PENLEE ACADEMY TRUST

ALVERTON SCHOOL

LOCAL GOVERNING BODY (LGB) EXPENSES SCHEME

1. Introduction

The Penlee Academy Trust is an exempt charity and is therefore bound to comply with charity law. Charity law expects individuals and organisations to become involved with a charity purely for altruistic purposes. The law does not envisage, nor normally allow, a profit to be made by a member simply for acting in accordance with the role they have taken on.

Article 6.2 of the Trust's Articles of Association states 'None of the income or property of the Academy Trust may be paid or transferred directly or indirectly by way of dividend bonus or otherwise by way of profit to any Member of the Academy Trust.'

The local governing bodies within the individual academies are not charities themselves. This means that the charity law restrictions on payment to trustees do not apply to members of a local governing body.

The government expects voluntary service to remain normal practice for members of local governing bodies. The legality of paying members of a local governing body does not remove academy trusts' duty under charity law to act only in the interests of their charitable objectives. The EFA expects any multi-academy trust considering paying their local governing body members to review very carefully, whether this is in the best interest of the trust and whether this would be appropriate use of public funds. Trusts must also ensure they manage any conflicts of interest in accordance with their trust's Articles of Association.

However members of the Local Governing Body are entitled to have their legitimate expenses met from the funds of the charity. Expenses can include a wide range of costs including, for example, travel and other costs of attending meetings, specific telephone and broadband charges, travelling on LGB business, and providing childcare or care of other dependents while attending to LGB business.

2. References

This scheme has been developed with reference to:

- Academies Financial Handbook 2015;
- Penlee Academy Trust Articles of Association;
- Trustee Expenses and Payments (The Charity Commission)

3. What are expenses

Expenses are refunds of legitimate payments which a Governor has had to meet personally in order to carry out his or her LGB duties. Expense claims should normally be supported by bills or receipts, except where it is impractical to expect this, for example, where very small amounts are claimed.

4. Legitimate Expenses

The following are examples of legitimate expenses which may be claimed:

i. the reasonable cost of travelling to and from LGB meetings, and on LGB business and events; this can include the cost of using public transport (standard class), taxi fares, and petrol allowances to the level permitted by HM Revenue & Customs (HMRC) before tax becomes payable;
ii. reasonable refunds for the cost of meals taken while on LGB business;
iii. the reasonable cost of childcare, or care of other dependants (for example, an elderly parent) whilst attending LGB meetings or business The costs incurred for childcare or care of other dependents will only be refunded if the costs would not have normally been incurred at the time of the scheduled meeting;
iv. the cost of postage and telephone calls on LGB business;
v. the costs of a Governor's telephone rental and broadband subscription, so long as these are split to reflect the percentage of time relating to usage on behalf of the LGB;
vi. communication support: translating documents into Braille for a blind Governor, or into different languages; provision of alerting and listening devices, and other special aids for people with hearing impairment
vii. the costs of buying training materials and publications relevant to governorship
viii. providing special transport, equipment or facilities for a governor with a disability whilst on LGB business
ix. The cost of reasonable overnight accommodation and subsistence (including any essential care costs) while attending LGB meetings or other essential events such as conferences or specialist training courses.

As long as the LGB only pays the recipient for the actual cost or expense, the payment is not taxable.

Expenses that are not included in the example above but which the Governor believes should be reimbursed will be referred to the LGB's Resources and Premises Committee for consideration.

5. Expenses that do not constitute legitimate claims

The following are examples of expenses that do not constitute legitimate claims or are excessive, and/or do not relate to activities of the LGB:

i. Payment to cover the loss of earnings;
ii. Attendance allowance;
iii. Payment of hotel accommodation or travel costs for spouses or partners who are not themselves travelling on the business of the LGB;
iv. Car mileage rates above the levels approved by HMRC for claimable expenses

6. How to claim expenses

LGB' expenses claims should be submitted on the School's expenses claim form, for approval by the School's Head and submitted to Sarah Prouse, Finance Administrator, Alverton School, Alverton, Penzance TR18 4QD

This policy was reviewed in January 2017 and will be reviewed again in January 2019.