




Pennine Academies Yorkshire

Trustee/Governor Expenses Policy

Date Policy Written:	December 2020
Date Policy Ratified:	9 December 2020
Date Policy to be Reviewed:	December 2021

Signed by:

A handwritten signature in black ink, appearing to be 'N. [unclear]', written over a horizontal line.

Chair of Trustees

Date: 9 December 2020

Statement of intent

At Pennine Academies Yorkshire, we are dedicated to good practice and ensuring equality through school/trust processes.

The governance of schools/trusts in England is deeply rooted in the principle of voluntary service, but academies have the opportunity to decide whether they wish to pay expenses to trustees/governors. Pennine Academies Yorkshire believes that no trustee/governor should be out-of-pocket in respect to carrying out their duties on behalf of the academy and, therefore, that the payments of expenses for trustee/governors are important in ensuring equality for all members of the school/trust community.

Pennine Academies Yorkshire encourages all trustee/governors to submit claims for reasonable expenses incurred whilst carrying out their duties.

Legal framework

This policy has due regard to statutory legislation including, but not limited to, the following:

- The Charities Act 2011
- The Trustee/governor Act 2000

This policy has due regard to guidance, including, but not limited to, the following:

- The Charity Commission (2012) 'Trustee/governor expenses and payments'
- DfE (2017) 'Governance handbook'

What are expenses?

- **For the purpose of this policy, "expenses" are refunds paid to trustee/governors to cover the costs incurred whilst fulfilling their governance duties for the academy trust.**
- Allowances of properly incurred expenses are not a payment to trustee/governors for their services, nor do they count towards any kind of personal benefit.

What can trustee/governors claim expenses for?

- Payments can only be paid for expenditure necessarily incurred to enable the person to perform any governance duty.
- Expenses will be paid on provision of a receipt, at the rate set out in the scheme, and will be limited to the amount shown on the receipt.
- Trustee/governors of Pennine Academies Yorkshire are permitted to claim expenses in the following instances, on a case-by-case basis and with prior approval from the board of trustee/governors:

Travel:

- Claims for expenses may be made for travel between the trustee/governor's household and an academy or the trust's central administration office in their personal car, at the level of mileage rates published by HMRC (45 pence per mile).
- The nature of the travel must be related to the work of the board of trustee/governors, e.g. trustee/governor meetings, training courses.
- Payments will be reimbursed for use of public transport or taxis, upon production of a valid receipt.
- The costs of parking for business away from the academy trust, where necessary, will be returned upon production of a valid receipt.

Hospitality:

- Claims for expenses may be made for the costs of meals taken whilst undertaking their trustee/governor duties and upon production of a valid receipt.
- The costs for reasonable overnight accommodation and subsistence while attending trustee/governor meetings or conferences will be reimbursed, only when the proposed claim has been agreed by the board of trustee/governors in advance.

Childcare:

- In cases where a trustee/governor does not have a spouse or family member to care for a child/children when the trustee/governor must attend meetings relating to the work of the board of trustee/governors, expenses will be returned for the cost of childcare or a babysitter.

- Allowances will also be reimbursed for the cost of care for elderly or dependant relatives where the trustee/governor must be absent due to their trustee/governor duties.
- Specific needs:
 - Trustee/governors may claim allowances for expenses relating to specific needs incurred when carrying out approved duties.
 - The circumstances in which trustee/governors can claim expenses for specific needs may include: taxi fares, audio equipment or support from a signer, braille transcription, special transport for individuals with disabilities, etc.
- Telephone charges, broadband, photocopying, stationery, etc.:
 - Claims for reimbursements can be made where a trustee/governor is unable to use an academy's or the trust's central administration office facilities for any of the above.
 - Allowances will be returned upon production of a valid receipt, where appropriate. In all other cases, a full written report must be submitted.
- Reimbursement for loss of earnings:
 - Trustee/governors are able to claim expenses for loss of earnings if there is suitable authority to do so and it would be of an advantage to the academy trust.
 - The board of trustee/governors will consider this type of payment to be viable where the trustee/governor:
 - o Brings particular skills or perspectives which are valuable.
 - Cannot afford to serve as a trustee/governor as their employer does not pay them for their time spent undertaking their duties for the academy trust.
 - Is self-employed, and carrying out their trustee/governor duties would cause them to suffer financially.
 - If the payment is approved, the Charity Commission will normally impose a condition that the reimbursement is no more than:
 - o The amount which could be regarded as reasonable payment for the work undertaken; or
 - The amount lost by the trustee/governor, whichever is lower.

NB. This list is not exhaustive and the board of trustee/governors may decide to reimburse in other instances; however, this will be discussed by the board of trustee/governors prior to any repayment of expenses.

Payments which do not count as expenses

- Trustee/governors are not able to receive allowances for the following:
 - Payments for hotel accommodation or travel costs for spouses or partners who are not participating in the business of the academy trust
 - Payments for private telephone bills for business unrelated to the academy trust
 - Payments for private medical insurance
 - Petrol mileage rates above the mileage rates published by HMRC (45 pence per mile)
 - Parking fines

NB. This list is not exhaustive and the board of trustee/governors may decide to reject other requests for expenses which are excessive, false or unreasonable.

- Any trustee/governor that attempts to claim expenses which are excessive or false, as outlined above, may be liable to removal from the board of trustee/governors and, if the expense has already been reimbursed, may be liable to repay the academy trust for the amount paid.

How are expenses claimed?

- Trustee/governors should claim expenses on a termly basis, unless the amount to be claimed is substantial and/or urgent.
- Claims should be made using a claim form, and submitted to the Chief Finance Officer, via the trust's central administration office.
- An example of the Claim Form which will be used by the trustee/governor can be found in the appendices.
- Any claims will not be reimbursed unless authorised by the Chief Finance Officer.
- All claims will be subject to independent audit. If claims appear to be too frequent or excessive, the board of trustee/governors may ask for further details.
- The board of trustee/governors will account for all expenses in the academy trust's accounts; this includes:
 - Details of the payments and other benefits to trustee/governors and connected persons.
 - Details of the legal authority upon which the payment has been made and the reasoning for it.

Trustee/governor payments

- Trustee/governor payments are paid from the academy trust's funds in return for the work the trustee/governor has carried out on behalf of the board of trustee/governors, and usually involves paying the trustee/governor for services above their normal trustee/governor duties.
- Trustee/governors may also receive benefits "in kind", i.e. free use of an academy within the trust's facilities for which other users would need to pay.
- Such payments are classed as taxable income and, therefore, the academy trust will only grant these payments if there is suitable authority from the Charity Commission to do so and the academy trust's governing document does not prohibit these payments.
- The Charity Commission will only authorise these payments where it has been clearly shown to be in the academy trust's interests, and will consider issues such as the following:
 - The reasons for the payment
 - Whether conflicts of interest have been managed appropriately
 - Whether the Secretary of State for Education is in agreement
 - Whether the payment of any trustee/governors is in the longer-term interests of an academy in the trust or the academy trust
 - Before the payment can be validated, and authority is received from the Charity Commission, the board of trustee/governors will ensure that the following conditions are met:

- There is a written agreement between the academy trust and the trustee/governor or connected person to whom the payment is to be paid
 - The written agreement sets out the exact or maximum amount to be paid
 - The trustee/governor concerned will not partake in decisions made by the board of trustee/governors concerning the making of the agreement or the acceptability of the service provided
 - The payment is reasonable in relation to the service provided and equivalent to the same service that may be provided by an equally qualified and experienced person
 - The board of trustee/governors follows the duty of care guidelines outlined in the Trustee/governor Act 2000
 - The total number of trustee/governors, or those connected to the trustee/governors, who are receiving the payment is a minority
 - There is no prohibition against payment of a trustee/governor
 - The Charity Commission's guidance surrounding trustee/governor payments has been considered and adhered to where relevant
 - The payment is in the best interests of an individual academy, academies or the academy trust
 - Any written agreements for payments to trustee/governors will be recorded separately to minutes, and must meet the criteria outlined in section 4.4. of the Charity Commission's 'Trustee Expenses and Payments' guidance.
- When exercising the duty of care in deciding whether a payment to a trustee/governor is viable, the board of trustee/governors will fulfil its requirements to:
- Exercise the power responsibly in the best interests of the academy trust.
 - Seek professional advice when in doubt.
 - Be clear that the payment of a trustee/governor can be justified.
 - Ensure that conflicts of interest are properly and openly managed in accordance with the academy trust's **Conflicts of Interest Policy**.
 - Ensure that agreements are complied with and that any poor performance is identified and addressed.
 - Retain the agreement.
 - Disclose the payments in the academy trust's accounts.
- In the application to the Charity Commission to approve a payment, the board of trustee/governors will demonstrate:

- What steps have been taken to recruit trustee/governors without payment for their services and, if none, the reasons why.
- Why it is considered advantageous to the academy trust to pay a trustee/governor.
- Whether the functions to be carried out are genuinely those of a trustee/governor.
- That the payment is reasonable and affordable, and will not affect the ability of the board of trustee/governors to carry out its duties.
- What risks have been identified and how they will be managed.
- How the unpaid trustee/governors will be able to review performance, judge value for money and, if necessary, bring the payments to an end.
- How conflicts of interest will be managed in accordance with the **Conflicts of Interest Policy**.

– **Monitoring and review**

- The Chief Finance Officer will review this policy on an annual basis in conjunction with the board of trustee/governors, and will make any changes necessary.

All trustee/governors are required to familiarise themselves with this policy upon their appointment to the board of trustee/governors.

Appendix 1

Claim Form

This claim form consists of two sections. Section two must only be completed when payment has been made to another party, e.g. child carer.

Section One

Name of trustee/governor:		Date:
Date of expenditure:	Details of expenditure:	Claim:
Total claim:		£

[To be completed once authorisation of the claim has been approved.]

I certify that the above expenses are actual and necessary, and confirm that cash/cheque has been received.

Signature of trustee/governor:		Date:
Signature of Chief Finance Officer:		Date:
Reimbursed by (name):		Date:

Section two

Duty of service, e.g. childcare:	
Name of provider:	
Amount received (£):	
Signature:	
Date:	