

Using Lease Structures to Secure Equipment and Installations During School Holidays with Deferred Payment for Academies and MATs

WHITE PAPER

Academies and Multi-Academy Trusts (MATs) face a constant challenge in balancing operational requirements, capital expenditure, and academic schedules. Schools often need to upgrade or replace critical equipment — ICT, furniture, laboratories, kitchens, or building services — while minimising disruption to teaching.

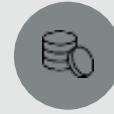
Executive Summary

Leasing equipment provides a solution that enables academies and MATs to procure and deploy critical equipment efficiently, without disrupting the academic calendar or straining current budgets.



Avoid Disruption

Procurement and installation during summer holidays, avoiding classroom disruption



Budget Alignment

Payment aligned with the next academic year budget cycle (from September)



Rapid Deployment

Rapid deployment of technology and infrastructure upgrades



Governance Compliance

Compliance with MAT financial governance frameworks

This paper outlines the benefits, practical considerations, and financial implications of using lease structures for academies and MATs.

1. Context

Academies and MATs Funding Structures

- ◆ Academies receive recurrent funding from the DfE allocated on an annual basis starting 1 September.
- ◆ Capital budgets are limited and often pre-committed, leaving schools unable to fund large upfront investments without impacting teaching or staffing.

Leasing allows MATs to accelerate procurement and installation without immediate capital outlay, effectively deferring the financial impact to the next budget year.

Timing Constraints

Schools often require installations over the summer holiday period to:

- Avoid disruption to classes
- ◆ Ensure new equipment is ready for students returning in September
- Coordinate with external contractors and service providers

Traditional procurement tied to annual budgets can delay installations until the current financial year is closed, creating gaps in service or extended downtime.

2. Lease Structures for Schools

Lease

- Schools pay a fixed rental over a term
- Ownership remains with the lessor
- Payments can be structured to begin after installation, aligning with the start of the new academic year
- Provides schools with long-term access to equipment without upfront capital

Key Features

Feature	Benefit for Academies/MATs
Deferred Payment	Payments start after school reopening, matching new budget allocation
Rapid Deployment	Equipment can be ordered and installed during summer break
Full Installation Coverage	Includes delivery, setup, testing, and training
Flexible Terms	Lease term and payment schedule can be tailored to MAT's cash flow

3. Benefits of Summer Installation Leases

1

Minimal Academic Disruption

- ♦ Classrooms remain operational during term-time
- ♦ Avoids impact on teaching, exams, or after-school activities

2

Budget Alignment

- ♦ Payment obligations commence in the next financial year
- ♦ Reduces strain on current budget allocations

3

Access to Modern Equipment

- ♦ Enables timely replacement of outdated technology
- ♦ Supports digital learning initiatives, STEM labs, or kitchen upgrades

4

Cash Flow Efficiency

- ♦ Leasing avoids large upfront cash outlay
- ♦ Allows MATs to spread cost over multiple academic years

4. Practical Considerations

Procurement and Compliance

- ◆ Must comply with Academy Trust Handbook procurement rules
- ◆ Framework agreements for equipment selection or compliant leasing providers help reduce tendering complexity
- ◆ Ensure contractual terms allow deferred payments aligned with budget year

Accounting and Reporting

- ◆ Leases need to be appropriately reported under DfE guidance and IFRS 16 if relevant
- ◆ MAT accountants should confirm treatment of deferred payments for transparency

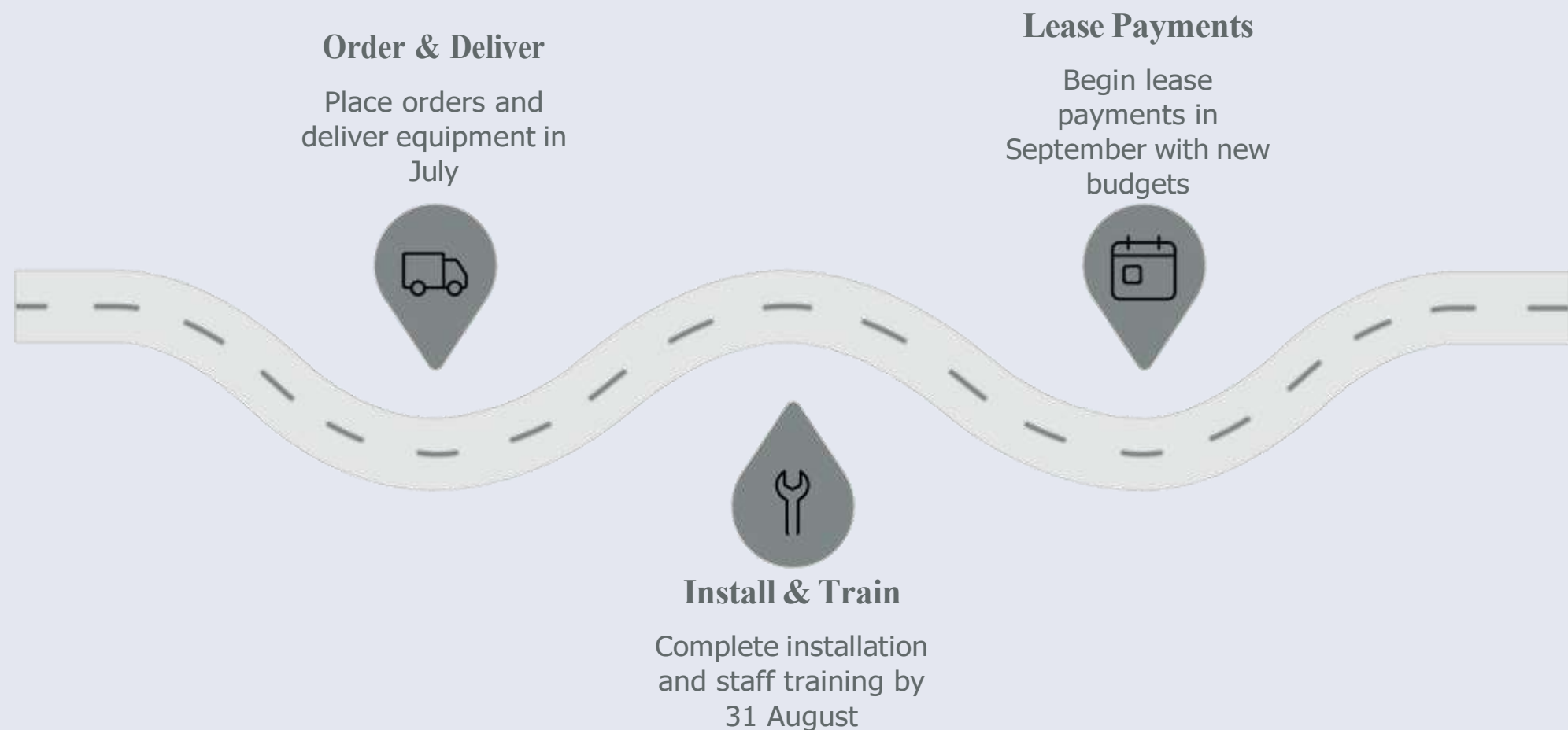
Risk Management

- ◆ Confirm equipment installation schedule with providers to ensure completion before term start
- ◆ Ensure provider has experience delivering to multi-site MATs if installations are across several schools

5. Case Example: ICT Upgrade in a Multi-Academy Trust

Scenario

A MAT with 10 academies needed to replace ageing ICT systems before the new school year. A finance lease was structured to:



Outcome

Fully Operational

All academies had fully operational systems on the first day of term

Budget Protected

MAT avoided impacting current budget allocations

Improved Planning

Improved cash flow planning and operational readiness

6. Strategic Recommendations

→ **Plan Ahead**

Plan procurement cycles in advance to align with summer installation windows

→ **Coordinate Finance Teams**

Coordinate with finance teams to align deferred payment schedules with budget allocations

→ **Engage Early**

Engage leasing and equipment providers early to ensure delivery and installation readiness

→ **Monitor Asset Condition**

Monitor asset condition to prioritise lease arrangements for items requiring urgent replacement or upgrades

7. Conclusion

Leasing equipment and installations with deferred payments starting in the next academic year provides a practical, budget-friendly, and operationally efficient solution for academies and MATs.

By leveraging these structures:

Ready Before Term

Schools can ensure new equipment is installed before term starts

Optimised Finances

Budget allocation and cash flow are optimised

Operational Readiness

Academic disruption is minimised, and operational readiness is enhanced

- ❑ This approach enables MATs to deliver modern, fully functional facilities on a predictable, transparent financial basis.

References

01

GOV.UK — Academy Trust Handbook

03

IFRS 16 Guidance — Accounting for Leases in the Public Sector

02

GOV.UK — Leasing for Maintained Schools and Academies

04

Case Studies on MAT Procurement — Public Sector Innovation in Leasing