

APPENDIX 5

Financial limits for LABs

All Company Academies must follow the financial procedures issued by the Academy Trust Finance Director. Any changes to the standard financial procedures require the approval of the Directors.

In addition, all Company Academies are required to comply with the Academies Financial Handbook.

Level 1 autonomy

Orders/contracts with a total value in excess of 3% of the **GAG* funding** require the approval of the Academy Trust Finance Director.

Contracts with a value in excess of 5% of the **GAG funding** or £100,000 (the lower of) will require the approval of the Directors.

Level 2 autonomy

Orders/contracts with a total value in excess of 1.5% of the **GAG funding** require the approval of the Academy Trust Finance Director.

Contracts with a value in excess of 2.5% of the **GAG funding** or £50,000 (the lower of) will require the approval of the Directors.

*General Annual Grant (GAG), most funding for academies comes from the GAG.

The general annual grant (GAG) is made up of:

- school budget share – calculated on the same basis as for maintained schools in the same LA
- education services grant (ESG) – allocated based on pupil numbers

As in the 2014 to 2015 academic year, in 2015 to 2016 the school budget share is protected by a minimum funding guarantee. This means per pupil funding will not fall by more than 1.5% compared with the previous year.

Academies revenue funding allocations, webinars on funding for academies 2015 to 2016 academic year <https://www.gov.uk/academies-funding-allocations>