

INVICTUS

Education Trust

**TOPSLICE OF GENERAL ANNUAL
GRANT**
AND
CENTRAL RECHARGES POLICY
2022/23

Approved by Board of Trustees
25th May 2022

To be reviewed by Board of Trustees
Summer 2023

TOP SLICE OF GENERAL ANNUAL GRANT

AND

CENTRAL RECHARGES POLICY

INVICTUS EDUCATION TRUST (IET)

1. The Academies Trust Handbook 2021, covers Pooling of GAG by Trusts with multiple academies. (Paragraphs 5.30 and 5.31).
2. The handbook outlines that a multi-academy trust (MAT) can collect a proportion of general annual grant (GAG) funding from all its academies to form one central fund. This fund can then be used to meet the costs of running the trust and facilitate purchases which represent value for money when purchased as a whole on behalf of all Academy Trust schools.
3. For the purpose of this Policy, the collection by the Trust of a percentage of individual academies' GAG funding for a MAT's central fund is referred to as 'top-slicing'.

Top Slice

4. The IET top slices each academy schools' General Annual Grant (GAG) by 5%. In doing so, it excludes all other ESFA grant income; a list is shown below. This list is up to date but may not be comprehensive at the time of reading this Policy, as ESFA grants can change so quickly in year.
5. For the financial year 2022/23, the Invictus Education Trust will apply a deduction of 5% for all Trust academies. The top slice budget available for 2022/23 is £1.54m.
6. The following GAG funds will be excluded from top-slice:
 - Pupil Premium Funding
 - Schools Supplementary Grant
 - Schools Tutoring Grant
 - Schools Mass Testing and Vaccination Grant
 - Covid Recovery Premium Funding
 - PE Sports Grants
 - Early Years Nursery Funding
 - Universal Free School Meals Funding
 - Devolved Formula Capital Funding
 - Post 16 Bursary funding
 - Post 16 High Needs funding
 - Post 16 Teachers Pay Grants
 - Rates Relief grant
 - Academy Start Up funding
 - Other non-GAG Government Funding
 - Top-Up Funding for special educational needs (SEN) or Additional Educational Needs funding (AEN) in mainstream academies
 - Other income generated by individual academies

7. The £1.54m, 5% top-slice will be used to fund the following expenditure on behalf of the Invictus Education Trust (IET) academies:

- School Improvement Support via external contracts
- School Improvement and School Standards Support internal staff
- External Audit management and fees
- Internal Audit management and fees
- Teachers' Pension audit management and fees
- ESFA financial returns
- Actuarial valuations
- Bank charges
- Financial software licenses PSF
- Payroll service and pension administration support
- Risk Protection Insurance Arrangement via Zurich
- Minibus insurance via Zurich
- Engineering Inspection insurance via Zurich
- DPO and GDPR compliance
- IET core support salaries (CEO/CFO/DCEO/DHR/HOEF/PA/Admin support)
- CPD courses and training programmes including: Senior Leaders; Middle Leaders; Teachers
- Headteacher support
- Head of Governance support and links via centralised clerk
- Governor Hub facility and Governor Training access
- Group purchasing arrangements / Contract negotiations
- Quality Assurance framework
- Policy and Standards Management

8. Internal Central Recharge Model Assumed for 2022/23

In addition, there is an annual budgeted central recharge to each school, which funds the items below for the benefit of the Trust's academy schools.

- ICT strategic and technical support staffing/broadband facility/small equipment/ telephone services/data management software/ Click text Service
- Finance Support via Senior Finance Officers and Finance offices offering 1:1 support to Headteacher and Finance Assistant in school
- HR personnel and compliance support
- Marketing / Academy Promotion/ Website development
- Recruitment Advertising via TES
- Facilities and Estates support via Facilities and Operations Managers
- Performing Arts teaching support
- Heggarty Maths package
- Post 16 admin
- Directors of Maths/Teaching and Learning/English/Science/English/MFL
- Click send text service
- Centralised telephone service

9. Post 16 Funding Model

- a. The Trust has an agreement with Headteachers delivering Post 16 provision across the Trust that there will be a top slice of the annual unit of post 16 DfE funding which will be retained by HQ to fund various central post 16 costs.
- b. For 2022/23, the DfE funded unit rate averages at £4,740 per Invictus student. The funding model allows £1,200 to follow the student in respect of each of their three A level tuition subjects (with an enhancement for practical subjects) in school and the remaining £1,185 per student balance is allocated to HQ.
- c. The HQ top slice funds:
 - Director of Post 16 post
 - Post 16 transport across the IET school estate (including drivers/mini bus leases/maintenance/fuel etc)
 - Post 16 access to Unifrog, ALPS and CPOMs data systems for schools
 - Post 16 sports academies provision (netball/football/rugby/performing arts)
 - Post 16 marketing and prospectus
 - Post 16 open day facilities
 - Provision of Post 16 tuition books
 - Post 16 transport/access to careers or university fairs.

10. Recharge Definition

- a. A recharge is defined as the cost charged to an individual academy for specific central services provided by IET.
- b. Recharges move expenses between individual academies without increasing the total costs for the Trust.

11. Reasonable and Allowable costs

- a. Costs to be recharged must be:
 - Reasonable, both in type and amount
 - Necessary to provide the services to the academies
 - Adhere to the procedures for Trust procurement
 - Adhere to 'Value for Money' principles
 - Of clear benefit to the individual academies
 - Recorded in sufficient detail to enable academies to easily follow the rationale and calculation for each cost.

12. Allowable costs include

- a. Management, professional and technical support staff (such as Finance, HR, ICT, Marketing)
- b. Administration staff (such as post 16 admin & marketing)
- c. Staff indirect expenses (such as child care voucher admin cost)
- d. Learning improvement and educational support (such as Subject Directors, Teaching and Learning Director)
- e. Professional services and support costs (such as recruitment advertising/marketing)
- f. Premises costs (if applicable examples might be utility contracts etc if procured and paid centrally)
- g. Identifiable one-off costs (such as Heggarty maths subscription)
- h. Infrastructure development costs
- i. Capital Costs (usually from accumulated reserves)

13. Apportionment Method

- a. Apportionment is the basis on which costs are charged between academies within the Trust.
- b. For costs which are specific to the individual academy, such as Heggarty maths, these will be charged at the individual rate.
- c. For costs for services which are required by all of the individual academies, regardless of their size, such as HR, Marketing and Accountancy support, these will be split equally.
- d. For all other costs e.g. management and administration salaries, such as ICT and Subject Directors, these will be apportioned by pupil numbers on roll. A consistent apportionment will be used each academic year and will be based on the pupil numbers as at the October census of each year.

14. Budget Notification to Trust Schools

The top slice budget statement will be issued to constituent academies no later than 31st May for the next academy year detailing the funds to be retained by the top slice.

15. Appeals Process

The Invictus Education Trust will give consideration to the funding needs and allocations of each constituent academy. There is an appeals mechanism for academies who may feel that they are being treated unfairly by the IET top-slice. The constituent academies will have a period of 10 working days to appeal.

16. In Year Change and Policy Updates

- a. The IET reserves the right to amend this policy on an annual basis in preparation for the forthcoming financial year.
- b. Where appropriate and after discussion with Headteachers, the top-slice may be adjusted in year to reflect the costs relating to that financial year, the increasing of services provided directly by IET, a change in year to the pupil numbers at the academy or cost savings generated through streamlining of back-office functions.

Karen Cocker
Chief Finance Officer
Date: 18 May 2022