



UNIVERSITY OF  
CAMBRIDGE  
PRIMARY SCHOOL

# Governors' Allowance Policy, Guidance and Procedure

Approved by  
Finance Committee

Last reviewed on  
March 2020

Next review due  
March 2022

**RELEASING THE  
IMAGINATION:  
CELEBRATING  
THE ART OF  
THE POSSIBLE**



## 1. Introduction

This policy statement has been developed in accordance with the Education (Governors' Allowances) Regulations 2013 (see Appendix I). These regulations give Governing Bodies the discretion to pay allowances e.g. expenses from the school's annual budget allocation to governors for certain allowances which they incur in carrying out their duties.

The Trust recognises that, while governors are volunteers, they do incur costs in the course of carrying out their duties. These costs are of a variable nature and to a certain extent are dependent on the personal circumstances of each governor. While it has been the culture for many years that governors of the school do not claim allowances for expenses incurred, this position has mainly arisen because most governor expenses are treated as immaterial, incidental and, alongside the time they give freely, part of their 'donation' to the school.

However, this results in a risk that governors will incur expenses that are justifiably claimable, and should be claimed, but are not claimed for one reason or another. A policy which makes it clear such expenses may be claimed is therefore appropriate.

Reviewing and recommending the policy and accompanying procedure to the Governing Body for approval is the responsibility of the Finance, Resources and Buildings Committee.

## 2. Policy

Allowances may only be paid if the costs are wholly and necessarily incurred in carrying out their duties as a governor or representative of the school.

Governors at the school:

- Are entitled to claim 'justifiable' expenses, as described below;
- Are not obliged to claim expenses of any kind if they do not wish to do so;
- May not ordinarily claim incidental expenses of a relatively low value and other allowances or expenses as described below;
- May only claim expenses by using the appropriate procedure, as attached; and
- May only be paid expenses that have been approved by the appropriate governor, as described in the attached procedure.

The Governing Body will only set aside a budget for governor allowances when it is reasonably foreseeable that claims will be made.

This policy shall apply with effect from 1<sup>st</sup> May 2015.

### **Guidance on the allowances policy**

It is not possible to completely define what is or what is not a 'justifiable expense', as each case may need to be considered on its merits. The following sections offer guidance on what is and what is not allowable.

*Incidental expenses that will not normally be considered claimable*

The governing body has determined that incidental expenses will not ordinarily be claimable. This includes all of the following:

- Any costs incurred in attending governing body related meetings at the school (including governing body, committee and working group meetings);
- Any costs incurred in visiting school for any other governor-related purpose (for example, link governor visits or attending school functions);
- Costs of postage, stationery and associated materials such as printer ink and memory sticks;
- Costs of governor-related telephone calls;
- Utility costs, including broadband or dial-up access to the internet;
- Costs of equipment, e.g. computer, mobile phone;
- Travel expenses to attend local training and information events.

Rarely will such incidental expenses become significant. Where this is the case and a governor considers they have reached 'justifiable' proportions, a case may be made for reimbursement on an exceptional basis as described in the policy statement above.

There are some allowances and expenses that are not claimable in law. These include:

- Attendance allowance i.e. payments for attending meetings;
- Loss of earnings resulting from governing body activity.

The governing body has not identified any other form of expense as inherently unjustifiable, but reserves the right to do so in the future. In unusual or exceptional circumstances, governors are advised to discuss the situation with the Chair of Governors in advance of incurring the expense where possible.

### *Justifiable expenses*

Subject to the non-payment of incidental and certain other expenses, governors are entitled to claim whatever expenses they consider to be justifiable in the context of their own circumstances and the expenses incurred. The Governing Body accepts that individual governors are likely to have different views as to what constitutes a reasonably justifiable expense and that, providing the justification is sound, all such claims will be formally considered on their merits.

Where a governor can reasonably anticipate incurring a justifiable expense in advance, they should normally raise the issue with the authorising governor in advance to confirm their understanding of the justifiable nature of the expense. A failure to seek advance confirmation does not prevent an expense from being paid, but it may increase the risk of difficulties arising after the event.

### *Allowances that will normally be considered justifiably claimable:*

Claims for allowances should normally be agreed in advance with the Chair or other relevant authorising governor (see authorisation procedure below):

- The extra costs incurred by a governor in performing their duties because they have special needs, such that they cannot carry out their duties as a governor without financial assistance;
- The cost of travel and subsistence for attending national meetings or training events, at the same rates as are applicable for school personnel, except where these costs can be claimed from the Local Authority or any other source.

### *Receipts*

Receipts should normally be provided to support a claim made. A failure to provide receipts where these are reasonably available may result in a claim not being authorised for payment. Receipts are not necessary for car mileage claims, although alternative evidence of the journey taken may be requested to support the claim made.

### *Claim and authorisation procedure – see also attached flow chart*

No governor may authorise their own expense claim. The Governing Body delegates the authorisation of expenses first to the Chair of the full Governing Body and, if they are unavailable or it is their own claim, the Vice-Chair of the full Governing Body (or in their absence, the Chair of the Finance Resources and Buildings Committee).

Authorisation to incur the expenditure to be claimed should normally be sought and obtained in advance of the expenditure being incurred.

Governors wishing to make claims should complete a claim form attaching receipts where possible, and send it to the Chair (or other authorising governor) within one month of the date when the expenses were incurred. The Chair will examine the claim for completeness, accuracy and to confirm it is consistent with the approved policy and guidance.

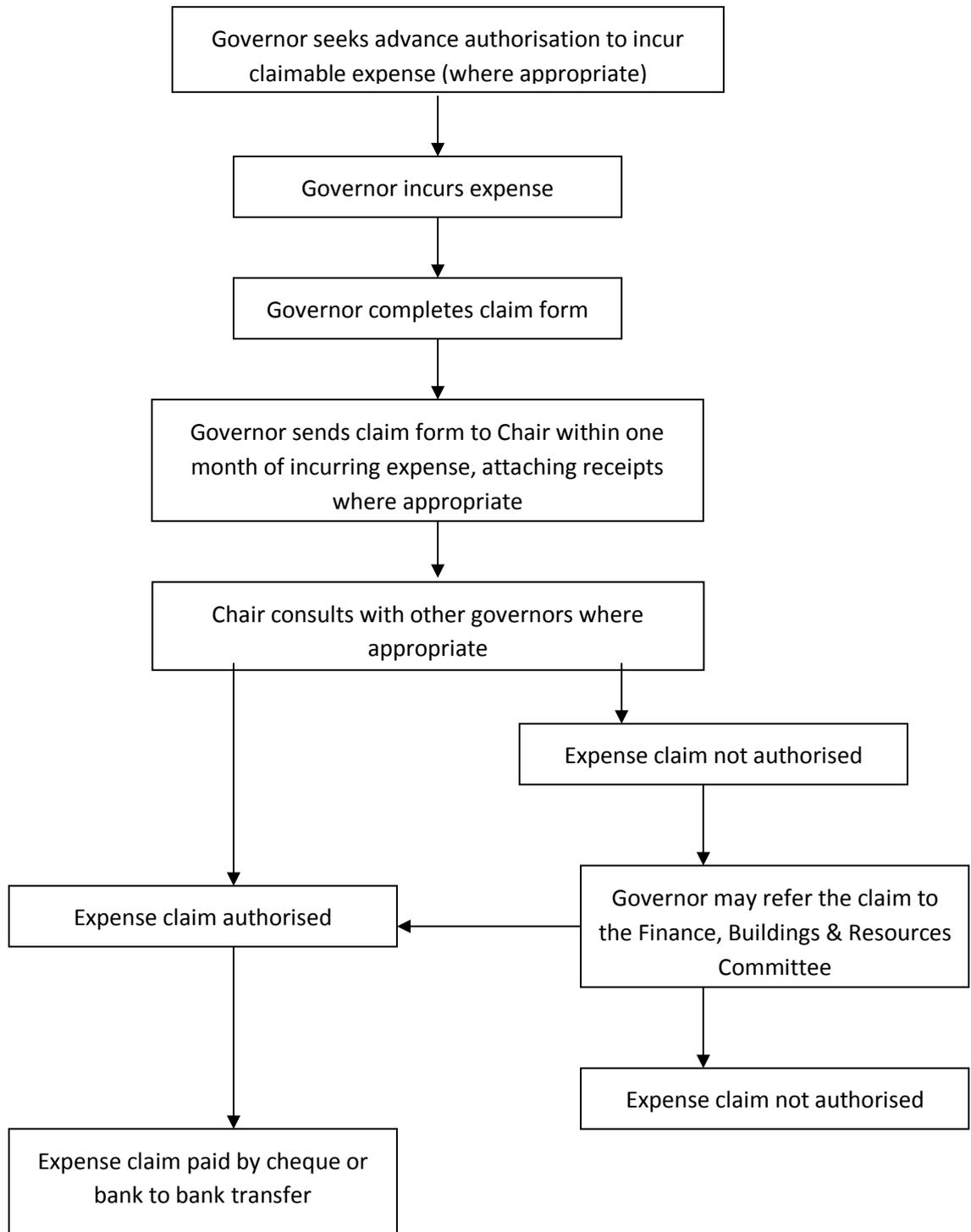
The Chair will normally consult with other relevant governors for “non-standard” claims, for example where the claim is submitted more than two weeks after the expense was incurred, or where the situation is unusual, complex and/or when the amount involved is more than £50. Claims will not be rejected without seeking the views of at least two other members of the Finance Resources and Buildings Committee.

Where a claim is not authorised for payment, the governor may refer the claim to the Finance Resources and Buildings Committee, whose decision on the eligibility of the expense for reimbursement shall be final.

Governors may claim the payment of expenses on a confidential basis if they wish to do so and should approach the Chair to make the necessary arrangements.

Claims may be subject to review by the Finance Resources and Buildings Committee or independent audit. The outcomes of any such review or audit will be reported to the Review Committee for information.

Governors Allowances Policy process flow



**University of Cambridge Primary School governor allowances claim form**

In completing this form, governors may wish to refer to the governor allowances policy and guidance document.

Governor name:	
Address:	Date claim made:
Nature of expense:	Date(s) expenses incurred:

I claim the total sum of £..... for governor expenses as described above. I have attached relevant receipts to support my claim.

Signed:

This form should be submitted for authorisation to:

Chair of the Governing Body (or other appropriate authorising governor)

I authorise payment of £..... for governor expenses as detailed above.

Signed:

Date:

Position

## **Appendices:**

### **Appendix I: Reference to the Governors' Handbook September 2014**

#### **7.6 Payments to governors**

School governance in England is rooted firmly in the principle of voluntary service. The Government is committed to maintaining and promoting this principle for governors of both academies and maintained schools. This is in line with Charity Law and corporate governance practice in other parts of the public sector.

There are a limited number of specific circumstances in which individuals serving as governors can receive payments from their school. However, this should only take place where it is clearly in the best interests of the school or academy.

##### **7.6.1 Governor allowances and expenses**

The Finance Resources and Buildings committee will budget to choose whether to pay allowances or expenses to governors and associate members of the governing body to cover any costs, such as travel or childcare, which they have incurred as a result of serving as a governor. Where they choose to do so, it must be in accordance with a policy or scheme. Payments can only be paid for expenditure necessarily incurred to enable the person to perform any duty as a governor. This does not include payments to cover loss of earnings for attending meetings. Travel expenses must not exceed the HM Revenue and Customs (HMRC) approved mileage rates, which are changed annually and are on [HMRC website](#). Other expenses should be paid on provision of a receipt (at a rate set out in the scheme) and be limited to the amount shown on the receipt.

Where a governing body does not have a delegated budget, allowances and expenses may be paid by the LA at a rate determined by them.

Governing bodies in academies are free to determine their own policy on the payment of allowances and expenses.

##### **7.6.2 Payment for serving as a governor**

Paying governors for their role as a governor is subject to very specific legal restrictions. This is true in both maintained schools and academies as set out below.

#### **Maintained schools**

There is no legal power for schools, LAs or the government to pay members of maintained school governing bodies for their duties as governors.

Schools that are performing very poorly may be 'eligible for intervention'. In these schools, the Secretary of State or the LA with the consent of the Secretary of State has the power to replace a governing body with an Interim Executive Board (IEB). They have the power to pay members of an IEB they impose, if they chose to do so. We would expect payment to be offered to IEB members only when this is in the best interests of the school. The Secretary of State has to date not offered such payment.

The legal power also exists for the Secretary of State or the LA to appoint any additional governors to a maintained school governing body if the school is 'eligible for intervention'. The Secretary of State has the power to pay any governors he appoints. However, he has not used this power to date, preferring instead to seek an academy solution for the under-performing school.

## **Academies**

Academy trusts are independent charities. Their governors are therefore also charity trustees who must comply with Charity Law. This means that they can only receive payment for carrying out trustee duties if this payment is specifically allowed by the academy's governing document or has express authorisation from the Charity Commission. For academies, this power is not currently in the model Articles of Association and any change to allow payment to trustees would need Charity Commission authorisation.

The Charity Commission will only authorise payment to academy trustees where it has been clearly shown to be in the charity's interests. They will consider issues like the reasons for payment, whether conflicts of interests are managed appropriately, whether the Principal Regulator (for academies this is the Secretary of State for Education) is agreeable and whether payment of any trustees is in the longer term interests of the charity.

## **Multi-academy trusts**

Like standalone academy trusts, multi-academy trusts are charities. They usually appoint a local governing body for each academy within the trust. These local governing bodies are not charities themselves, and their members are not usually trustees of the multi-academy trust. This means that the charity law restrictions on payment to trustees do not apply to members of a local governing body.

However, 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. We would expect 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.

### **7.6.3 Payment for services**

In both maintained schools and academies it is legal for governing bodies to pay for goods and/or services, including those provided by an individual who is also serving as a governor. However, in doing so they should first assure themselves that this is in the best interests of the trust and ensure that conflicts of interests are dealt with appropriately in the decision making process.

The Department places very clear expectations on academy trust boards in how they should manage any conflicts of interest. It is essential that all contracts and arrangements for payments of good and/or services follow proper procurement processes. In addition where a contract is awarded to an academy member, trustee or a party connected to them the service/goods must be provided at cost and no profit is allowed to be made. Full details of the requirements placed on academies can be found in the ['Academies Financial Handbook'](#).

Further information about payments to trustees is available in the [Charity Commission guide \(CC11\), Trustee expenses and payments](#).