

# All Saints Schools Trust



## ASST Central Cost Recharge Policy 2021-22

|                              |                 |                                       |  |
|------------------------------|-----------------|---------------------------------------|--|
| <b>Date Policy approved:</b> | <b>Dec 2021</b> | <b>Chair of Trust Governing Body:</b> | <b>Chair of Trust Finance Committee:</b> |
| <b>Date of next review:</b>  | <b>Dec 2022</b> | <i>Signed:</i>                        | <i>Signed:</i>                           |
|                              |                 | <i>Print name: James Hargrave</i>     | <i>Print name: Thomas Jarrett</i>        |

# 1 Background

- 1.1 The purpose of this policy and associated procedures is to ensure that the All Saints Schools Trust ("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 the Trust's Funding Agreement with the Department for Education (DfE).
- 1.2 The policy establishes a mechanism for defining, calculating and approving whole trust central costs and to ensure consistency in the accounting and application of all recharge activities.
- 1.3 This policy relates to the Trust and all of its academies. Adherence to the principles and procedures contained in this policy is mandatory for all staff.
- 1.4 This policy is designed to be consistent with:
  - Academies Trust Handbook 2021
  - Trust Articles of Association / Constitution
  - Master and Supplemental Funding Agreements
  - HM Treasury's "Regularity, Propriety and Value for Money".
- 1.5 This policy is to be read in conjunction with the main Trust Financial Regulations Policy.

## Recharge Definition

- 1.6 A recharge is defined as: the cost charged to an individual academy for specific central services provided by All Saints Schools Trust. An example of this is additional service contracts negotiated and paid centrally to ensure cost efficiencies.
- 1.7 Recharges move expenses between individual academies without increasing the total costs for the Trust.

# 2 Reasonable and Allowable Costs

- 2.1 Costs to be recharged must:
  - be reasonable, in both type and amount
  - be necessary to provide services to the academies
  - adhere to the procedure set out in the Trust Procurement Policy
  - adhere to 'Value for Money' principles
  - be of clear benefit to the individual academies
  - recorded in sufficient detail to enable academies to easily follow the rationale and calculation for each cost.
- 2.2 Allowable costs include:
  - management
  - administration staff
  - learning improvement and educational support
  - back office and administration support
  - professional services and support costs
  - identifiable 'one-off' costs
  - infrastructure development costs
  - capital costs.

2.3 The Trust operates a central charge of 6% of the General Annual Grant (for 2021-22 and to be reviewed annually) less exceptional factors (rental payments for Stradbroke and Occold) for each of its Academies.

This is to cover the expenses incurred centrally by the Trust for:

- central Trust staff employment costs,
- the accounting (Iris PSF) and budget monitoring (BPS Orovia) systems,
- external and internal auditing costs, completion of Annual Accounts Return, ad-hoc accounting returns and annual audit of Teachers Pensions EOYC (end of year certificate),
- FRS102 LGPS annual statement (for support staff pension scheme),
- Office 365 and website provision,
- Governor Services to include Governorhub, governor training and governor termly presentations,
- HR transactional and consultancy, payroll and Teachers Pension services,
- Pupil Discipline Committee and Educational Welfare Office service,
- GDPR services (training, DPO),
- Evolve (trip risk management) service,
- Wellbeing employee services,
- MyConcern safeguarding system,
- SCC TU Facilities Service,
- Ad-hoc school business services/guidance eg procurement.

### **3 Budget Setting**

3.1 A central charge proforma will be prepared by the CFO as part of the annual budget setting process.

3.2 The proforma will incorporate a schedule of central service costs which will be paid out from the central charge that is internally journalled on a monthly basis from each academy.

3.3 The Trust Board will approve a schedule of central services together with the method of apportioning the costs.

3.4 Local School Governing Bodies will receive an annual reconciliation of central services costs as apportioned between individual academies.

### **4 Method of Apportionment**

4.1 Apportionment is the basis on which costs are charged between academies within the Trust. Various methods of apportionment may be applied to the recharge, or elements thereof, in any one year.

4.2 The CFO will propose the appropriate method or methods of apportioning central service costs between individual academies for approval by the Trust Board.

4.3 The Trust Board will review and approve the methods of apportionment annually.

### **5 Recharges**

5.1 Recharges will be made appropriately in arrears according to the nature of the cost incurred by the Trust.

5.2 As the Trust is operating a single bank account across all academies within the Trust, there will be no physical payment of recharges and it will be processed as a central accounting journal.

5.3 Where additional costs are incurred during the year, a revised forecast of central services costs will be prepared for approval by the Trust Board, and the recharges to academies will be adjusted to reflect the revised forecast.

## **6 Monitoring**

6.1 The Trust Board will receive an annual report of the budget position of central service costs, together with a revised forecast of the full year annual recharge.

6.2 This report will be shared with local Governing Bodies for information.

6.3 An adjustment will be made to reflect each academy's proportion of the full year projected cost less the termly payments made, and a correcting charge of credit will be processed as appropriate.

## **7 Disclosure**

7.1 In order to comply with the ESFA Accounts Direction, the Trust must disclose in its annual financial statements details of any central charges made to its constituent academies. The note must describe:

- the types of central services provided by the Trust
- the policy used to apportion the charges
- the actual charges made to the academies during the year.

## **8 Policy Review**

8.1 This policy will be reviewed at least annually or immediately following a change to the structure of the Trust.

8.2 Any changes to the structure of the Trust will require a review of central trust costs and apportionments.

8.3 Any proposed changes, whether mid-year or at the annual review, are subject to the review and approval process described above.