

The Crabtree Academy Trust

Crabtree Lane, Harpenden, Herts. AL5 5PU



Charging, Refunds and Remissions Policy

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The governing body shall conduct the school with a view to promoting high standards of learning, attainment and care.

Crabtree Academy Trust is committed to eliminating discrimination, advancing equality of opportunity and fostering good relations between different groups. These factors were considered in the formation and review of this policy and will be adhered to in its implementation and application across the whole school community.

The Crabtree Schools will promote the fundamental British values of democracy, the rule of law, individual liberty and mutual respect and tolerance of those with different faiths and beliefs and will actively challenge any member of the school community expressing opinions contrary to fundamental British Values, including 'extremist' views.

Version	Date Approved by Resources Committee	Any Notes	Next Review
V1.0	03/03/2016		
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Contents

1.	Purpose.....	3
2.	Policy	3
3.	School charging.....	3
3.1	Education.....	3
3.2	Optional extras	4
3.3	Damage to property/equipment	4
4.	Voluntary contributions	4
4.1	Calculation of voluntary contributions.....	5
4.2	Residential trips	5
4.3	Planning for voluntary contributions.....	5
5.	Remissions	5
5.1	Residential trips	5
5.2	Music tuition	6
5.3	Materials, books, instruments or equipment	6
6.	Refunds.....	6
6.1	Illness.....	6
6.2	Cancellation	6
6.3	Surplus.....	7
7.	Monitoring and Review.....	7
	Appendix 1: Examples of charging.....	8
	Appendix 2: In-house before and after school clubs.....	9

1. Purpose

Sections 449-462 of the Education Act 1996 set out the law on charging for school activities in schools maintained by local authorities in England. The Crabtree Academy Trust, through its funding agreement is required to comply with the law on charging for school activities. This policy is based on the DfE guidance, *Charging for School Activities*, issued October 2014.

Subject to the limited exceptions referred to in this document, the Trust is not permitted to charge for education provided during school hours (including the supply of any materials, books, instruments or other equipment). When asking for contributions towards the cost of school visits, the Trust has a duty to inform parents on low incomes and in receipt of the benefits listed in Paragraph 5.1 of this document of the support available to them.

2. Policy

The Crabtree Academy Trust recognises the valuable contribution that a wide range of additional activities, including clubs and visits can make towards a pupil's education. The Directors aim to promote and provide such activities for the pupils of The Crabtree Schools, as part of a broad and balanced curriculum and as additional optional activities.

The Trust believes that all pupils should have an equal opportunity to benefit from school activities and visits (both curricular and extra-curricular). The Trust aims to ensure that charges and remissions are applied consistently and fairly, and that they enable every pupil to access provision regardless of their family's financial circumstances.

The schools will do their best to ensure a good range of visits and activities is offered and, at the same time, try to minimise the financial barriers which may prevent some pupils taking full advantage of the opportunities.

3. School charging

3.1 Education

The schools are not permitted to make a charge for:

- an admission application to the schools;
- education provided during school hours (including the supply of any materials, books, instruments or other equipment);
- education provided outside school hours if it is part of the national curriculum¹, or part of religious education;
- instrumental or vocal tuition, for pupils learning individually or in groups, unless the tuition is provided at the request of the pupil's parent.

A charge may be made for:

- any materials, books, instruments, or equipment, where the child's parent wishes him/her to own them;
- vocal or instrumental tuition provided either individually, or to groups of any size, provided that the tuition is provided at the request of the pupil's parent. Charges may not exceed the cost of the provision, including the cost of the staff who provide the tuition.²
- community facilities³.

¹ It should be noted that 'part of the national curriculum' is not restricted to learning outside the classroom experiences that are specifically subject based (e.g. geography or science fieldwork) and include, for example, activities designed to fulfil requirements under the national curriculum 'inclusion statement' (e.g. developing teamwork skills).

² NB No charge may be made in respect of a pupil who is looked after by a local authority (within the meaning of section 22(l) of the Children Act 1989).

³ The powers to provide community facilities are under s.27(1) of the Education Act

3.2 Optional extras

Charges may be made for some activities that are known as 'optional extras'. Where an optional extra is being provided, a charge **can** be made for providing materials, books, instruments, or equipment. Optional extras are:

- transport (other than transport that is required to take the pupil to school or to other premises where the local authority/governing body have arranged for the pupil to be provided with education, e.g. transport provided in connection with an educational visit).
- board and lodging for a pupil on a residential visit;
- extended day services offered to pupils (for example breakfast club, after-school clubs, tea and supervised homework sessions). See appendix 2 for clarification on before and after school clubs.

In calculating the cost of optional extras an amount may be included in relation to:

- any materials, books, instruments, or equipment provided in connection with the optional extra;
- the cost of buildings and accommodation;
- non-teaching staff;
- teaching staff engaged under contracts for services purely to provide an optional extra, this includes supply teachers engaged specifically to provide the optional extra; and
- the cost, or an appropriate proportion of the costs, for teaching staff employed to provide tuition in playing a musical instrument, or vocal tuition, where the tuition is an optional extra.

Any charge made in respect of individual pupils must not exceed the actual cost of providing the optional extra activity, divided equally by the number of pupils participating. It must not therefore include an element of subsidy for any other pupils wishing to participate in the activity whose parents are unwilling or unable to pay the full charge. Furthermore in cases where a small proportion of the activity takes place during school hours the charge cannot include the cost of alternative provision for those pupils who do not wish to participate. Therefore no charge can be made for supply teachers to cover for those teachers who are absent from school accompanying pupils on a residential visit.

Participation in any optional extra activity will be on the basis of parental choice and a willingness to meet the charges. Parental agreement is therefore a necessary pre-requisite for the provision of an optional extra where charges will be made.

3.3 Damage to property/equipment

The Trust reserves the right to ask for payment/contribution in the event of any breakage or damage to school property/equipment.

See *Appendix 1* for examples of charges made at The Crabtree Schools.

4. Voluntary contributions

The Trust strongly believes that visits and trips enhance and enrich pupils' learning and enjoyment of learning and it therefore supports the schools' desire to offer a wide range of experiences beyond the classroom.

As the schools' delegated funds will not cover the cost of such activities, the Trust allows the Headteachers to ask parents for a voluntary contribution towards the cost of activities which take place during the school day and which incur additional costs, for example day trips or visits from external providers.

- Best value will be sought in planning activities that incur costs for which a voluntary contribution is sought from parents.
- The contribution must be genuinely voluntary and the pupils of parents who are unable or unwilling to contribute will not be discriminated against: no pupil will be prevented from participating because his/her parents cannot or will not make a contribution.
- Letters requesting a voluntary contribution for an activity must indicate that there is no obligation to contribute and that pupils will not be treated differently according to whether or not their parents have made any contribution in response to the request.
- Voluntary contributions will not be requested from the parents of children eligible for Pupil Premium or Pupil Premium Plus.
- Where the shortfall from contributions towards the cost of day activities or visits is 5% or more, then the activity may be cancelled.

The Trust acknowledges that offering opportunities on a “first come, first served” basis is likely to discriminate against pupils from families on lower incomes and will avoid that method of selection. The usual expectation will be that trips and activities will be for all pupils in a particular year group.

4.1 Calculation of voluntary contributions

The requested contribution in respect of individual pupils will not exceed the actual cost of the activity, divided equally by the number of pupils participating. Although the calculation of costs may include a 5% contingency allowance it will not include any element of subsidy for other pupils participating in the activity whose parents are unable or choose not to make a contribution. The charge will not include the cost of alternative provision for those pupils who do not wish to participate. Therefore no charge can be made for supply teachers to cover for those teachers who are absent from school accompanying pupils on a residential visit. However, the cost of any additional hours worked by Teaching Assistants who accompany the visit will be taken into account.

4.2 Residential trips

Although the school can charge for board and lodging on residential visits (see above), no charge is permitted for the educational or travel elements. A voluntary contribution will therefore be sought to cover these costs.

4.3 Planning for voluntary contributions

The Trust recognises its responsibility to ensure that the offer of activities and educational visits does not place an unnecessary burden on family finances and acknowledges that parents will want to plan to meet the schools’ requests for voluntary contributions.

- Where possible, a list of visits (and their approximate cost) will be published at the beginning of the school term so that parents can plan ahead.
- When an opportunity for a trip arises at short notice it will be possible to arrange to make a voluntary contribution beyond the date of the trip.
- Parents will be given the option to pay in instalments for residential trips.

5. Remissions

5.1 Residential trips

Children will be entitled to the remission of the charge for board and lodging if their parents are in receipt of the following support payments:

- Universal Credit in prescribed circumstances;⁴
- Income Support (IS);
- Income Based Jobseekers Allowance (IBJSA);
- support under part VI of the Immigration and Asylum Act 1999;
- Child Tax Credit, provided that Working Tax Credit is not also received and the family's income (as assessed by Her Majesty's Revenue and Customs) does not exceed £16,190 (financial year 2014/15);
- the guaranteed element of State Pension Credit;
- an income related employment and support allowance that was introduced on 27 October 2008.

When Crabtree Junior School informs parents about the Year 5 and 6 School Journeys, it must make clear that parents who can prove they are in receipt of the benefits stated above will be exempt from paying the cost of board and lodging:

The Headteacher has discretion to offer further remissions and subsidies to these parents and additional categories of parents. In particular, parents who have explained genuine financial difficulties, which in the opinion of the Headteacher (and through consultation with Governors if deemed appropriate) justifies a subsidy towards these costs, may claim help from the school with costs.

The school will approach local charities, e.g. The Harpenden Trust, to support remissions and subsidies in order to minimise the impact on school funds.

5.2 Music tuition

The Local Authority operates a remission policy in relation to individual musical instrument tuition provided by the Herts Music Service.

5.3 Materials, books, instruments or equipment

The cost of materials for items that a child wishes to take home will be remitted for children whose parents are in receipt of any of the support payments listed in Paragraph 5.1. In addition, the Headteachers may, at their discretion, remit or subsidise charges for children of other parents who have explained genuine financial difficulties.

Remission of costs relating to books, instruments or equipment will be considered on a case-by-case basis.

6. Refunds

6.1 Illness

Where a pupil is unable to participate in an activity due to illness, the school will refund any marginal cost of the activity and, taking into consideration the overall cost of the trip, will consider making a full refund to the parents. Where a pupil drops out from an activity for any reason other than illness, it is at the discretion of the Headteacher whether a refund will be made.

6.2 Cancellation

In the event of the cancellation of an activity, visit or trip, the school will provide a full refund to parents.

⁴ The government plans to prescribe the circumstances when Universal Credit is fully rolled out.

6.3 Surplus

Where either a charge has been made or voluntary contributions received and the activity makes an unexpected surplus, the Crabtree Schools will offer a refund where the surplus is:

- 5% or more of the total cost, and
- £5 or more per person.

Surpluses will be reimbursed in 'round amounts' only, e.g. £6 not £6.29.

Any refunds should be made as soon as possible after the visit, either to pupils or parents by cheque or cash against signed receipts.

7. Monitoring and Review

This policy will be reviewed at least once every three years, in accordance with the Trust year planner.

The Resources Committee will undertake an annual review of the charges made and contributions sought under the terms of this policy.

The Resources Committee will monitor the impact of this policy by receiving on a termly basis (or annually if remission or help with charges is uncommon), a financial report on those activities that resulted in charges being levied, the subsidies awarded (without giving names) and the source of those subsidies. It will seek to evaluate the impact of the school's extended services on those children most in need of additional support.

Appendix 1: Examples of charging

Chargeable activity or item	Notes
Materials, books, instruments, or equipment, <i>where a parent wishes their child to own them</i>	<p><i>For example:</i></p> <ul style="list-style-type: none"> • A clay model – a charge may be made to cover the cost of the clay. • Cookery club – a charge will be made to cover the cost of ingredients.
Music tuition	<p>The cost, or a proportion of the costs, for tuition provided by the Herts Music Service in playing a musical instrument or singing, where the tuition is an optional extra for an individual pupil or groups of up to four pupils.</p> <p>Tuition fees for lessons provided in school by other providers, e.g. Musicale Ltd and other independent teachers, are charged directly by the provider</p>
Clubs	<p>Clubs that are provided as optional extras (usually provided by external providers: for example, Game On, French, Spanish, Mad Science, Karate, Cookery etc.) will be chargeable direct from provider to parent, Parents of pupils in receipt of Pupil Premium or Pupil Premium Plus may apply to have the charges paid out of school funds.</p>
Board and lodging, for residential visits	<p>Board and lodging for Year 5 and Year 6 School Journeys will be charged at cost.</p>
Damage and Breakages	<p><i>For example:</i></p> <ul style="list-style-type: none"> • Lost library books will be charged at replacement cost. • In the case of wilful damage to school property or equipment by pupils, at the Headteacher's discretion, a charge may be made to the parents or a contribution requested towards replacement/repair.

Activities for which a Voluntary Contribution will be sought	
School trips, visits and workshops	<p>A voluntary contribution will be requested to cover the cost of an individual child's share of the costs of the activity. The schools will not seek to generate a surplus.</p>
Clubs/groups charged for by school (e.g. gardening club, year 5 & 6 spring term gym club) – these are optional extras, for which a charge may be made.	<p>This does not refer to other clubs held on school premises which, as per the table above, are charged direct from provider to parent.</p>

Appendix 2: In house Before and After School Clubs

Crabtree Academy Trust – Breakfast and After School Club & Holiday Club Financial Policy/Position Statement - last updated October 2017

Introduction

Crabtree Academy Trust (CAT) provides extended provision via breakfast and after school clubs (BASC) and a holiday club (HOL). The provision of these services provides essential provision for families where working parents require childcare support around the school day and during school holidays. The holiday clubs provide for families with children who attend Crabtree as well as for families in the wider local community.

The provision of these services generates income and/or spreads the cost of fixed overheads, supporting and improving the overall provision. This activity is sometimes referred to as “Traded Services” in the variety of documentation associated with school finances.

Charitable Purpose/Objects

Academy Trusts are governed by the Articles of Association. Within these documents is a section which describes the purpose of the Trust. These are known as the “Objects”. Typically the purpose of an Academy Trust is to provide free education to the local community. This purpose can be expanded to include ancillary benefit for the local community. The nature of this purpose is generally a form of public service and typically an academy trust will therefore benefit from a form of charitable status. Crabtree Academy Trust is no exception and the objects contained within our Articles are as follows:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum;
- to promote for the benefit of the inhabitants of Harpenden and its surrounding areas the provision of facilities for the recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, or the public at large in the interests of social welfare and the object of improving the condition of life of the said inhabitants.

Policy Approach

There are two areas for the Board to consider in relation to traded services:

I. Tax

As a generalisation academy schools and multi academy trusts (such as CAT) benefit from tax exemptions in relation to VAT and Corporation Tax. However, activity undertaken within traded services must be in relation to the Trust’s “charitable purpose” in order to enjoy this benefit. CAT have considered the various legislation and guidance in relation to these matters and have consulted their auditor (Beyond Profit) and legal advisors (Browne Jacobson). It is the Board’s determination that in each case the BASC and HOL clubs are activities consistent with the Trust’s charitable purpose.

I.1. VAT

Activities run by an academy trust for the benefit of its pupils are typically regarded as “non-business” income and fall outside of the scope of VAT. For non-business activity no VAT should be charged on sales, and input VAT is reclaimable. HMRC provide general guidance which states that before and after school clubs (running from 8am to 6pm) are “non-business” activity.

It is the judgement of the Board that the BASC run at Crabtree Infants’ and Crabtree Juniors are consistent with the requirement to be for the benefit of pupils and can be treated as “non business” activity. The Board note that whilst Crabtree breakfast clubs runs from 7.30am, the guidance from HMRC with regard to 8am is indicative only and the breakfast club is an extension of the school day to assist working parents, consistent with the objects of the Trust.

The HOL clubs may be attended by non-Crabtree pupils and as such should be treated as

business income. Holiday clubs benefit from a specific safe harbour within VAT rules which categorise them as “welfare services”. VAT is recoverable on such services subject to specific rules known as “partial exemption rules”. These rules are relatively detailed and beyond the scope of this summary. However, they will be applied by the financial team working alongside the CFO. In summary, VAT should not be charged on supplies (income) and VAT on purchases related to the HOL may or may not be recoverable.

I.2. Corporation Tax

Corporation tax in relation to the BASC and HOL is not considered to be due as these activities are consistent with the primary charitable purpose (objects) of the Trust and the revenue is applied solely for the purposes meeting these objects.

This determination is further supported by CAT’s approach to pricing of these clubs which seeks to ensure that charges to parents are comparable to alternative similar provision in the local community and that net profits are limited.

The clubs generate gross income which supplements the main income sources for the Trust. Offsetting this gross income are direct costs (e.g. staff, equipment and materials used by the clubs) and indirect costs (e.g. a pro rata share of school overheads).

The Trust monitors the net profits derived from these activities with a view to aiming for a small net profit to ensure the clubs are able to contribute to the objects of the Trust in an equitable way such that parents using the club pay a fair contribution towards the running of the clubs and the Trust does not materially subsidise the clubs (i.e. make a net loss).

The Trust will keep under review acceptable levels of net profit/loss. However, as a rule of thumb it applies a limit of £50,000 on acceptable levels of net profit/loss. This has been calibrated against the small business exemption for corporation tax such that the Trust would avoid diverting income to pay tax.

II. DfE Guidance

The Trust follows DfE guidance on what activities a school may undertake and how it may charge for these activities.

DfE Guidance (published 13/11/08 and updated Oct 2014) on school charging policies is reflected in the charging policies of CAT. The guidance states (summarised for relevant sections – full details are available at <https://www.gov.uk/government/publications/charging-for-school-activities>):

- Schools cannot charge for education provided during school hours
- Schools can charge for community facilities and optional extras including extended day services offered to pupils (for example breakfast club, after-school clubs, tea and supervised homework sessions).
- The actual charge for the optional extra cannot exceed the actual cost of the provision. Schools cannot and must not make a profit from charging for optional extras.
- In calculating the cost of optional extras an amount may be included in relation to:
 - any materials, books, instruments, or equipment provided in connection with the optional extra;
 - the cost of buildings and accommodation;
 - non-teaching staff;
 - teaching staff engaged under contracts for services purely to provide an optional extra, this includes supply teachers engaged specifically to provide the optional extra; and
- Any charge made in respect of individual pupils must not exceed the actual cost of providing the optional extra activity, divided equally by the number of pupils participating. It must not therefore include an element of subsidy for any other pupils wishing to participate in the activity whose parents are unwilling or unable to pay the full charge.
- Participation in any optional extra activity will be on the basis of parental choice and a willingness to meet the charges. Parental agreement is therefore a necessary prerequisite for the provision of an optional extra where charges will be made.

This guidance is relevant to the BASC which falls under the “optional extras” definition. This is also consistent with the Trust’s approach with regard to tax where by charges are set so as to offset the direct and indirect costs of running the clubs such that net profits are small and where these are

created they are fully re-invested into the schools in line with the primary charitable purpose (objects).

The Trust intends to allocate a place in BASC and/or HOL to pupil premium children with no charge (i.e. not using pupil premium to pay for it) – helping with the charitable intentions. This will be considered if available places exist and if there is a genuine financial need.

Application of overheads

In order to run the BASC and Holiday clubs direct and indirect costs are incurred. These offset gross income and are relevant for the reasons outlined above. The Trust will use the following general rules when allocating costs. However, the Board may vary these in specific circumstances where a clear and justifiable reason exists.

Direct costs: where possible direct costs will be identified and 100% of these will be charged to the relevant club.

Direct costs include: Staff running the club; ring fenced administration staff time dedicated solely to the clubs; materials used within the clubs; systems or software dedicated to the clubs; advertising costs.

Indirect costs: the clubs make use of the facilities available at the schools including accommodation, utilities, IT equipment, photocopying and printing, and the staff required to manage the schools (finance and admin). These costs are charged on a pro-rata basis according to the proportion of the time these facilities are utilised by the various activities.

Indirect costs are effectively Total costs less

- I. costs directly attributable to Teaching and Learning during the school day; or
- II. direct costs of the BASC and Holiday Club

Indirect costs are allocated according to the following ratios:

- BASC = $0.4 \times 39/49$ (4 hours of a 10 hour day for 39 weeks per year) = 31.8%
- Holiday Club = $10/49$ (10 weeks per year of a 49 week year) = 20.4%
- School = $0.6 \times 39/49$ (6 hours of a 10 hour day for 39 weeks per year) = 47.8%

There are approximately 3 weeks that are not used by either school or holiday club hence the sharing of the costs to 49 weeks.

Other income generating clubs

For example Challenge Sports

<https://www.challengesporteducation.co.uk/about-cse/>

Challenge Sports provide an after school club service to Crabtree Infants' School once per week for up to 30 children at a charge of £5 per session, payable for the whole term.

Parents pay Challenge Sports directly. 30 children x £5 = £150 per week. [9 weeks = £1350].

Challenge Sports charge CIS £45+VAT for a sports coach for an hour to run the club 9 weeks = £405, and then pass the income from the children on to CIS. One term net income is £1350-£405 = £945.

In addition to this arrangement, CIS employs Challenge Sports staff for sports provision at £45 per hour. These costs are borne out of the income generated from the club. No direct charge is made to Challenge for overhead allocation, letting etc for the club as the gross income is received by the school. When accounting for this club the Trust will allocate 1 hour per week using the same methodology as set out above. ($0.1 \times 39/49 = 1.6\%$).