



Financial Scheme of Delegation

(spending authorisation limits)

Next review: Oct 2026

Important – read first

There are two types of financial approval covered by this policy – those associated with buying (procuring) goods/services from an external supplier, and those associated with paying employees. These are covered in Section 1 and Section 2 respectively.

SECTION 1 - Procurement Approval Limits

Committed spend value	Who can authorise?	Procurement requirement
Over £50k	Finance, Resources and Compliance Committee	Framework agreement or Tender via SET Central Finance
£30k-£50k	LGB or equivalent	Framework agreement or Quotation Process Copy to SET Central Finance
Up to £30k	Trust CFO	
Up to £10k	HT or equivalent	
Up to £5k	SBM or designate	VFM
Up to £1,000	Budget holders	Approved supplier or 'Value for money' satisfied.

1. HT limit based on c.1% of average non staff spend for a trust school.
2. CFO limit mid-point of HT and LGB – to facilitate purchasing progress
3. LGB limit based on c.1% of average total income for a trust school
4. These will be kept under review.

The central finance function of the trust is available to assist with the procurement process, particularly when using purchasing frameworks, gathering quotes or conducting tender processes, and must be consulted when undertaking these activities. There may be best practices or possibilities for common purchasing available which may be missed at a school level.

Exceptions to these limits

1. IT spend >£1,000 will also require approval of SET IT Lead.
2. If the school is *forecast* to
 1. Record a shortfall to budget greater than £50k AND
 2. Record a deficit for the yearThen all spend commitments >£5k must also be approved by Central Finance

3. Any commitment >£213k must follow the Government's 'Find a Tender' scheme.

How do I work out my 'Committed Spend Value'?

One off purchases of a piece of equipment or a single service – for example a grounds maintenance service, are straightforward, it is just the value of that one item.

For contracted services, it is the total value of the minimum contract term.

For recurring subscriptions with a 'cancel anytime' arrangement, typically software licences or access to web portals, the value is the total annual cost. E.g. £20 per month is £240 'Committed Spend Value'.

Why does central IT have to authorise my spend?

The Trust IT lead takes an overview of Trust's IT provision and infrastructure. They will be aware of IT assets available across the Trust which may be able for use rather than buying new. They are also able to consider compatibility, connectivity and future proofing. IT has some specialist considerations, so we should use the specialist experience we have in the Trust. They are more than happy to help in advance of the requisition being generated, early engagement is encouraged!

How do I know my spend will be approved?

In the vast majority of cases decisions on purchasing are made at the local level, and are guided by the amount of remaining budget on individual cost centres. The best course of action is to discuss spending requirements with the cost centre owner.

What evidence is needed to support 'Value For Money'?

Typically these are 2 comparable prices for the good or service. These can be simple screen shots of the item for sale online, pdf pricing from service providers, or prices included on emails from a verifiable supplier address.

Where can I find a list of Approved Suppliers?

These change from time to time and by school, contact your school finance representative or the central procurement team at procurement@southerneducationtrust.com if you have a specific query. The trust has setup business accounts for Amazon, which is a trust-wide approved supplier, and can be used to satisfy many general purchasing requirements. Your school finance representative can help you access this account.

What is 'Quotation Process'?

This requires the requisitioner to gather ideally three written quotations from competitive sources. The quotes must be based on the same specification and evaluated on a like for like basis. Where market conditions have resulted in a lack of suppliers, two comparable quotes are acceptable.

Where must this information be recorded?

Supporting documents must be added to the electronic requisition on the PS Purchasing system, to allow the approvers to validate that the correct process has been followed.

What is a Framework?

Frameworks are government approved purchasing organisations whose supplier onboarding and procurement processes ensure compliance with regulatory requirements.

The spend is within budget, why is Central Finance involved?

For spend below £40k and when the school is operating within budget, authority for purchasing rests with the LGB of the school. However, for larger purchases within this limit, that require a quotation or use of a purchasing framework, there are advantages to involving the central finance function:

1. The Trust may have an existing purchasing arrangement which could be cost effective and save procurement administration
2. The central team should already have access to purchasing frameworks, and have experience of obtaining and assessing quotation data from these frameworks
3. The team will have assisted on assessment of quotes in the past and can share best practice to make the process as effective and efficient as possible
4. The team will be able to pull together experiences of particular suppliers across the trust and from relationships with other trusts to inform procurement decisions

SECTION 2 – Employee related payments

Most payments to employees are contractual or statutory (e.g. pay) and fall within the trust's usual range of financial activity.

HM Treasury defines all payments that may fall outside or exceed statutory and contractual obligations as **special payments** (see annex 4.13 of [Managing Public Money](#)).

Special payments include:

Severance payments

Paid to employees outside statutory or contractual requirements when leaving public employment.

Compensation payments

Paid to provide redress for loss or injury.

Ex gratia payments

Payments that go beyond statutory or contractual cover, including payments to meet hardship caused by official failure or delay, and to avoid legal action due to official inadequacy.

All special payments, regardless of value, must be approved by both the CEO and CFO of the trust. Approval (or approval in principle) must be obtained before any commitment is made.