none"> • Collecting and receipting physical income to pass to finance team • Administration of e-payments platform

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Job Title	Financial Responsibilities
All Staff	<ul style="list-style-type: none"> Responsible for the security of school property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the financial procedures

Register of Interests

- 210 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 Members, Trustees, governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the Trust may purchase goods or services. The register is open to public inspection.
- 211 The register should include all business interests such as directorships, share holdings or other appointments of influence within a business or organisation which may have dealings with the Trust. 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 governor or a member of staff by that person.
- 212 The existence of a register of business interests does not, of course, detract from the duties of Members, Trustees, governors and staff to declare interests whenever they are relevant to matters being discussed by the Trust Board or a committee. Where an interest has been declared, Trustees, governors and staff should not attend that part of any committee or other meeting.

3. Accounting System

- 301 All the financial transactions of the Trust must be recorded into PS Financials, the Trusts financial information accounting system. This system is operated by the Finance Department

System Access

- 302 Entry into PS Financials is password restricted and only available to Finance Staff. PSF is hosted on the PSF Cloud.

Financial Control Measures and Segregation of duties

- 303 Finance staff within the Trust shall have appropriate skills and experience. Operational duties shall be allocated by the Finance Manager/Finance Business Partner to ensure clear segregation with a view to minimise the risk of fraud, theft or financial errors. These duties will be clearly stated within the role description of finance staff members and reviewed as necessary.

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Back-up Procedures

- 304 The CFO is responsible for ensuring that there are effective back up procedures for the system.
- 305 The Trust should also prepare recovery plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by governors of the major risks to which the Trust is exposed and the systems that have been put in place to mitigate those risks.

Transaction Reports

- 306 The Finance Manager will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The report obtained and reviewed will include:
- the monthly view of the audit trail; bank reconciliation
 - Management Accounts summarising expenditure and income against budget at budget holder level.

Reconciliations

- 307 The Finance Department is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:
- sales ledger control account;
 - purchase ledger control account;
 - payroll control account;
 - all suspense accounts and
 - Bank balance per the nominal ledger to the bank statement.
- 308 Any unusual or long outstanding reconciling items must be brought to the attention of CFO. The Finance Manager will review and sign all reconciliations as evidence of his/her review on a monthly basis.

4. Financial Planning

- 401 The Trust prepares both medium term and short-term financial plans which will be balanced or utilise carry forward funds as appropriate.
- 402 The medium-term financial plan is prepared as part of the development planning process. The development plan indicates how the Trust's educational and other objectives are going to be achieved within the expected level of resources over the next three years.
- 403 The school development plan will provide the framework for the annual budget. The budget is a detailed statement of the expected resources available to the Trust and the planned use of those resources for the following year. The scheme of delegation will dictate where decisions can be made about the development plans of each school within the Trust.

Annual Budget

- 404 The CFO is responsible for preparing and obtaining approval for the annual budget

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in liaison with the CEO and supported by the Finance Manager/Finance Business Partners. The budget will be presented to the Trust Board for approval.

- 405 The approved budget must be submitted to the DFE by July 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 in line with the Academies Financial Handbook.
- 406 The annual budget will reflect the best estimate of the resources available to the individual schools and Trust 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.
- 407 The budgetary planning process will incorporate the following elements/assumptions:
- forecasts of the likely number of pupils to estimate the amount of DFE grant receivable;
 - review of other income sources available to the Trust to assess likely level of receipts;
 - review of past performance against budgets to promote an understanding of the Trust 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

- 408 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 savings 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 if there is no planned spend of reserves. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need.

Finalising the Budget

- 409 Once the different options and scenarios have been considered, a draft budget should be prepared by The CFO for approval. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.
- 410 The budget should be accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is easier for all concerned to take remedial action. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

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Monitoring and Review

- 411 Monthly budget reports will be prepared by CFO/Finance Manager/Finance Business Partner. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the CEO and the Trust Board. In line with the Trust Financial Handbook, management accounts will be shared with the Chair of Trustees monthly and the Trust Board 6 times per year.
- 412 Any potential overspend against the budget must in the first instance be discussed with the budget holders and if necessary, flagged with the relevant Head of School/School Principal/Executive Head Teacher and/or CEO.
- 413 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 wire money from another budget or from the contingency. All budget virements over £10,000 must be authorised by the Trust Board.

5. Payroll

- 501 The main elements of the payroll system are:
- staff appointments;
 - payroll administration and
 - payments.

Staff Appointments

- 502 New staff roles within the staffing structure are approved by the CEO in conjunction with the Trust Board where necessary.
- 503 The Head of School/School Principal in liaison with the Executive Head Teacher has authority to appoint staff within the authorised role establishment except for leadership roles whose appointments must follow consultation with the CEO as stated in the scheme of delegation. The Head of School/Principal/Executive Head Teacher is responsible for ensuring that personnel files are maintained for all members of staff, supported by the central HR team. All personnel changes must be notified, in writing, to the HR Manager immediately to ensure staffing forecasts and paperwork is completed. Organisation changes. New Starters within the agreed structure will be signed off by the Head of School/Principal/Executive Head Teacher

Payroll Administration

- 504 The Trust payroll is administered externally by EPM on behalf of the Trust.
- 505 All staff are paid monthly. New starters will be entered onto the payroll system recording;
- salary;
 - bank account details;
 - taxation status;
 - personal details and

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- any deductions or allowances payable.

506 Overtime/additional hours will be processed one calendar month in arrears unless agreed by exception.

Payroll Payments

507 Before payments are processed printouts of all data should be raised and reconciled. Authority to release payment will be by CFO and the CEO. By exception the Finance Manager may be one of the authorised signatories to cover annual leave or sickness

508 All salary payments are made by BACS on the date as specified in the employment terms.

509 The Finance Manager should prepare a reconciliation between the current months and the previous months gross salary payments showing adjustments made for new appointments, resignations, pay increases etc.

510 The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable are summarised on the gross to net pay print and BACS upload for these amounts should be prepared by the Finance Department and authorised for payment by as per the mandate by the due date. Payments to HMRC, Teachers Pension and LGPS pension will be made monthly and scheduled to the relevant deadlines.

511 After the payroll has been processed the nominal ledger will be updated via journal. Postings will be made both to the payroll control account and to individual cost centres. The Finance Manager should review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted incorrectly.

512 On a monthly basis the Finance Manager will check for each member of staff that the gross pay per the payroll system agrees to the Financial Planning Software before payments are authorised – this will be signed off by the CEO.

6. Purchasing

601 The Trust wants to achieve the best value for money from all our purchases. This means they want to get what they need in the correct quality, quantity and time at the best price possible. A large proportion of their purchases will be paid for with public funds and they 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;
- **Accountability**, the Trust is publicly accountable for its expenditure and the conduct of its affairs;
- **Fairness**, that all those dealt with by the Trust are dealt with on a fair and equitable basis.

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Best Value:

- **Challenge** – Why, how and by whom an activity is carried out that incurs an associated expense
- **Competition** – Use as a means of securing efficient and effective service
- **Compare & Contrast** – Procurement performance against other academies and schools wholly and in part
- **Consult** – Where practicable, involve internal and external parties in the procurement activities to achieve economies of scale

Routine Purchasing

- 602 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 and to ensure that the funds available are not overspent. Data detailing actual expenditure and committed expenditure (orders placed but not paid for) against budget will be supplied to each budget holder each month.
- 603 Any departmental unspent balances will usually be carried forwards into the following financial year and form part of the allocation where agreed
- 604 Routine purchases up to £3,000 can be ordered by budget holders if funds are available within their budget. An additional quote or price must always be obtained before any order is placed over £5,000 and two additional quotes over £10,000. However, HISP Multi Academy Trust will take advantage of discounts for bulk purchases or ones where it is a value for money continuation of prior purchase or work where appropriate without obtaining further quotations.
- 605 The Trust may extend any 3-year contract in line with the contract periods being offered by Hampshire County Council or Southampton City Council without going for tender provided the company continues to offer good value for money and the appropriate level of service.
- 606 Some contracts offering support may be renewed without the need to go out to tender or obtain other written quotes if they offer best value.
- 607 Where possible, the Trust will consider the Deals for Schools as offered by the DfE
- 608 All orders must be made, or confirmed, in writing either via the ordering email address either by the budget holder or by the administrator (and cc'ing the budget holder into the email) or by using an official order form, stocks of which are held in the Finance Department. Orders must bear the signature of the budget holder and must be forwarded to the Finance Department where The Finance Manger will check to ensure adequate budgetary provision exists before placing the order. In all cases the budget holder will be required to sign off the invoice upon receipt of the goods – this can be done by email and may not be a inked signature.
- 609 Approved orders will be recorded in the purchase order module of the financial information system which allocates a reference number. Orders will be dispatched to the supplier from the Finance Department unless specifically notified not to.
- 610 The budget holder must make appropriate arrangements for the delivery of goods to the Trust. On receipt the budget holder must undertake a detailed check of the

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goods received and make a record of any discrepancies between the goods delivered order. Discrepancies should be discussed with the supplier of the goods without delay.

- 611 If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Department should be notified.
- 612 All invoices should be sent to the Finance Department based at Thornden School – ideally via email. The Finance Department gain authorisation by the budget holder to pay:
- Budget holder will satisfy themselves that:
 - goods/ services received;
 - goods/services are as ordered and good quality;
 - prices correct;
 - invoice authorised for payment;
 - payment authorised;
 - Purchase Order Invoices, with GRN's and that agree to the original PO do not require a authorisation on the invoice – it will be recognised that authority was given at the time of the order.
 - Non order invoices – must be signed to approve payment/receipt of goods or service
 - Once the invoice has been authorised it is registered in the accounting system. Invoiced will be scanned into PSF and attached to the relevant transaction so that a complete electronic record is maintained.
- 613 The Finance Department will then input details of payments to be made to the purchase ledger and generate the payment to the supplier. The cheques/BACS runs and associated paperwork must be authorised by two of the nominated bank signatories
- 614 At least three written quotations should be obtained for all orders between £10,000 to £60,000 to identify the best source of the goods/services (or as per exception in 603,604,605). Written details of quotations obtained should be prepared and a copy should be sent to the Finance Department. Telephone quotes are acceptable if these are evidenced and emailed confirmation of quotes has been received before a purchase decision is made – For goods and services likely to exceed £60,000 procurement advice about frameworks available/tender/mini competitions will be taken in liaison with the CFO.
- 615 When a supplier changes their bank details, as a precaution against fraud, verification must be sought by the finance department by:
- Check for telephone number online
 - Call and ask them to confirm their bank details
 - Ensure this matched the notification received
 - Sign paperwork as verified and change on PS Financials
 - File in central folder

Tendering

- 616 Higher value purchases may also fall under EU procurement rules which requires advertising in the Official Journal of the European Union. Guidance on the OJEU thresholds is given in the Academies Financial Handbook. We will follow appropriate

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guidance in these circumstances.

- 617 Current Thresholds:
Summary of Threshold Levels from 1st January 2020 The Public Contracts Regulations Supplies & Services (except subsidised services contracts) Schedule 1 bodies £122,976 Others £189,330 Subsidised services contracts All bodies £189,330 Works (including subsidised works contracts) All bodies £4,733,252 Light Touch Regime for Services All bodies £663,540 Small lots Supplies and services £70,778 Works £884,720

7. Income

- 701 The main sources of income for the Trust are the grants from the DfE. The receipt of these sums is monitored directly by the Finance Manager who is responsible for ensuring that all grants due to the Trust are collected and reconciled regularly.
- 702 The Trust also obtains income from:
- students, mainly for trips and
 - other schools/DfE for teaching school activities
 - the public for lettings

Trips

- 703 A lead teacher must be appointed for each trip to take responsibility for costing the trip, aided by the finance department and the lead teacher is also responsible for the collection of sums due. The lead teacher must prepare a record for each student intending to go on the trip showing the amount due. A copy of the record must be given to the Finance Department.
- 704 Students should make payments at the Administration Office or Finance Department (as agreed by the CFO) or via the online payment system. A receipt must be issued for all cash collected over £10.
- 705 The relevant finance assistant should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record should be sent to the lead teacher on a weekly basis and the lead teacher is responsible for chasing the outstanding amounts.

Sports Lettings

- 706 A nominated administrator is responsible for maintaining records of bookings of schools' facilities and for identifying the sums due from each organisation. Paperwork will be passed to finance monthly and an invoice raised to the hirer
- 707 Details of organisations using the school's facilities will be held by the relevant Administrator who will receive a debtors list at least monthly and chase outstanding monies due if applicable, long standing debts will be flagged to the Finance and Payroll Manager and legal action taken if necessary.
- 708 No debts should be written off without the express approval of the CFO (the DfE's prior approval is also required if debts to be written off are above the value set out in

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the Academies Financial Handbook).

- 709 Organisations using the school's facilities should be instructed to send all payments to the Central Finance Department.

Custody

- 710 Official, pre-numbered Trust receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the safe prior to banking. Banking should take place twice per week or more frequently if the sums collected exceed insurance limit safe. On the occasion other staff collect money this should be kept in a lock safe or if not possible locked in a filing cabinet overnight until the money can be transferred to a safe.
- 711 Monies collected must be banked in their entirety in the appropriate bank account. The Finance Department is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system.

8. Cash Management

Bank Accounts

- 801 The opening of all accounts must be authorised by the Trust Board 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.

Deposits

- 802 Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:
- the amount of the deposit and
 - a reference, such as the number of the receipt or the name of the debtor.

Payments and withdrawals

- 803 All cheques and other instruments authorising withdrawal from Trust bank accounts must bear the signatures of two of the following authorised signatories:
- CEO
 - Deputy CEO
 - Heads of School
 - Chief Finance Officer
 - Finance Manager
 - Finance Business Partner
- 804 This provision applies to all accounts, public or private, operated by or on behalf of the Trust Board of the Trust.

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Administration

- 805 The Finance Manager must ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:
- all bank accounts are reconciled to the Trust's cash book;
 - reconciliations are prepared by the Finance Department;
 - reconciliations are subject to an independent monthly review carried out by the Finance Manager or in his/her absence the CFO and
 - adjustments arising are dealt with promptly.

Petty Cash Accounts

- 806 The Trust maintains a maximum cash on site balance of £250, except on occasion where there are many trips taking place where the balance might increase to around £1500 for a period of not exceeding 3 weeks. The cash is administered by the Finance Department and is kept in the office safe.

Payments and Withdrawals

- 807 In the interests of security, petty cash payments will be limited to £25 unless explicitly agreed by the CEO/CFO. Higher value payments should be made by cheque/BACS directly from the main bank account as an expense payment.

Administration

- 808 The Finance Department is responsible for entering all transactions into the petty cash records on a regular basis and regular as well as unannounced cash counts should be undertaken by the Finance Department to ensure that the cash balance reconciles to supporting documentation.

Physical Security

- 809 Petty cash should be held in a locking cash box which is put in the safe overnight.

Investments

- 810 Investments must be made only in accordance with written procedures approved by the Trust Board.
- 811 All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

9. Fixed Assets

Asset register

- 901 All items purchased with a value over the Trust's capitalisation limit of £2,500 must

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be entered in an asset register. The asset register should include the following information:

- asset description
- asset number
- date of acquisition
- asset cost
- expected useful economic life
- depreciation
- current book value

902 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 Trust's financial system and
- to support insurance claims in the event of fire, theft, vandalism or other disasters.

Security of assets

903 Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.

904 All the items in the register should be permanently and visibly marked as the Trust'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 Trust Board. Inventories of Trust property should be kept up to date and reviewed regularly. Where items are used by the Trust but do not belong to it this should be noted.

Disposals

905 Items which are to be disposed of by sale or destruction must be authorised for disposal by Chief Finance Officer and, where significant, should be sold following competitive tender. The Trust must seek the approval of the DFE in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

906 Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the Trust obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the Trust would need to ensure licences for software programmes have been legally transferred to a new owner.

907 The Trust is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other Trust assets. If the sale proceeds are not reinvested, then the Trust must repay to the DFE a proportion of the sale proceeds.

908 All disposals of land must be agreed in advance with the Secretary of State.

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Loan of Assets

- 909 Items of Trust property must not be removed from Trust premises without the authority of the Head of Department. A record of the loan must be recorded in a loan book and booked back in Trust when it is returned.
- 910 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 Trust's auditors.

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Appendix 1: Procurement - Best Practice Checklist

1. **Policies and procedures for procurement should be documented and adhered to**, to ensure that the process is being carried out on a fair, open and best value basis. The documentation should describe:
 - **roles and responsibilities** of those involved in procurement (e.g. Trust Board, Headteacher, School Business Manager, other Senior Managers and the Central Finance Department);
 - **delegated authority levels**, in particular setting out the procedures to be followed for purchases above specified values, to ensure sufficient levels of oversight by the Trust Board;
 - **arrangements to ensure segregation of duties**;
 - **how purchases are recorded** (papers records and computer records (eg accounting system arrangements)).

In all cases it is important to ensure that the procedures that are set out are followed, both for routine day to day procurement, and for periodic high value items.

2. Where appropriate, **individuals with relevant experience including the end-users (eg ICT managers, teachers) should be involved** when putting together invitations to tender or making key decisions. This will not only aid selection of the best solutions for the Trust but may also help achieve buy-in by the end-users.
3. An officer should be nominated for coordinating the initial procurement of assets, and stocks of teaching and learning materials, during the Trust's start up period. This person should provide an assessment of the completeness and reasonableness of items procured, to ensure that all essential purchases are made prior to opening, and that any non-essential purchases are challenged.
4. **Procurement decisions should be clearly recorded** to ensure that the decision has been reached fairly and to provide a clear audit trail:
 - minutes should be taken of all relevant meetings;
 - the options available should be recorded;
 - the basis for scoring/ranking should be set out;
 - the individuals responsible for scoring/ranking should be identified;
 - the outcome of the scoring and the final decision should be recorded;
 - the reasons on which the decision was reached should be clearly documented.
5. **All key documents should be retained together by the Trust.** This includes:
 - invitations to tender;
 - tenders received from bidders;
 - quotes obtained for smaller purchases;
 - papers/minutes documenting the procurement decision;
 - signed copies of the contracts awarded;
 - invoices.

Where procurement is carried out with the assistance of an external project management company (for example the initial procurement of ICT, furniture and equipment prior to moving into a new building) key documents should be transferred to, and retained by, the Trust prior to cessation of the contract with the project management company.

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6. **An asset register of all capital items should be established in an appropriate format and should be updated on a continual basis as assets are purchased.**

The register should include:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from DFE grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset

Updating of the register as assets are procured should ensure that it is always current and should ease the task of end of year asset verification. It should also simplify the setting of insurance levels and the handling of any claims.

A similar register should also be maintained of “attractive items” (i.e. items with a cost below the Trust’s capitalisation threshold) such as minor office equipment.

7. **Fitness for purpose should be a key consideration in any procurement decision** (e.g. ICT should be of the correct specification; fixtures and fittings should be of adequate durability).
8. Opportunities should be taken for **bulk purchase discounts**, for example by combining similar orders.
9. When ordering goods an assessment of likely **delivery timeframes** should be made, to ensure that appropriate staff are available on site to receive them (particularly during school holidays), and that adequate space is available to locate or store the delivery.

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Appendix 2: Expenses Policy

HISP Multi Academy Trust recognises that employees sometimes incur necessary expenditure in carrying out their responsibilities and supports the principle that such expenditure should be reimbursed.

Receipts for re-imbursement should be made on the claim form found on the shared drive or from the Finance Office. Claim forms should be signed by the relevant budget holder or counter signed by the Business Manager/Deputy Head if being reimbursed to the budget holder. Claims will be checked by the Finance team and paid via BACS (unless under £25 and can be paid via petty cash) Claims not submitted in the correct way will not be reimbursed.

Business Travel – Where travel is required staff must utilise the most efficient and cost-effective option available. First class rail travel is not to be used under any circumstances. Employees using their own vehicle for school business will receive the approved tax-free rate as set by HMRC. This is currently 45p per mile. All standard class public transport costs and additional car parking fees incurred in carrying out School business will be reimbursed on condition that a receipt is presented, and the expenses claim form completed.

Accommodation and Subsistence – On business involving overnight accommodation, the following costs will be paid/reimbursed:

- Cost of accommodation. Not to exceed 3-star prices or equivalent.
- Actual cost of meals (lunch, evening meal and/or breakfast) or agreed daily amount as per trip policy and refreshment purchased, excluding alcoholic drinks.

Eyesight test and spectacles – The school will pay for an Eyesight Test up to a maximum of £30. The school will contribute towards the cost of spectacles for Display Screen Equipment users up to a maximum of £70. A member of staff with less than one month remaining on their contract will be ineligible for this benefit.

Other – Any monies collected by staff should be kept locked in the safe or if not possible, a locked drawer in a filing cabinet overnight until the money can be transferred to the safe at the earliest opportunity.

The petty cash balance should not exceed £250 in total. However, there may be occasions when the amount of cash held will increase to approximately £1500 for a period not exceeding 3 weeks. Receipts, identifying any VAT paid, should support all expenditure. Payment from the petty cash fund should be limited to minor items and should not exceed £25. Any items purchased that exceed £25 will be reimbursed directly into their bank account. Proof of payment must be provided either in terms of a receipt or credit card statement. Reimbursements must be agreed by the Head of Department and passed to the Finance Office.

The Chair of Trustees must approve all claims, including mileage prior to reimbursing the CEO.

Training for a professional qualification – Where the cost of training is supported by the school and prior approval has been obtained, staff will be reimbursed as agreed with the relevant budget holder for training. Receipts must be presented on the appropriate claim form.

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Use of Telephone for Business Purposes – Any members of staff who use their own telephone for school related business are eligible to claim the cost of calls made for the business purpose. No reimbursement will be made towards the cost of line rental.

Interviews – In exceptional circumstances at the discretion of the interviewing officer, interviewees may be reimbursed for the cost of attending interviews. This may include the costs of public transport and, where overnight accommodation is required may also include accommodation and the costs of a modest evening meal and/or breakfast and refreshment purchases. Candidates using their own transport will be reimbursed at a car mileage rate of 25p per mile. Receipts for all expenditure will be required.

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Appendix 3: Anti-Fraud Policy

In order to minimise the risk of fraud the school's objectives in this area are;

1. To create systems which prevent and deter fraudulent activity
2. To identify and document responses to fraud or corrupt activity if they occur

The main defence against fraud is a clear and effective set of internal procedures which incorporate appropriate levels of internal control. The CFO works closely with a finance team and Senior Leadership Teams.

The Audit Committee meets regularly, and the Responsible Officer has a specific role with a reporting line to Trustees.

Fraudulent activity may be suspected as a result of a review of procedures or as a result of a report to a senior member of staff (see whistleblowing policy).

If fraudulent or dishonest activity is suspected, prompt action will be taken to:

1. Minimise the risk of subsequent losses
2. Improve likelihood of recovery
3. Reduce any adverse operational effects

The procedures for dealing with suspected fraudulent activity are outlined below:

1. The CEO will be notified immediately
2. The CEO will notify the Chair of Trustees
3. A preliminary investigation will be initiated by a group directed by the CEO. This will be carried out promptly and reported back to the CEO within 3 working days. The purpose of this group is to ascertain factual information and reach an initial view as to whether further action is required
4. HR advice will be sought in relation to employment issues as appropriate
5. Advice from the Trust's accountants will be sought where appropriate
6. The CEO will liaise with the Chair of Trustees in coordinating an initial response
7. If fraudulent activity has taken place appropriate action will be taken with any member of staff involved. The Trust Board will be informed and EFA will be informed in line with the Funding Agreement.
8. Consideration will be made in terms of referring the matter to the police

In line with the Academies Financial Handbook, any fraud over the stated value, both individually and cumulatively, will be reported to the ESFA.

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Appendix 4: Anti-Bribery and Corruption Policy

Introduction

HISP Multi Academy Trust is committed to operating fairly, honestly and with integrity. As part of this overall commitment, HISP Multi Academy Trust has a zero-tolerance policy in relation to bribery and corruption. This includes a commitment to comply with all applicable anti-bribery and corruption laws and regulations and, in particular, the Bribery Act 2010.

Purpose of policy:

- To comply with the law and maintain the school's reputation.
- To protect HISP Multi Academy Trust its staff and anyone else associated with it from the consequences of breaking the law.

Legal position

A bribe is designed to influence improperly the way in which a person acts. A bribe may be in the form of money but can also be any other type of advantage. Such as the giving or receipt of inappropriate entertainment.

Remember that the law can be complex, and it will not always be clear how the law applies in every situation. Therefore, any questions or concerns about the application of the law to specific situations should be directed to the CFO. In order to ensure compliance with the law, you should ensure also that you follow our policies and procedures in relation to gifts and entertainment and claiming expenses (see below).

Acting in accordance with this policy

We require all of our staff and Trustees to follow this policy and to comply with all applicable anti-bribery and corruption laws. It is the responsibility of all of us to make sure that all of our dealings are legitimate.

It is a disciplinary offence to engage in conduct or behaviour that does not comply with this policy or for anyone in a managerial or supervisory capacity to fail to take action in respect of any such conduct or behaviour.

If you believe that anyone associated with HISP Multi Academy Trust is acting in a way that may contravene the law or that could put HISP Multi Academy Trust at risk, then it is your duty to report the matter as soon as possible. If you are uncomfortable talking to your line manager or you do not receive a satisfactory response, then you should contact either the CFO or the CEO.

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Appendix 5: Asset Management and Depreciation Policy

Principles

The objective is to ensure that all assets are recorded and disposed of correctly and depreciated over an agreed period. Assets both inherited and purchased by the Trust will be managed in accordance with this policy.

Purpose

All assets must be accounted for in the correct manner to comply with accounting standards.

Method

All assets purchased costing £5000 or more will be added to the Fixed Asset Register by the Finance Department.

Heads of Department will be responsible for recording equipment/property costing up to £5000 across all sites as set out below:

- All IT and Photographic Equipment costing over £250 to be recorded on an inventory
- All other items individually costing in excess of £1,000 to be recorded on an inventory

The CFO will set out the appropriate format to be used.

Any asset as listed on the inventory must not be disposed of without prior written authorisation from the CFO.

Sales of fixed assets will be with the prior consent and written authorisation of the CFO.

Equipment costing more than £5000 will be depreciated as shown below.

The "straight line" method of depreciation will be utilised to depreciate fixed assets, over the estimated useful lives of the related assets principally as follows:

New Assets

New Buildings	50 years
Computer Hardware	3 years
Minibuses	5 years
Other equipment	3 years
Plant and Machinery	3 years
Air Conditioning	15 years

Depreciation will apply from the date of purchase.

Donation of Assets

HISP Trust will donate any assets bought for a proper purpose, but which are no longer needed for the conduct of its business, to a charity, up to a maximum value of £1000 per single donation. Residual value of assets is determined by the greater of the written down value or market value.

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Appendix 6: Gift and Hospitality Policy

Purpose

This policy should be read in conjunction with the Anti-Bribery and Corruption Policy. HISP Multi Academy Trust is committed to operating within the guidelines set in the Academies Financial Handbook 2019.

This policy seeks to protect Staff and Governors from suspicion of dishonesty in respect of the acceptance of gifts, hospitality or other inducement from external suppliers of goods and services.

Definitions

- A Gift is any item, cash or goods, given or offered for which no payment or service was given or received in return.
- Hospitality can be defined as any food, drink, accommodation or entertainment provided free of charge or heavily discounted.

Principles

- HISP Multi Academy Trust expects staff to exercise the utmost discretion in giving and accepting gifts and hospitality when on school business. Particular care should be taken with regard to a person or organisation that has, or is hoping to have, a contract with the school.
- Staff should only accept offers of hospitality if there is a genuine need to impart information or represent the school in the community or at large. Offers to attend purely social or sporting functions should be accepted only when these are part of the life of the school or where the school should be represented. They should be properly authorised and recorded.
- No favour or preference which is not generally available should be sought, accepted or given.
- Staff must not make use of their official position to further their private interests or those of others.

Gifts and Hospitality

- Any Trustee, Governor or member of staff should consider carefully whether it is appropriate to accept or decline a gift or hospitality. If in doubt advice should be sought from the CFO or CEO.
- Staff, Trustees and Governors should not accept significant personal gifts from contractors and outside suppliers although the school does allow insignificant items of token value such as pens, diaries, calendars to be retained.
- Any gift or hospitality with a value of £50 or over must be recorded in the Register of Gifts and Hospitality which is held by the Finance Department.
- It is the responsibility of each individual to notify the Finance Department of any gifts or hospitality exceeding £50 that is offered. Where such benefits have been received, the date of each occasion, the nature of the benefit and the name of the donor must be provided and recorded. Full details of all disclosures can be found in the final section of this policy.
- Long Service awards for 25 years service with the same employer, which includes

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Hampshire County Council and Thornden School will be approved by the Governors. Such awards will adhere to the HMRC rules in terms of taxation. No cash award will be given.

Contracts with Suppliers

- Staff must base all purchasing decisions and negotiations for contracts solely on achieving best value for money (which is not necessarily the least expensive).
- The School requires staff who have official dealings with contractors and other suppliers of goods and services to avoid conducting any private business with them by any means other than through normal commercial channels.
- Staff and Governors should be aware that practices which constitute corruption could lead to prosecution.
- Acceptance by Staff and Governors of hospitality through attendance at relevant events, conferences and courses is acceptable where it is clear the hospitality is corporate rather than personal; and where the school is satisfied that any purchasing decisions are not compromised.

Gifts to and from Students

- Staff should not accept gifts/hospitality (exceeding £50 in value) from students during their time at the school without checking with the Chief Finance Officer.
- Any gifts/hospitality from students, exceeding £50 in value must be entered in the Register of Gifts and Hospitality.
- Staff are advised not to make any significant gifts or offers of hospitality (exceeding £50 in value). Any such significant gifts/offers of hospitality should be first checked with the Chief Finance Officer and entered into the register of Gifts and Hospitality.

Sponsorship

Where an outside organisation wishes to sponsor or is seeking to sponsor HISP Multi Academy Trust, whether by invitation, tender, negotiation or voluntary – the basic conventions concerning acceptance of gifts or hospitality apply. Particular care must be taken when dealing with contractors or potential contractors.

Where the school wishes to sponsor an event or an event, neither an employee nor any partner, spouse or relative must benefit from such sponsorship in a direct way, without there being full disclosure to the CEO of any such interest.

Any donations of sponsorship to pupils or ex-pupils must be recorded in the Register of Gifts if the sponsorship exceeds £50.

Register of Gifts

The Finance Department has responsibility for the ownership of the policy and the Gift and Hospitality Register. Individual staff are personally responsible for reporting any gifts/hospitality offered and whether these have been accepted or declined.

The following should be recorded:

- Nature of gift/hospitality
- Value of gift/hospitality

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- Name of person/company offering the gift/hospitality
- Date gift/hospitality accepted/refused.
- Name of employee

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Appendix 7: Investment Policy

Principles

The objective is to maximise investment on any long term accrued balances in order to protect those balances against inflation. In addition, the school aims to invest any other surplus cash funds, as determined by the CFO on a short-term basis to optimise returns. All investments will be made ensuring there is no tangible risk to the loss of those funds.

Purpose

1. There will be sufficient cash balances retained in the bank account to meet the day to day running costs of the school.
2. All funds will be invested ensuring that there is no risk to the loss of those funds.
3. Capital funds will be invested to protect against inflation.
4. Other short-term surplus balances will be invested to maximise returns.
5. Any other non-cash investments shall only be permissible with prior written approval of the Full Trust Board.

Method

Consideration will be made for the day to day running costs of the school with particular attention to payroll related expenditure costs.

Where a short-term surplus is identified, these funds will be invested through the Treasury Deposit mechanism using the school bankers Lloyds.

Any long-term investments, including end of year surplus balances, may be invested in any high interest deposit accounts with any major UK bank. Interest rates will be monitored periodically by the CFO to ensure maximum return on investments. Investments may be switched between banks to maximise investment income.

The Articles of Association, the Funding Agreement and the Academies Financial Handbook guidelines will be followed when making decisions on investments. Advice may be sought from the Accountants periodically.

Funds will be invested to accrue cash and will not be used for any other purpose e.g. purchase of stocks and shares.

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Appendix 8: HISP Multi Academy Trust Reserves Policy

Introduction

This policy establishes a framework within which decision will be made regarding the level of reserves held by the School and the purposes for which they will be used and maintained.

The reserves should have no specific limit set on them, but they should be reasonable for the purpose held and it must be agreed that they are used for the purposes for which they have been set aside, as shown below. There will be a review of balances at least annually.

Reserves

The School will maintain an adequate level of reserves to:

- Provide sufficient working capital to cover delays between spending and receipt of grants.
- Provide a contingency to cushion the impact of unexpected events, emergencies and large shortfalls in budget, such as increased employer costs for National Insurance, Pensions and staff increments.
- To invest in future years' priorities for the children of our school, for example capital projects.
- To ensure, as far as possible, that staffing levels and class sizes can be maintained at the current ration and that the pupils can continue to have access to the broad curriculum.

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Appendix 9: H Code Arrangements

Procedures

The General Fund will be used to carry out the transfers to the accounts listed below on 1 September each year if funds allow:

Year 11 Yearbook Fund	£1000
Pastoral Fund (H Code)	£3000
School Council	£3000

Trips Pool

To be used to subsidise pupils going on school trips, including pupils who qualify for Pupil Premium.

To account for any shortfall on a trip, with authorisation from Deputy Headteacher.

Any balances from trips where the profit is less than £10 per pupil to be credited to the Trips Pool cost centre.

General Fund

Any balances in the Lockers and sale of Polo Shirts cost centres will be transferred to the General Fund at the end of each financial year.

The General Fund will be used to fund the transfers as shown above under 'procedures'

HISP Multi Academy Trust Employer Discretions Policy

Statement of Policy

Statement of policy on the Local Government Pension Scheme Regulations (LGPS) 2013 and the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014. This document sets out the scheme employer's policy on the operation of each of the mandatory discretions (and optional discretions where chosen) available under the LGPS Regulations. It states whether or not discretions will be operated and the circumstances and criteria for applying them.

PART A: Mandatory Discretions

Discretions that apply to members who were actively paying into the scheme as at 1 April 2014 onwards.

Power to award additional pension (Regulation 31)

Whether, at the full cost to the Scheme employer, to grant extra annual pension of up to £6,822 (figure at 1 April 2018) to an active member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency [regulation 31 of the LGPS Regulations 2013]

Employer Policy Decision

As a general rule the Trust's policy is not to exercise this discretion, but it will consider individual cases on their merits and having regard to the cost to the Trust.

An application for additional pension must be supported by a business case in writing to:

Mrs Wendy Webb
HISP Multi Academy Trust
c/o Thornden School
Winchester Road
Chandlers Ford
Hampshire
SO53 2DW

Shared cost additional pension contributions (Regulation 16(2e) (4d))

Whether, how much, and in what circumstances to contribute to a Shared Cost APC scheme.

Where an active scheme member has decided to make Additional Pension Contributions (APCs) to purchase extra pension benefits up to £6,822 per annum (figure as at 1 April 2018), the employer can resolve to **voluntarily** contribute towards the cost of this too.

Note: This does not include instances where the employee is paying for **lost** pension via an APC where the election was made in the first 30 days (or longer if the employer allows) – in this circumstance the employer **must** pay two-thirds of the cost of such purchase.

Employer Policy Decision

As a general rule, the Trust's policy is not to exercise this discretion but the Trust will consider individual cases on their merits having regard to the cost to the Trust.

Any application must be supported by a business case in writing to:

Mrs Wendy Webb
HISP Multi Academy Trust

HISP Multi Academy Trust Employer Discretions Policy

c/o Thornden School
Winchester Road
Chandlers Ford
Hampshire
SO53 2DW

Whether to allow flexible retirement - (Regulation 30 (6)) & TP11(2) & R30(8)

Whether to allow flexible retirement for staff aged 55 or over who, with the agreement of the Scheme employer, reduce their working hours or grade [regulation 30(6) of the LGPS Regulations 2013] and, if so, as part of the agreement to allow flexible retirement:

- whether, in addition to the benefits the member has built up prior to 1 April 2008 (which the member must draw), to allow the member to choose to draw
- all, part or none of the pension benefits they built up after 31 March 2008 and before 1 April 2014, and / or
- all, part or none of the pension benefits they built up after 31 March 2014
- [regulations 11(2) and 11(3) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014], and
- whether to waive, in whole or in part, any actuarial reduction which would otherwise be applied to the benefits taken on flexible retirement before Normal Pension Age (NPA) [regulation 3(5) of the LGPS (Transitional Provisions,

Employers may allow a member from age 55 onwards to draw all or part of the pension benefits they have already built up whilst still continuing in employment. This is provided the employer agrees to the member either reducing their hours or moving to a position on a lower grade.

In such cases, pension benefits will be reduced in accordance with actuarial tables unless the employer waives the reduction either fully or in part or a member has protected rights.

Please be aware, if you allow members to retire under flexible retirement, and they meet the 85 year rule between the ages of 55 and 60, there may be a cost to the employer as there is no option to switch the 85 year rule off in this instance.

Employer Policy Decision

When exercising its' discretion in relation to flexible retirement, the Trust will consider its' operating requirements; have regard to pension fund members' individual circumstances and the impact on services of granting flexible retirement together with the cost to the Trust.

As a general rule the Trust will only grant flexible retirement to members where there is, in the opinion of the Trust, a financial or operational benefit to the Trust in granting the member's request for flexible retirement.

As a general rule the Trust's policy is not to exercise this discretion but will consider individual cases on their merits having regard to the cost to the Trust.

Any application by a scheme member must be supported by a business case in writing to:

Mrs Wendy Webb
HISP Multi Academy Trust
c/o Thornden School
Winchester Road
Chandlers Ford
Hampshire
SO53 2DW

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Employer Discretions Policy

The Trust will not as a general rule exercise its discretion to waive any actuarial reduction in benefits although each case will be considered on its merits (see further below).

Switching on the 85 year rule [paragraph 1(1)(c) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014]

Whether to “switch on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.

Active members are now able to voluntarily retire between ages 55 and 60. If they were a member of the LGPS on 30 September 2006 then some of their benefits could be protected from reductions applied to early payment under the 85 year rule. This rule only applies automatically to members voluntarily retiring from age 60 but the employer has the discretion to “switch it on” for voluntary retirements between age 55 and 60.

This discretion does not apply to flexible retirement ([see Regulation 30\(6\)](#)) whereby the 85 year rule is always switched on.

Where the employer does not choose to “switch on” the rule, then benefits built up would be subject to reduction in accordance with actuarial guidance issued by the Secretary of State regardless of whether a member meets the rule or not.

If the employer does agree to “switch on” the 85 year rule, the employer will have to meet the cost of any strain on fund resulting from the payment of benefits before age 60 i.e. where the member has already met the 85 year rule or will meet it before age 60.

Employer Policy Decision

As a general rule the Trust’s policy is not to exercise this discretion, but it will consider individual cases on their merits and having regard to the cost to the Trust.

An application must be supported by a business case in writing to:

Mrs Wendy Webb
HISP Multi Academy Trust
c/o Thornden School
Winchester Road
Chandlers Ford
Hampshire
SO53 2DW

Waiving of actuarial reductions - Regulation 30(8), TP3(1), TPSch 2, para 2(1), B30(5) and B30A(5)

Whether to waive, in whole or in part, any actuarial reductions on benefits which a member voluntarily draws before normal pension age (other than on the grounds of flexible retirement).

Employers can agree to waive any actuarial reductions due in the case of employees retiring anytime after age 55.

Employers should also note that the strain cost of any such retirements would need to be met by the employer and paid into the Pension Fund at the appropriate time.

There are 4 member groups which you would be making the discretions policy on, the below covers in what circumstance reductions can be waived and to which benefits these would apply:

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Members joined before 1 October 2006 and who reached 60 before 1 April 2016 – Group 1

- To waive on compassionate grounds, any actuarial reductions applied to benefits built up before 1 April 2016
- To waive on any grounds, actuarial reductions applied to benefits built up after 1 April 2016

Members joined before 1 October 2006 and who reach age 60 between 1 April 2016 and 31 March 2020 and also meet their critical retirement age before 1 April 2020 (date member meets the 85 year rule) – Group 2

- To waive on compassionate grounds, any actuarial reductions applied to benefits built up before 1 April 2020
- To waive on any grounds, actuarial reductions applied to benefits built up after 1 April 2020

Members joined before 1 October 2006 and who reach age 60 after 1 April 2016 but before 31 March 2020 and don't meet their critical retirement age before 1 April 2020 (date member meets the 85 year rule) – Group 3

- To waive on compassionate grounds, any actuarial reductions applied to benefits built up before 1 April 2014
- To waive on any grounds, actuarial reductions applied to benefits built up after 1 April 2014

Members joined after 1 October 2006 – Group 4

- To waive on compassionate grounds, any actuarial reductions applied to benefits built up before 1 April 2014
- To waive on any grounds, actuarial reductions applied to benefits built up after 1 April 2014

Employer Policy Decision

Whether to waive any actuarial reductions for a member voluntarily drawing benefits before normal pension age (other than on the grounds of flexible retirement), as outlined above? As a general rule the Trust's policy is not to exercise this discretion, but it will consider individual cases on their merits and having regard to the cost to the Trust.

An application must be supported by a business case in writing to:

Mrs Wendy Webb
HISP Multi Academy Trust
c/o Thornden School
Winchester Road
Chandlers Ford
Hampshire
SO53 2DW

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Discretions that apply to members who ceased active membership between 1 April 2008 and before 1 April 2014

Whether to “switch on” the 85 year rule for a member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60 – [paragraph 1(1)(c) & 1(2) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014]

Whether to “switch on” the 85 year rule for a member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60 or upon the voluntary early payment of a suspended tier 3 ill health pension?

A member with a deferred benefit who left the scheme voluntarily between 1 April 2008 – 31 March 2014 and who has subsequently become a deferred pensioner may now claim their benefits from age 55 without their employers consent. However, these benefits will be reduced for early payment.

Where a member has reached the 85 year rule at the point of retirement, an employer can consent to switching on the 85 year rule. Any ‘strain’ to the Fund will be payable immediately by the Scheme employer.

Employer Policy Decision

The Trust’s policy is not to switch on the 85 year rule or, as a general rule, to exercise the discretion to waive on compassionate grounds the actuarial reduction. The Trust will, however, consider individual cases on their merits and having regard to the cost to the Trust.

An application must be supported by a business case in writing to:

Mrs Wendy Webb
HISP Multi Academy Trust
c/o Thornden School
Winchester Road
Chandlers Ford
Hampshire
SO53 2DW

Whether to waive upon the voluntary early payment of deferred benefits or suspended tier 3 ill health pension, any actuarial reduction on compassionate grounds? [regulation 30(5) of the LGPS (Benefits, Membership and Contributions) Regulations 2007 and paragraph 2(1) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014].

Whether to waive reductions which may occur on deferred benefits claimed between ages 55-60 or suspended tier 3 ill health for leavers between 1 April 2008 and 31 March 2014. A member with a deferred benefit who left the scheme voluntarily between 1 April 2008 – 31 March 2014 or was awarded a Tier 3 ill health pension under the 2007 Regulations and who has subsequently become a deferred pensioner may now claim their benefits from age 55 without their employers consent. However, these benefits will be reduced for early payment. An employer can consent to waiving any reductions, on compassionate grounds, which may be applied to deferred benefits or suspended tier 3 ill health pension paid early.

Employer Policy Decision

Whether to waive, on compassionate grounds, any actuarial reduction applied to deferred

HISP Multi Academy Trust Employer Discretions Policy

benefits or suspended tier 3 ill health pension paid early.

As a general rule the Trust's policy is not to exercise this discretion, but it will consider individual cases on their merits and having regard to the cost to the Trust.

An application must be supported by a business case in writing to:

Mrs Wendy Webb
HISP Multi Academy Trust
c/o Thornden School
Winchester Road
Chandlers Ford
Hampshire
SO53 2DW

HISP Multi Academy Trust

Employer Discretions Policy

Discretions that apply to members whose active membership stopped between 1 April 1998 and before 1 April 2008.

Whether to ‘switch on’ the 85 year rule upon the voluntary early payment of deferred benefits [paragraph 1 (1) (f) & 1 (2) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) regulations 2014].

Whether, as the 85 year rule does not automatically fully apply to members who would otherwise be subject to it and who choose to voluntarily draw their deferred benefits (on or after 14 May 2018) on or after age 55 and before age 60, to switch the 85 year rule back on in full for such members.

Deferred members who left the scheme after 1 April 1998 are now able to voluntarily retire between ages 55 and 60. If they were a member of the LGPS on 30 September 2006 then some of their benefits could be protected from reductions applied to early payment under the 85 year rule. This rule only applies automatically to members voluntarily retiring from age 60 but the ceding employer has the discretion to “switch it on” for voluntary retirements between age 55 and 60.

Where the employer does not choose to “switch on” the rule, then benefits built up would be subject to reduction in accordance with actuarial guidance issued by the Secretary of State regardless of whether a member meets the rule or not.

If the employer does agree to “switch on” the 85 year rule, the employer will have to meet the cost of any strain on fund resulting from the payment of benefits before age 60 i.e. where the member has already met the 85 year rule or will meet it before age 60.

Employer Policy Decision

The Trust’s policy is not to switch on the 85 year rule or, as a general rule, to exercise the discretion to waive on compassionate grounds the actuarial reduction. The Trust will, however, consider individual cases on their merits and having regard to the cost to the Trust.

An application must be supported by a business case in writing to:

Mrs Wendy Webb
HISP Multi Academy Trust
c/o Thornden School
Winchester Road
Chandlers Ford
Hampshire
SO53 2DW

Whether to grant applications for the early payment of pension benefits on or after age 50 and before age 55 [regulation 31(2) of the LGPS Regulations 1997].

Whether to grant application for early payment of deferred benefits on or after age 50 and before age 55.

A member with a deferred benefit who left the scheme between 1 April 1998 – 31 March 2008 can claim their benefits from age 50 with their employers consent.

However, these benefits may be reduced for early payment and/or be subject to an unauthorised payment charge under the Finance Act 2004.

HISP Multi Academy Trust Employer Discretions Policy

Employer Policy Decision

As a general rule the Trust's policy is not to exercise these discretions but it will consider individual cases on their merits having regard to the compassionate grounds of individual members and having regard to the cost to the Trust.

An application must be supported by a business case in writing to:

Mrs Wendy Webb
HISP Multi Academy Trust
c/o Thornden School
Winchester Road
Chandlers Ford
Hampshire
SO53 2DW

Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to benefits which are paid before age 65 [regulation 31(5) of the LGPS Regulations 1997 and paragraph 2(1) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014].

Whether to waive any actuarial reduction on compassionate grounds which would normally be applied to benefits which are paid before age 65.

Employers can agree to waive any actuarial reductions on compassionate grounds due in the case of employees who ceased active membership between 1 April 1998 and 31 March 2008.

Employers should note that the strain cost of any such retirements would need to be met by the employer and paid into the Pension Fund at the appropriate time.

Employer Policy Decision

As a general rule the Trust's policy is not to exercise these discretions but it will consider individual cases on their merits having regard to the compassionate grounds of individual members and having regard to the cost to the Trust.

An application must be supported by a business case in writing to:

Mrs Wendy Webb
HISP Multi Academy Trust
c/o Thornden School
Winchester Road
Chandlers Ford
Hampshire
SO53 2DW

HISP Multi Academy Trust Employer Discretions Policy

Discretions that apply to members who ceased active membership before 1 April 1998.

Whether to grant applications for the early payment of deferred pension benefits on or after age 50 and before NRD on compassionate grounds [regulation D11(2)(c) of the LGPS Regulations 1995].

Whether to grant early payment of a deferred benefit on compassionate grounds, on or after age 50 and before NRD.

An employer can grant application for early payment of deferred benefits on or after age 50 on compassionate grounds.

However, these benefits may be reduced for early payment and/or be subject to an unauthorised payment charge under the Finance Act 2004.

Employer Policy Decision

As a general rule the Trust's policy is not to exercise this discretion, but it will consider individual cases on their merits and having regard to the cost to the Trust.

An application must be supported by a business case in writing to:

Mrs Wendy Webb
HISP Multi Academy Trust
c/o Thornden School
Winchester Road
Chandlers Ford
Hampshire
SO53 2DW

These policies may be subject to review from time to time. Any subsequent change in this Policy Statement will be notified to affected employees.

Any changes to this policy will be notified to the Hampshire Pension Fund within 30 days of the change.

For the full list of discretions policies go to
<http://lgpslibrary.org/assets/gas/ew/DISCLv1.6c.pdf>

Signed on behalf of:			
Completed by:		Position:	
Signature:		Date:	

HISP Multi Academy Trust Employer Discretions Policy

PART B – Optional Discretions

(The two detailed are the most frequently used Regulations, but remain optional – see [LGA Discretions](#) for the full list of optional employer discretions).

Membership Aggregation Regulation 22 (7)(b),(8)(b)

Whether to extend the 12 month option period for a member to elect to join deferred benefits to their current employment/membership.

The election to keep separate pension benefits must be made within 12 months of becoming an active member, who must be active at the date of election.

An employer may allow a period longer than 12 months.

Employer Policy Decision

As a general rule the Trust’s policy is not to exercise this discretion, but it will consider individual cases on their merits and having regard to the cost to the Trust.

An application must be supported by a business case in writing to:

Mrs Wendy Webb
HISP Multi Academy Trust
c/o Thornden School
Winchester Road
Chandlers Ford
Hampshire
SO53 2DW

Transfers of Pension Rights Regulation 100(6)

Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS.

Where an active member requests to transfer previous pension rights into the LGPS, the member must make a request within in 12 months of becoming an active member.

An employer may allow a longer period than 12 months

Employer Policy Decision

As a general rule the Trust’s policy is not to exercise this discretion, but it will consider individual cases on their merits and having regard to the cost to the Trust.

An application must be supported by a business case in writing to:

Mrs Wendy Webb
HISP Multi Academy Trust
c/o Thornden School
Winchester Road
Chandlers Ford
Hampshire
SO53 2DW

Signed on behalf of:			
Completed by:		Position:	
Signature:		Date:	