FINANCIAL REGULATIONS

YEAR 2026 - 2027

FINANCIAL REGULATIONS

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1 INTRODUCTION

1.1 Activate Learning is a further education corporation created under the provisions of the Further and Higher Education Act 1992 as amended by the Education Act 2011. Its structure of governance is laid down in the Instrument and Articles of Government. It is accountable through the Corporation Board, which has ultimate responsibility for the effectiveness of its management and administration.

1.2 Activate Learning is an exempt charity by virtue of the Charities Act 2011.

1.3 Activate Learning is required to comply with the terms and conditions of its funding agreements and associated guidance issued by the Department for Education (DfE). As a public sector organisation, Activate Learning must also operate in accordance with HM Treasury's Managing Public Money principles, including regularity, propriety, value for money and feasibility.

As a provider of Higher Education and a registered (fee cap) provider with the Office for Students, Activate Learning is also required to comply with applicable conditions of registration and associated regulatory requirements, including those relating to financial sustainability and accountability for fees and funding.

The Corporation is responsible for ensuring that appropriate systems of governance, risk management and financial control are in place to meet these obligations.

1.4 These Financial Regulations ensure effective control over all Activate Learning's resources and provide management with assurance that resources are being used appropriately to support the organisation's strategic plan and business objectives:

- Financial viability
- Achieving value for money
- Fulfilling its responsibility for the provision of effective financial controls over the use of public funds
- Ensuring that Activate Learning complies with all relevant legislation
- Safeguarding the assets of Activate Learning

1.5 This document sets out the Financial Regulations, which have been approved by the Corporation. They are designed to establish acceptable practices for the DfE and also to provide protection for the staff concerned and therefore it is essential that they are observed.

1.6 Compliance with the Financial Regulations is compulsory for all staff. Failure to comply with any terms of these Financial Regulations may result in disciplinary action being instigated against the relevant staff.

These Financial Regulations have been made by the Corporation in accordance with the Articles of Government of Activate Learning. The regulations complement applicable Department for Education (DfE) funding agreements, regulatory requirements and associated guidance. Nothing in these regulations supersede any provision contained within legislation, the Articles of Government, funding agreements or other mandatory regulatory requirements.

1.7 The Audit & Risk Committee shall review the Financial Regulations each year. Any changes to the Financial Regulations will be subject to the approval of the Corporation.

1.8 In exceptional circumstances, the Audit & Risk Committee may authorise a departure from the detailed provisions herein, such departure to be reported to the Corporation at the earliest opportunity.

1.9 The Chief Operating Officer in consultation with the Chief Executive Officer will support these Financial Regulations by the issue of more detailed instructions from time to time.

1.10 All employees shall be responsible for ensuring that the Financial Regulations, and any other financial instructions which the Chief Operating Officer or their delegated officers may issue from time to time, are complied with.

2 FINANCIAL RESPONSIBILITIES

2.1 The Corporation

The Corporation is responsible for the management and administration of Activate Learning. Its responsibilities are to:

- determine and periodically review the educational character and mission of the institution and the oversight of its activities.
- approve the quality strategy of the institution.
- maintain robust oversight of the Group's finances, including the effective and efficient use of resources, the solvency of the institution and the Corporation and safeguarding their assets.
- approve annual estimates of income and expenditure.
- the appointment, grading, suspension, dismissal and determination of the pay and conditions of service of senior post holders.

The corporation will be supported by the Head of Governance who will be appropriately qualified to provide advice with regards to:

- the operation of its powers.
- procedural matters.
- the conduct of its business.
- matters of governance practice.

2.2 Scheme of Financial Delegation

The Corporation is ultimately responsible for Activate Learnings financial affairs and for stewardship of assets to ensure that resources are used effectively, efficiently and economically.

The Corporation delegates authority to make financial commitments to various key stakeholders within the Group via a scheme of delegation. The scheme of the financial delegation detailed below is intended to aid timely decision making whilst maintaining robust internal controls. This is reviewed annually to ensure that it remains relevant and consistent with the organisational structure of the Group.

2.3 Audit & Risk Committee

Activate Learning is required to appoint an Audit and Risk Committee in accordance with the DfE requirements and associated audit guidance. The committee is independent, advisory and provides financial scrutiny and oversight to the Corporation.

The Audit Committee has the right to obtain all information it considers necessary and to consult directly with the internal and external auditors. The committee terms of reference include: advising the Corporation on the setting of a policy for audit; the adequacy and effectiveness of Activate Learning's audit arrangements; framework of governance, risk management and; control and processes for securing economy, efficiency and effectiveness (value for money).

2.4 Chief Executive Officer

The Chief Executive Officer is Activate Learning's designated Accounting Officer and

must adhere to The Seven Principals of Public Life.

The Corporation shall require the Accounting Officer to take personal responsibility, which shall not be delegated, to assure them that there is compliance with the Financial Memorandum and all other terms and conditions of funding. The Accounting Officer may be required to appear before the Parliamentary Committee of Public Accounts on matters relating to the Corporation's use of Funds.

The Accounting Officer shall be responsible for advising the Corporation in writing where, in their opinion, any proposed action or policy under consideration is incompatible with applicable funding agreements, regulatory requirements or HM Treasury's Managing Public Money (MPM). Where the Corporation resolves to proceed with a course of action that the Accounting Officer considers to be inconsistent with these requirements, the Accounting Officer shall notify the (DfE) in writing.

The Chief Executive shall demonstrate oversight of financial matters by signing the balance sheet and the statement of corporate governance within the annual financial statements, and the financial plan forecasts submitted to the funding body.

2.5 The Chief Operating Officer

The Chief Operating Officer is responsible for providing strategic direction and leadership to ensure the college achieves financial stability and offers value for money. He/she will also provide professional advice to the Chief Executive and the Corporation on all matters relating to financial policies and procedures.

2.6 Group Finance Director

The Group Finance Director is responsible to the Chief Operating Officer for the financial management and reporting of the Group. This includes but is not limited to the following activities:

- Preparing annual capital and revenue budgets and financial plans.
- Preparing accounts, management information, monitoring, control of expenditure against budgets and all financial operations.
- Preparing the Group's annual accounts and other financial statements.
- Ensuring that Activate Learning maintains robust financial systems.

The Group Finance Director should be an employee of Activate Learning and must be appropriately qualified and experienced. The DfE should be notified in advance if it proposes in exceptional circumstances to appoint a Finance Director who will not be an employee (even if the contract is temporary).

The Group Finance Director will delegate certain responsibilities to the Group Financial Controller, Finance Business Partners, or Head of Procurement as practically appropriate.

2.7 Budget Holders

Budget Holders are responsible to the Chief Executive for financial management in their own areas. They are advised by the Group Finance Director in executing their financial duties. The Group Finance Director will also supervise and approve the financial systems operating within their curriculum or service areas, including the form in which financial records are kept.

Budget Holders are responsible for establishing and maintaining clear lines of responsibility within their curriculum or service areas for all financial matters.

There are three tiers of Budgets Holders – further details on this can be found within the scheme of delegation.

3.0 BUDGETING

The Chief Operating Officer, in consultation with the Group Finance Director, is responsible to the Corporation for preparing the annual income and expenditure and capital expenditure budget. The annual budget shall be considered in detail by the Group Executive Team, before consideration and formal approval by the Corporation before 31 July each year for the following financial year.

3.1 The Corporation shall not delegate the approval of the annual budget and will approve the budget by resolution.

3.2 The Chief Executive Officer is empowered to designate members of staff as Budget Holders. Budget Holders shall be accountable for the control and monitoring of expenditure within the budgets allocated to them.

3.3 The Chief Operating Officer and Group Finance Director shall be accountable to the Corporation for effective budgetary control within the approved revenue and capital budgets.

3.4 Budget Holders shall submit such information to the Group Finance Director as is necessary to enable annual profiled estimates of income, revenue expenditure and capital expenditure to be submitted by the Chief Operating Officer to the Corporation for their approval.

3.5 All capital projects over £100,000 must be detailed separately in the capital budget.

3.6 The Group may have the opportunity to commission an unbudgeted grant funded capital project. In this instance any partial match funding must be allocated to the project and cashflow projections agreed on before the appropriate authorisation is obtained.

3.7 The control of income and expenditure within an agreed budget is the responsibility of the designated Budget Holder who must ensure that day-to-day monitoring is undertaken effectively. The Budget Holder will be assisted in this duty by management information provided by the Group Finance Director.

3.8 Any potential departures from agreed budgetary targets must be reported immediately to the Group Finance Director by the Budget Holders concerned and, if necessary, corrective action taken.

3.9 The Chief Operating Officer may authorise virement between all budget heads and capital projects provided that:

- the overall approved estimates will not be overspent during the then current financial year, and
- there will be no continuing financial commitment, as a result, in subsequent financial years.
- virement of capital projects will be authorised up to £150,000 without the need for the

approval of the Corporation.

3.10 Budgets are allocated for the financial year. At year-end, Budget Holders, as a principle, cannot carry forward a balance on their budget to the following year. Allowance will be made where there are specific requirements relating to ongoing sponsorship or charity-related activities that are committed.

4.0 FINANCIAL REPORTING

4.1 All accounting and financial systems operated by Activate Learning shall be under the control of the Group Finance Director who shall also be responsible for producing financial management information.

4.2 The Group Finance Director will prepare monthly management accounts and formally submit the most recent accounts to each meeting of the Corporation outlining actual income/expenditure and capital expenditure in comparison to budget and to highlight and explain significant variances. Monthly Management Accounts will also be received by the Group Executive Team and shared with Corporation as required

4.3 Finance will prepare monthly Latest Views after the first quarter period. These will be available to the Corporation for review when required.

4.4 At the end of the financial year, Budget Holders shall submit such information to the Group Finance Director as is necessary to enable them to close Activate Learning's accounts promptly.

4.5 The annual accounts shall be prepared and submitted to audit by the Group Finance Director in the form prescribed and within the timescale specified by the DfE. The accounts shall be accompanied by such other information as may be specified.

4.6 The Chief Operating Officer, in consultation with the Group Finance Director, shall present the draft annual report and financial statement to the Audit & Risk Committee. The Committee will be asked to recommend the draft annual report and financial statement to the Corporation for approval and signing by the Chair and the Accounting Officer. The annual report and financial statement, with the audit opinion, shall be submitted to the DfE in compliance with their requirements.

5.0 ACCOUNTING RECORDS

5.1 Retention of records

The Group Finance Director is responsible for the retention of financial documents. These should be kept in a form that is acceptable to the relevant authorities.

Activate Learning is required by law to retain prime documents for six years. These include:

- Official purchase orders
- Paid invoices
- Accounts raised
- Bank Statements
- Copies of receipts
- Paid Cheques
- Payroll records

The Group Finance Director will make appropriate arrangements for the retention of electronic records.

Members of staff should ensure that retention arrangements comply with the Retention Schedule, as approved by the Group Finance Director and Data Protection Officer, which shall ensure compliance with the requirements of relevant data protection legislation, the Activate Learning Data Protection Policy & funding organisations such as regional development agencies.

Additionally, for auditing and other purposes, other financial documents should be retained for three years or as determined by the funder.

5.2 Public access

As an exempt charity, Activate Learning will comply with the Charity Commission requirement to promptly publish its most recent financial statements on its website.

The Corporation is required upon request to supply any person with a copy of Activate Learning's most recent financial statements. This will be done within one month of request. Charities legislation enables the Corporation to levy a reasonable fee, and this will be charged at the discretion of the Group Finance Director.

6.0 INCOME

6.1 The Group Finance Director is responsible for ensuring that appropriate procedures are in operation to enable Activate Learning to receive all income to which it is entitled. All invoice templates or other official finance documents in use must have the approval of the Group Finance Director.

6.2 Budget Holders are required to provide detailed accounts of charges for work performed, goods delivered, or services provided for Activate Learning, as well as all income due to the Finance Team. This is to guarantee the timely documentation of all receivables for Activate Learning. Invoices must be issued according to the format specified by the Group Finance Director.

6.3 In most instances, a service delivered for the benefit of a third party will generate future financial benefit to the Group in the form of commercial income. There may be exceptional circumstances where it is identified that work undertaken in collaboration with a third party will have significant non-financial benefits for the Group (e.g. learning opportunities, reputational growth, marketing and advertising, staff wellbeing, etc.) that outweigh the benefit of financial compensation. In these instances, and when a decision is made to forgo commercial income to secure alternative benefits, this will be documented by the relevant Top Level budget holder and counter-signed by the Group Finance Director.

6.4 All Income will be invoiced to customers by the Finance Department. There may be exceptions where invoicing is not required. These must be approved by the Group Financial Controller.

6.5 All payments taken by debit or credit card need to be compliant with PCI regulations.

6.6 Appropriate debt recovery procedures shall be determined by the Group Financial Controller. The authorisation levels of any write-off of bad debts will follow the same levels as purchase order authorisation as set out in Section 7.18, but with the additional sign off

by the Group Financial Controller. Specific additional controls regarding write-offs are a requirement of MPM and these controls are set out in Section 22.

6.7 All Staff handling cash shall be responsible for the security and prompt banking of monies received, considering value, size, and Business Opening hours.

6.8 All sums of money greater than £5 from Learners will receive an official receipt from Advice & Admissions. Where the Finance Department follows up unpaid fees, receipts will be offered and provided if requested.

6.9 Activate Learning seeks to minimise its exposure to money laundering in accordance with the Money Laundering Regulations 2007. Any monies requiring refunding will be compliant with the Activate Learning Fees Policy.

6.10 There will be a Fees committee which will comprise the Group Finance Director, Group Director of Institutional Effectiveness and appropriate representatives from Faculty and direct operations. The committee will review all fees, charges, rents, and lettings annually.

6.11 The Head of Governance is responsible for the safekeeping of official and legal documents relating to the core Legal status of Activate Learning, its subsidiaries and its associates. This will include signed copies of deeds, leases, agreements and contracts between Activate Learning Companies.

6.12 Major Contracts (defined as strategically significant and/or greater than £100,000) made in the course of business will be held on the company's contract database, which is maintained by the Procurement team.

6.13 All commercial sales and funded project contracts shall be reviewed by a Finance Business Partner before sign-off at the levels set out below. The sales value is based on total lifetime contract value.

6.14 Course fees are set in line with Government Funding bodies guidelines and are exempt from this requirement.

6.15 Sales Contract Approval Levels:

Value of sales contract	Authorisation requirement
Up to £50,000	Base Level Budget Holder
Up to £250,000	High Level / Top Level Budget Holder
Up to £1,000,000	Chief Operating Officer
Up to £5,000,000	Chief Executive Officer
Over £5,000,000	Corporation Board

Sales invoices raised to claim capital funding from external agencies are exempt from the Sales Contract Approval Levels as the capital project and subsequent transactions are approved by the Corporation at the point of contract award.

Regarding Sales contracts, where Activate Learning provides consultancy, research

or similar services, there should normally be a letter of engagement setting out the scope and limitation of liability. The engagement letter will be authorised in line with the table above in paragraph 6.14.

7.0 EXPENDITURE

Activate Learning has a legal obligation to comply with Public Sector procurement regulations which are designed to encourage free and open competition and achieve value for money (governed by the Procurement Act 2023)

These regulations mean that:

- There should be open competition when tendering for higher value procurement.
- Specifications must be well defined and non-discriminatory.
- Minimum time limits apply during the tender procedure (dependent on value).
- Procurement thresholds apply to the aggregate (total) value for the purchase / lease / hire or rental of goods / services of 'the same type' (see Appendix A)
- Above threshold contract opportunities must be published on Find a Tender Service (FTS) and on the government Contracts Finder website.
- The tender process must be transparent including informing participants of the evaluation criteria to be used and its relative importance / weighting.
- Contract awards ≥ £25,000 must be published (see Appendix A).

7.1 Achieving Value for Money

Goods and services purchased by Activate Learning should be obtained expeditiously and economically. Budget Holders need to achieve value for money which is defined as "the best mix of quality and effectiveness for the least outlay over the period of use of the goods or services bought". All costs associated with the purchase should be considered when comparing supplier proposals (such as delivery, installation, commissioning, training, operating or support costs and disposal / termination costs).

7.2 Framework Agreements and existing Corporate Contracts

Purchasing Consortia such as the Crescent Purchasing Consortium provide multiple framework agreements which have already been compliantly tendered. Activate Learning can utilise these frameworks without needing to re-advertise the tendering process, thus reducing time and costs. Further competition can be run with suppliers signed up to a particular framework agreement, so that value for money can be demonstrated. (See Appendix A or speak with Procurement for further details).

Corporate contracts may already be in place for items such as stationery, branded sportswear, books or journals etc. To use these contracts, please contact Procurement.

7.3 CONTRACTS FOR THE PURCHASE OF GOODS, SERVICES OR WORKS

A written contract should be entered into when the contract value is ≥£25k. Other factors for consideration are:

- the transaction/works are complex (e.g. involving design & build or subcontracting)
- the duration of the relationship is over one year.
- the purchase requires ongoing support and maintenance.
- the performance of the service needs to be measured and monitored.

Both Procurement and the relevant Finance Business Partner (FBP) should be consulted prior to market engagement. The FBP will assess budget provision, financial projections and any cashflow. The Financial Controller will advise on the appropriate tax treatment for purchases.

Procurement will advise on sourcing the market to ensure compliance with Public Sector procurement regulations and assist with any formal tendering procedures (see Appendix A).

Any contract that contains elements that relate to core Group Service disciplines (i.e. Property and Environment, IT Services, HR, Marketing) must have approval from the relevant Group Services Director.

The appropriate competitive quotation or tendering processes must be followed (see Appendix A)

A contract becomes legally binding once it has been signed by both buyer and seller. Any contract variations or extensions must also be agreed and signed by both parties.

All contracts must have a clear "owner" (usually the Budget Holder) who will be responsible for ensuring compliance and monitoring performance.

All contracts for the purchase, lease, rental of goods, services or works must be fully approved and signed in accordance with the threshold for purchase ordering (see table below).

All contracts must be registered in the central contracts database and a copy of the signed contract (including contract variations or extensions) should be sent to Procurement.

7.4 Purchase Contract Approval Levels

Value of purchase	Authorisation requirement
Up to £10,000	Budget Holder
Up to £25,000	High Level /Top Level Budget Holder
Up to £50,000	Group Finance Director
Up to £100,000	Chief Operating Officer
Up to £200,000	Chief Executive Officer
Over £200,000	The Corporation (Chair or Vice Chair)

7.5 A template with standard contract terms and conditions is available on the Procurement SharePoint page. The template should be adapted to suit each individual requirement. In cases where the supplier terms and conditions are to be used, these must be reviewed by Procurement prior to any approvals.

7.6 Contracts for the employment of senior post holders (i.e. Chief Executive Officer & Head of Governance) will be authorised by the Remuneration Committee and signed by the Chair of the Corporation or his/her nominee. Specific additional controls regarding senior remuneration are a requirement of MPM and these controls are set out

in Section 22.

7.7 Contracts for the acquisition, disposal or leasing of land and property will be authorised as follows:

Value of land & property transaction	Authorisation requirement
Up to £100,000	Chief Operating Officer
Up to £200,000	Chief Executive Officer
Over £200,000	The Corporation (Chair or Vice chair)

7.8 Contracts or any other documents to be authorised under seal will be signed by the Chair of the Corporation plus one other Governor. The seal used will be that approved and adopted by the Corporation. Any use of the seal must be agreed with the Head of Governance and will be approved retrospectively by the Corporation.

Purchase orders

7.9 A purchase order becomes legally binding once it has been accepted by the supplier. Terms and conditions for purchase orders can be found on the Procurement SharePoint page.

7.10 Purchase orders under the normal course of business must be raised and approved for all goods, services and works except for:

- recurring charges for public utilities, cleaning, exams or catering supplies
- Credit or Debit Card purchases
- petty cash purchases

Any exceptions to this, which should only relate to unforeseen emergency costs, must be approved by the relevant Finance Business Partner & Budget Holder.

7.11 Purchase orders shall not be raised for any personal or private purchases, nor shall personal or private use be made of Activate Learning contracts.

7.12 All orders are raised by administrators and must be authorised by the appropriate Budget Holder. Further approval will be required by Finance Business Partners on purchase orders above £5,000 and by Procurement on purchase orders over £25,000.

7.13 All orders for repairs to, and maintenance of, Activate Learning premises shall be placed through the Group Director of Property & Environment or delegated officer unless the Group Finance Director specifically approves alternative arrangements.

7.14 All purchases of computer equipment, software or IT-related services shall be approved by the Group Director of IT or delegated officer prior to an order being raised, unless the Group Finance Director specifically approves alternative arrangements.

7.15 The Group Finance Director will be responsible for ensuring that the funds for capital projects or items are in place before commitment is made.

7.16 Each order must clearly indicate the nature and quantity of the supplies or services

required, the agreed price including VAT, any agreed discounts, warranties, delivery costs and when using a purchase consortium framework agreement, this should also be noted on the order along with any reference numbers applicable.

7.17 Purchase orders for goods, services or works related to Capital or Revenue Expenditure raised on behalf of Activate Learning must be authorised as below.

Faculty, College or Apprenticeship Business related spend:

Value of order	Authorisation requirement
Up to £5,000	Budget Holder
Up to £10,000	High Level / Top Level Budget Holder
Up to £50,000	Group Finance Director
Up to £100,000	Chief Operating Officer
Up to £200,000	Chief Executive Officer
Over £200,000	The Corporation (Chair or Vice Chair)

Group Services related spend:

Value of order	Authorisation requirement
Up to £10,000	Budget Holder
Up to £25,000	High Level / Top Level Budget Holder
Up to £50,000	Group Finance Director
Up to £100,000	Chief Operating Officer
Up to £200,000	Chief Executive Officer
Over £200,000	The Corporation (Chair or Vice Chair)

When applying the above limits, the "value of order" for those orders that relate to the continuous supply of goods or services over the contract period should be taken as the total commitment for the contract. Any combination of items which form a scheme or project must be treated as an individual contract or order for authorisation purposes. Where there is any doubt as to whether any combination of items constitutes a scheme or project, then the direction of the Group Finance Director or the Chief Operating Officer must be sought.

Where a contract has been approved for a period longer than a year, subsequent Purchase Orders do not need to go to the Corporation again. Where this is the case, the Head of Governance may approve on direction from the Group Financial Controller.

Prior to issuing a Purchase Order to a supplier the Finance Department is responsible for:

- Ensuring that the request has been authorised by the Budget Holder or other authorised signatory.
- Confirming that there are sufficient budget funds available or that overspend is approved to cover the order.

7.18 Procurement is responsible to the Group Finance Director for:

- Training budget holders and other individuals involved in the purchase of goods/services or works on procurement procedures.
- Advising and assisting budget holders on specific departmental purchases.
- Developing appropriate reliable supply arrangements to assist budget holders in meeting their value for money obligations.
- Challenging and negotiating supplier contracts in terms of price and discounts to obtain the best value for money.
- Vetting, credit checking & approving all new suppliers set up requests, prior to an agreed purchase.
- Monitoring cost savings and producing reports identifying procurement savings as required.
- Producing and delivering the procurement strategy.

7.19 Thresholds for obtaining quotes/tenders shall be as follows:

Value of procurement	Procurement requirement
Purchases below £5,000	Reasonable efforts to secure value for money.
Purchases between £5,000 - £49,999	Minimum of three written quotations should be sought or a mini-competition run using a purchasing consortium framework
Purchases between £50,000 - £99,999	A minimum of three, but recommended five, written quotations should be sought, or Activate Learning's tendering procedures will be applied. See Appendix A.
Purchases between £100,000 - £173,000	Activate Learning's tendering procedures will be applied. See Appendix A.
Purchases above £173,000	A fully FTS compliant tender process applies to purchases that exceed the threshold of £173k for goods and services and £4,447k for works

7.20 There may be exceptional situations where single-tender action or single-quote action is appropriate or where fewer than three 'invitation to tender' are issued. Examples include where there is only one supplier of a good or service or where a budget holder considers it necessary that the repairs or parts are procured from the original supplier.

In such cases, before the order is placed or contract signed, a 'Procurement Waiver' setting out the reasons for deviation from the approach set out in Section 7.20 must be approved (full details in the 'Activate Learning Procurement Guide' available here https://activatelearning.sharepoint.com/sites/Procure).

Following agreement with Procurement, the waiver must be authorised as follows:

Value of procurement	Authorisation requirement
Up to £20,000	Head of Procurement
Up to £50,000	Group Finance Director
Over £50,000	Chief Operating Officer

7.21 A breach of these tender processes could result in a legal challenge from a supplier or potential supplier.

7.22 Standard Payment terms within contracts with third party suppliers must be 30 days from date of valid invoice. Variation from this needs to be approved via the contract approval stage set out in paragraph 7.4.

7.23 The administrator is responsible for receipting the purchase order on the finance system. The Administrator is receipting to confirm:

- that the goods or services have been received/carried out.
- that the goods are of acceptable quality.

INVOICES

7.24 The Group Financial Controller is responsible for the accurate processing and payment of all invoices. Payments will not be made against documents other than invoices and pro-forma invoices unless otherwise agreed with the Group Financial Controller. Payment will only be made when the following have been satisfied:

- Invoices matched to a valid PO have been receipted by the Administrator.
- All invoices which are processed without a PO shall be authorised by the relevant Budget Holder.

7.25 There may be instances where we receive funds from funding bodies to forward on to third parties or need to reimburse volunteers for expenses incurred. Payments will be made on receipt of a signed contract and appropriate Budget Holder sign off.

7.26 The operation and control of any credit cards is the responsibility of the Group Finance Director. There will be appropriate oversight by the Financial Controller of the distribution, & use of such cards in line with the approved Credit Card Policy.

8.0 SALARIES, WAGES AND STAFF EXPENSES

8.1 The Chief Executive Officer shall be responsible for the appointment of all staff other than Senior Post-Holders who will be appointed by the Corporation.

8.2 The Chief People Officer shall be responsible for the maintenance of all personnel records and for the provision of relevant information to enable all salaries, wages, pensions, and other emoluments to be paid. This includes all contractors working inside and outside of IR35 Regulations.

8.3 The preparation of payrolls and the payment of salaries, wages and other emoluments to employees of Activate Learning shall be the responsibility of the Chief People Officer. All remuneration payments must be made through Activate Learning payroll.

8.4 All salary advances & salary sacrifice schemes will be authorised by the Chief People

Officer or delegated authority who will agree the deductions from the employee's pay. Written consent for these deductions will be obtained from the employee before payment of any advance.

8.5 The Chief People Officer is responsible for day-to-day superannuation matters including:

- paying of contributions to authorised superannuation schemes.
- submitting the annual return to superannuation schemes.

8.6 Time records or other pay documents shall be in a form agreed by the Chief People Officer and shall be certified by the appropriate line manager and Budget Holder.

8.7 Activate Learning employees shall predominantly be paid according to the salary scales approved by the Corporation. Where market conditions require salaries at 'spot rates', the amount is approved by the Chief People Officer and the relevant Group Executive Director.

8.8 All letters of appointment or variations in conditions of service must be issued by the Chief Executive Officer or his/her nominee. The Chief People Officer will ensure that there are satisfactory arrangements in place to notify the Group Finance Director of all commencements, variations and terminations for budgeting purposes.

8.9 Claims for travel expenses incurred by staff and Governors in carrying out official duties shall be paid at rates as per Activate Learning Expenses Policy.

8.10 Expense claims will be submitted in line with the Expenses Policy. No employee may authorise his/her own expenses. This certification shall be taken to mean that:

- the journeys were authorised.
- the expenses properly and necessarily incurred.
- the allowances are properly payable by the institution.
- consideration has been given to value for money in choosing the mode of transport.

8.11 All Staff expenses will be paid through the payroll. Expense claims will be paid the month after it was fully approved. Employees must submit monthly claims on a timely basis and avoid submitting claims for more than one month at a time.

8.12 The expenses of the Chief Executive Officer will be approved by the Chair of the Corporation. The expenses of the Governors will be approved by the Head of Governance.

8.13 When setting Senior Renumeration, Activate Learning adopts the AoC's Senior Post Holders Renumeration Code.

8.14 For new appointments with proposed remuneration **at or above £174,000**, or the pro rata equivalent for part-time staff or performance-related pay **above £25,000**, the Chief People Officer must seek approval from the DfE before the post is advertised.

8.15 For existing appointments, approval must be sought in relation to any adjustment of total remuneration or terms and conditions which takes an individual to, or above, the defined threshold.:

- where remuneration already exceeds £174,000, approval is required from the DfE for any pay award above 6%, through the Senior Pay Controls application process,

before the pay increase is confirmed.

- where current remuneration is below £174,000, approval is required from the DfE when a pay award of over 6% takes it to or above that figure. Approval is not required if a pay increase of up to and including 6% takes the remuneration above £174,000.

9.0 BANKING

9.1 MPM restricts the ability of public sector organisations to access commercial borrowing. Activate Learning must manage its cash position robustly, taking into account the working capital requirements of the whole Group.

9.2 The Corporation is responsible for the appointment of Activate Learning's bankers on the recommendation of the Chief Operating Officer. The Chief Operating Officer will keep this appointment under review to ensure value for money, and report to the Corporation at least every five years.

9.3 All arrangements with Activate Learning's bankers concerning the banking accounts and the control and issue of cheques, shall be made by the Group Finance Director. No other Activate Learning bank accounts shall be permitted.

9.4 PayPal accounts or similar online accounts created specifically to receive payments will not be used for any other purpose i.e., purchasing.

9.5 For funds to be drawn down from the Bank account, two approved signatories will be required. All funds drawn from PayPal or similar accounts will be banked into the Activate Learning bank account.

9.6 Cheques drawn on behalf of Activate Learning will only be issued in exceptional circumstances where bank transfer is not possible and shall be signed in accordance with the bank mandate.

9.7 All cheques require two authorised signatures.

9.8 All electronic payments to third party suppliers which have followed the appropriate purchase authorisations as set out in section 7 will be approved for payment by a minimum of 2 individuals within the finance team, one of which must be the Group Financial Controller or delegated authority. All those individuals will have to be pre-approved by the Group Finance Director to be able to carry out this function within the payment system.

9.9 All payments to staff must be authorised on a basis consistent with the bank mandate before payment is made. This mandate requires 2 approved signatures, one of which must be either the Chief Operating Officer or Group Finance Director.

9.10 Petty cash floats shall be operated in accordance with the Petty Cash procedures.

9.11 The Group Finance Director is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate. Any transfer of amounts between these accounts will be the responsibility of the Group Finance Director.

10.0 LOANS, LEASING, HIRE PURCHASE AND INVESTMENTS

10.1 Before any loan, short term bank overdraft or other debt instrument is entered into by the organisation, explicit approval needs to be obtained from HM Treasury, via the DfE.

10.2 This approval needs to be obtained prior to the internal authorisation process with the Chief Operating Officer responsible for the application using the appropriate documentation as circulated by the DfE.

10.3 Any intercompany loans and advances to group companies will be authorised according to these thresholds, having regard to MPM:

Value of intercompany loan	**Authorisation**
Up to £100,000	Chief Operating Officer
Up to £200,000	Chief Executive Officer
Over £200,000	The Corporation (Chair or Vice chair)

10.4 Authorised borrowing or re-borrowing of monies and all other matters in connection with the raising or repayment of authorised loans shall be subject to the supervision and control of the Group Finance Director who shall periodically report to the Chief Operating Officer.

10.5 Lease arrangements, hire purchase agreements and other financing arrangements shall be authorised as follows:

Equivalent Purchase Price	**Authorisation**
Up to £50,000	Group Finance Director
Up to £100,000	Chief Operating Officer
Up to £200,000	Chief Executive Officer
Over £200,000	The Corporation (Chair or Vice chair)

10.6 Any cash held as reserves shall be invested in line with the Corporation's strategic objectives and Group Reserves Policy. Amounts will be invested in the name of Activate Learning with institutions approved by the Treasury Management Policy and in the light of the creditworthiness of those institutions. Investments shall be confirmed in writing by the institution with which the deposit is made.

The Group Finance Director shall be responsible for maintaining a register of all deposits/investments.

11.0 ASSETS AND PROPERTY

11.1 Budget Holders shall be responsible for the care and custody of all Activate Learning

assets within their curriculum or service area.

11.2 The disposal of fixed assets or surplus materials shall be authorised as specified below. The procedure for the disposal of surplus assets and materials shall be as specified in the procedure within Appendix B.

Value of disposal (NBV)	Authorisation
Up to £50,000	Group Finance Director
Up to £100,000	Chief Operating Officer
Up to £200,000	Chief Executive Officer
Over £200,000	The Corporation (Chair or Vice chair)

11.3 Budget Holders shall maintain procedures for the receipt, safe custody, issue, and disposal of all goods.

11.4 Assets purchased by Activate Learning shall, so far as practical, be marked to identify them as Activate Learning property.

11.5 Lessees and / or other prospective occupiers of Activate Learning land or property shall not be allowed to take possession of or enter the land or property until a lease or agreement, in a form approved by Activate Learning solicitors, has been approved.

11.6 The Director of Group Facilities Operations is responsible for ensuring the proper security of all buildings and other assets.

11.7 No Activate Learning assets shall be subject to personal use by an employee unless an approval form has been duly completed and authorised.

11.8 The Group Financial Controller shall be responsible for maintaining a Fixed Asset Register.

11.9 Verification of fixed asset register items and those items of high risk or portable nature (not on the fixed asset register) shall be carried out on an annual basis, so far as practicable, in accordance with procedures issued by the Group Finance Director.

11.10 The Corporation will approve the depreciation rates and capitalisation limits to be applied.

11.11 No capital expenditure may be committed unless a Capital Expenditure Proposal has been duly authorised.

11.12 There may be instances when the group will be allocated grant funding for capital projects. The budget for these projects must be signed off in accordance with the above levels of authority and identified separately in the capital reporting process by use of project codes. Any grant funding which is received and any matched funding commitment from the business must be identified and authorised with the appropriate business case.

11.13 Budget Holders are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their areas. The systems used for

stores accounting in departments must have the approval of the Group Financial Controller. Budget Holders are responsible for ensuring that regular inspections and stock checks are carried out.

11.14 Those Budget Holders whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the Group Financial Controller and that instructions are issued to appropriate staff within their Curriculum or Service areas.

12.0 INSURANCE

12.1 Activate Learning must have adequate insurance cover in compliance with its statutory and contractual obligations, including those required by its accountability agreement with the DfE.

12.2 The Group Finance Director, in consultation with the Chief Operating Officer shall be responsible for procuring insurance cover at a level appropriate to safeguard Activate Learning's assets against loss. A register of all insurance claims impacting Activate Learning will be kept and managed by the Compliance Team.

12.3 The Chief Operating Officer shall notify the Audit & Risk Committee of any major claim, likely to impact either the reputation of the Corporation or its insurance premiums.

12.4 The Audit & Risk Committee shall review the appointment of insurance brokers or underwriters at regular intervals.

12.5 Budget Holders shall inform the Head of Governance or his / her nominee promptly of any event which may involve Activate Learning in a claim, or an intended activity or acquisition of an asset in their curriculum or service which may involve Activate Learning in a risk not already covered by insurance or necessitate an extension of the value of the insurance cover.

12.6 The Head of Governance or his / her nominee (including the duly appointed insurance broker or insurance company) shall negotiate all claims made against or by Activate Learning and shall consult solicitors where necessary.

12.7 All staff using their own vehicles for Activate Learning businesses shall maintain appropriate insurance cover for business use.

13.0 TAXATION

13.1 The Group Finance Director is responsible for advising heads of departments, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues, to the institution. Instructions will be issued to departments regarding compliance with statutory requirements including those concerning VAT, PAYE, National Insurance and corporation tax.

13.2 The Group Finance Director is responsible for maintaining Activate Learning's tax records, making all tax payments and submitting tax returns by their due date as appropriate.

14.0 AUDIT

14.1 The Corporation will consider the role of an internal audit service as part of a wider

assurance framework. The Audit & Risk Committee will advise the Corporation on the appointment of internal auditors.

14.2 An internal auditor would be appointed by the Corporation on the recommendation of the Audit & Risk Committee. An internal audit service remains independent in its planning and operation but has direct access to the Corporation, Chief Executive Officer and Chair of the Audit & Risk Committee. The main responsibility of internal audit is to provide the Corporation and the Accounting Officer assurance on the adequacy of the internal control system.

14.3 Internal audit, if appointed, will have regard to value for money in its program of work. This will be used to enable the Audit & Risk Committee to refer to value for money in its annual report.

14.4 The internal auditor will comply with relevant professional standards.

14.5 The appointment or reappointment of external auditors will take place after a maximum period of five years and is the responsibility of the Corporation. The Audit & Risk Committee will advise the Corporation.

14.6 The primary role of the external audit is to report on Activate Learning's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in MPM, the DfE's audit code of practice and the Auditing Practices Board's auditing standards.

15.0 FRAUD

15.1 All members of staff are required to adhere to the Group Anti-Bribery & Corruption and Fraud statements within the Corporate Ethics policy.

16.0 STUDENT RECORDS

16.1 The Group Director of Institutional Effectiveness (MIS) is responsible for ensuring that appropriate procedures are in place to record student enrolment, attendance, and achievement. All relevant staff will be responsible for the operation of the procedures that are summarised below.

16.2 An enrolment form shall be completed for every student commencing a programme of study with Activate Learning.

16.3 Every student shall have a learning agreement that is documented & agreed by both the student and Activate Learning.

16.4 Registers of attendance shall be maintained for all DfE funded classes.

16.5 Registers will be checked regularly against the student record system to ensure that all attending students have enrolled.

16.6 Student withdrawal or transfer shall be notified immediately to Institutional Effectiveness Department using the designated form.

16.7 The student record database captures all non-funded learning income. Staff members who adjust the student records have a responsibility to ensure the accuracy of the income on each student record. Any adjustments to student record income must align to the Fees Policy. No student should be enrolled unless there is a contract or agreement with the student or their employer.

16.8 All externally validated examinations and courses shall be administered by the Examinations team.

17.0 RISK MANAGEMENT

17.1 Activate Learning acknowledges the risks inherent in its business and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health. Detailed guidance on the level of risk considered to be acceptable will be set out in the Risk Management policy.

17.2 The Corporation has overall responsibility for ensuring there is a risk management strategy and a common approach to the management of risk throughout the college through the development, implementation and embedding within the organisation of a formal, structured risk management process.

In line with this policy, the Corporation requires that the risk management strategy and supporting procedures include:

- the adoption of common terminology in relation to the definition of risk and risk management.
- the establishment of organisation wide criteria for the measurement of risk, linking the threats to their potential impact and the likelihood of their occurrence together with a sensitivity analysis.
- a decision on the level of risk to be accepted, together with tolerance levels expressed in terms of measurable outcomes.
- a decision on the level of risk to be covered by insurance.
- detailed regular review at curriculum or support area level to identify significant risks associated with the achievement of key objectives and other relevant areas.
- development of risk management and contingency plans for all significant risks, to include a designated 'risk owner' who will be responsible and accountable for managing the risk in question.
- regular reporting to the Corporation of all risks above established tolerance levels.
- an annual review of the implementation of risk management arrangements.

17.3 The strategy and procedures must be capable of independent verification.

18.0 GIFTS & HOSPITALITY

18.1 All members of Staff are required to adhere to the Group Gifts & Hospitality guidelines found within the Corporate Ethics Policy.

19.0 FINANCIAL PROCEDURES

19.1 Activate Learning's financial procedures are available on Sharepoint and finance training is available on Activate Learning Online (ALO).

19.2 The Financial Controller shall maintain and update the financial systems and procedures which shall be available to staff to ensure the efficient and effective

financial management of Activate Learning.

20.0 WHISTLEBLOWING

20.1 Whistleblowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party) about malpractice in the workplace. A whistleblower can blow the whistle about crime, civil offences (including negligence, breach of contract, etc.), miscarriage of justice, danger to health and safety or the environment and the cover up of any of these. It does not matter whether the information is confidential and whistleblowing can extend to malpractice occurring in the UK and any other country or territory.

20.2 Normally, any concern about a workplace matter at Activate Learning should be raised with the relevant member of staff's immediate line manager or head of department. However, Activate Learning recognises that the seriousness or sensitivity of some issues, together with the identity of the person the member of staff thinks may be involved, may make this difficult or impossible.

20.3 A member of staff may, therefore, make the disclosure to the Head of Governance as set out in Activate Learning's Whistleblowing Procedure which is available on the SharePoint Procedures Page.

21.0 COLLEGE COMPANIES AND JOINT VENTURES

21.1 In certain circumstances it may be advantageous to establish a company or a joint venture to undertake services on behalf of Activate Learning. Any member of staff considering the use of a company, or a joint venture, should first seek the advice of the Chief Operating Officer, who should have due regard to MPM and guidance issued by the DfE.

21.2 The Corporation is responsible for ensuring that the required procedures are followed.

21.3 The process involved in forming a company or a joint venture and arrangements for monitoring and reporting on the activities of these undertakings are documented in Activate Learning's financial procedures.

21.4 It is the responsibility of the Corporation to establish shareholding arrangements and appoint directors of companies wholly or partly owned by Activate Learning. These and other arrangements will be set out in a memorandum of understanding.

21.5 The directors of companies where Activate Learning is the majority shareholder shall submit, via the Corporation, appropriate reports to the Corporation. They will also submit business plans or budgets as requested to enable the Corporation to assess the risk to Activate Learning. Activate Learning's auditors shall also be appointed to such companies.

22.0 REQUIREMENT TO OBTAIN DfE APPROVAL

22.1 In November 2022, Further Education Corporations were reclassified as 'public sector' organisations and, as a result, in addition to conforming with the DfE funding agreements, some transactions have delegated authority limits beyond which colleges **must** obtain prior approval. Sections 8, 9,10 and 21 above cover the requirements in relation to senior staff pay, debt and setting up subsidiaries.

22.2 Novel, contentious and repercussive transactions must always be referred to DfE for

approval, and the request must be made to DfE before the transaction occurs. DfE may refer such transactions to HM Treasury for approval and so sufficient time must be allowed for proposals to be considered.

- Novel transactions are those of which Activate Learning has no experience or are outside its range of normal business.
- Contentious transactions are those that might cause criticism of the college by Parliament, the public or the media.
- Repercussive transactions are those that may have wider financial implications for the sector, or which appear to create a precedent.

Through the budgeting process, review of business cases presented for investment and the qualification process for new business opportunities, the Chief Operating Officer is responsible for determining if any proposed activity should be identified in either of the above categories.

If such a classification is identified, transactions must always be referred to DfE for approval, and the request must be made before the transaction occurs.

22.3 Write-offs and losses

Colleges have delegated authority to write-off amounts up to certain individual and cumulative limits. The controls in place for doing so are detailed in Section 6.5. Beyond these limits, write-offs and losses must be referred to DfE for approval in advance. DfE consent to a write-off is required if:

- the write-off exceeds 1% of annual income or £45k individually (whichever is smaller), or
- the write-off takes cumulative total write-offs for the academic year beyond 5% of annual income or £250k (whichever is smaller).

22.4 Special Payments, including severance, compensation and ex-gratia

Certain transactions by public bodies which fall outside the usual planned range of activity and may exceed statutory and contractual obligations are referred to by HM Treasury as special payments. They include:

- **staff severance payments** paid to employees outside statutory or contractual requirements when leaving public employment.

- **compensation payments** to provide redress for loss or injury, for example personal injuries, traffic accidents or damage to property.

- **ex-gratia, extra-contractual, extra-statutory and extra-regulatory payments** outside statutory or contractual requirements.

Special staff severance payments in excess of £50,000, any exit package in excess of £100,000 that includes a special severance payment and special severance payments when an employee earns over £150,000 require DfE approval.

Compensation payments over £50,000 require DfE approval.

Any ex-gratia, extra-contractual, extra-statutory or extra-regulatory payments require

DfE approval.

Before approving any such payments, the Group Director of People and Change is responsible for obtaining the above approvals.

22.5 Indemnities, Guarantees and Letters of Comfort

MPM allows public sector organisations to take on liabilities by:

- providing indemnities
- writing a letter or statement of comfort, and
- issuing specific guarantees

Colleges have delegated authority to enter into indemnities, letters of comfort and guarantees up to certain individual and cumulative limits. DfE consent is required for indemnities not arising in the normal course of business, for letters of comfort and for guarantees where:

- the case exceeds 1% of annual income or £45k individually (whichever is smaller); or
- the case takes the college's cumulative total of such contingent liabilities for the academic year beyond 5% of annual income or £250k (whichever is the smaller).

Taking on of any such liability must be approved by the Chief Operating Officer. When providing authorisation an assessment of the request against the two scenarios above will be made, and approval given if they do not apply. If they do apply, the Chief Operating Officer is responsible for obtaining the approval from the DfE. A cumulative register of contingent liabilities will be maintained to facilitate this assessment.

APPENDIX A – TENDERING PROCEDURES

Tenders should be conducted when the value of the purchase ≥ £25k

All tenders **must** be conducted using an e-tendering system. Please contact Procurement for advice and assistance with tendering procedures. Please see Appendix A for guidance on thresholds.

APPENDIX A – TENDERING PROCEDURES – Note: all tenders must be conducted using an e-tendering system. Please speak with Procurement for further details.

	CHECK WITH PROCUREMENT FOR EXISTING CORPORATE CONTRACTS OR CONSORTIUM FRAMEWORKS WHICH MAY BE SUITABLE TO USE						
Value	Goods & Services ≤ £4,999	Goods & Services £5,000 - £49,999	Goods & Services £50,000 – £99,999	Goods & Services £100,000 – c£173,000	Goods & Services Above c£173,100	Works/works related services ≤ £58,981	Works and works related services above c£4,3275,000
Legal requirement to publish		All contract awards ≥25k must be published on the government 'Contracts Finder' website	The opportunity can be advertised on the government 'Contracts finder' website and the award must be published on this website.	The opportunity can be advertised on the government 'Contracts finder' website and the award must be published on this website.	Must be advertised on the government 'Contracts finder' and FTS simultaneously. Tender must be conducted using an e-tendering system.	Opportunity can be advertised. All contract awards must be ≥£25k in value must be published on the government 'Contracts Finder' website.	Must be advertised on the governments 'Contracts finder' and FTS simultaneously. Tender must be conducted using an e-tendering system.
Procurement process to be followed	Ideally 3 quotes in writing. Select the lowest price or the most suitable.	Minimum of 3 written quotes required. Send a brief specification electronically, outlining timeframes and evaluation criteria (cost/quality considerations). Use a scoring sheet to evaluate offers objectively. Notifying unsuccessful supplier & provide feedback to them.	Minimum of 3 but recommend 5 written quotes required. Send out a detailed specification electronically, outlining timeframes and evaluation criteria (cost/quality considerations). Use a scoring sheet to evaluate offers objectively. Notifying unsuccessful supplier & provide feedback to them. **A formal tender process should be used if the goods/services are deemed higher risk.**	Formal tender process should apply. Draw up tender documents, including evaluation criteria with relative weightings and timetable. Use weighted scoring sheet to evaluate offers. Select highest scoring proposal. Present tender results to relevant approver (see Financial Regulations). Notify winning tenderer & give feedback to unsuccessful suppliers. Apply optional 10 day standstill before awarding the contract.	Open/restricted tender processes apply which involve strict minimum timelines. Draw up tender documents, including evaluation criteria & relative weightings and timetable for the tender. Use weighted scoring sheet to evaluate offers. Select highest scoring proposal. Present tender results to relevant approver in accordance with Financial Regulations. Notify & provide feedback to winning tenderer & to those who were unsuccessful. Apply 10 day standstill before awarding the contract.	Minimum of 3 written quotes required. Send a brief specification electronically, outlining timeframes and evaluation criteria (cost/quality considerations). Use a scoring sheet to evaluate offers objectively. Notifying unsuccessful supplier & provide feedback to them.	Open/restricted tender processes apply which involve strict minimum timelines. Sourcing and expenditure approval for all Capital projects must be given on spend over c£4,447,000)
Minimum timeline	Reasonable time to respond	Sufficient time to respond with a suitable proposal	Recommend a minimum of 30 days response/evaluation with optional 10 days standstill	Recommend a minimum of 30 days response/evaluation with optional 10 days standstill	Recommend a minimum of 3 months to run a complex tender.	Recommend a min of 30 days response evaluation with 10 days standstill	Recommend between 3-6 months for high value works tenders

If over a 4 year period there are a series of smaller orders for goods or services **'of the same type'** and their cumulative value exceeds the published threshold (≥£178k); then the individual

order (and any subsequent ones) that breaks the threshold should be advertised in FTS even though by itself, it falls below that threshold (see table).

Calculating the value of a contract over the term of the contract

• If the contract is for a 'one-off' purchase, estimate the total value including all component parts, transport costs, install, commissioning, operating, maintenance & end of life costs • Where goods/services are required but the period of time is unknown i.e. contract is over an indefinite period, the monthly value should be used & multiplied by 48. If that value exceeds the threshold, then the FTS rules will apply (see Procurement for further details) • Where a service contract does not indicate a total price, the amount should be an estimate of what is expected to be paid (e.g. budget) over the contract period or over 4 years if the contract period is indefinite or exceeds 4 years.	• The estimated contract value should be valid at the time of the procedure commencing and should be calculated excluding VAT • When estimating contract value close to threshold levels, allow 10% contingency • It is not permissible to sub-divide projects in order to keep under FTS threshold levels. • The value of the contract throughout its duration, including any optional extensions, needs to be included when estimating the total contract value.

APPENDIX B: DISPOSAL OF ASSETS PROCEDURE

1. As part of the periodic physical checks (see para 11.2 of these regulations), assets that are no longer in use will be identified.

2. The disposal of land and buildings must be undertaken in accordance with Department for Education (DfE) requirements and associated guidance.
3. The purchase price of the assets, the date of purchase and the current net book value will also be established and recorded.

4. The Budget Holder will confirm by signing that the asset is no longer required.

5. The procedure for obtaining the best possible price for any surplus assets will be as follows:

    - For assets with a book value up to £50,000 the Budget Holder shall determine the market value (online or using trade journals) and ensure sales proceeds are not more than 10% below such value. The calculation of market rate and request to dispose of the asset will need approval from the Group Finance Director.

    - For assets with a book value between £50,001-£100,000 the Budget Holder shall determine the market value (online or using trade journals) and ensure sales proceeds are not more than 10% below such value. The calculation of market rate and request to dispose of the asset will need approval from the Chief Operating Officer.

    - For assets valued at over £100,000 Activate Learning will seek at least three competitive tenders by advertising in an appropriate publication (e.g. local press, trade magazine), or an alternative procedure as approved by the Chief Executive Officer .

6. Should Activate Learning decide to donate assets to another organisation, approval will be sought in advance. The approval of this needs to be in line with the approval for the disposal of assets (section 11) .

7. Approval for the disposal of all assets will be as specified in these Regulations (section 11).

8. The assets register will be updated, as appropriate, for every asset disposal.