



## Department for Education

3 February 2020

Dear Peter, Kira,

I am delighted to be able to confirm that the funding agreement between the academy trust and the Secretary of State was agreed and signed on the 30 January 2020 enabling St Pauls Community Primary and Nursery School, Spalding, to convert to academy status on 1 February 2020 joining the Community Inclusive Trust. I would like to take this opportunity to thank you for your hard work to reach this point in the process, and to provide you with some more insight into what life as an academy might look like.

### **Freedoms and Opportunities**

Academy status brings a range of new freedoms which I outline here, and of which I hope you will take full advantage:

- **Freedom to allocate budgets:** Funding for academies mirrors existing funding for maintained schools. Academy status brings the freedom to make decisions at school level about how best to spend this budget. This allows you greater control to allocate resources where they can have the most impact on staff performance and pupil attainment.
- **Freedom to decide how the curriculum should be delivered:** At the heart of the academies programme is the drive to improve pupil attainment and teaching standards by giving more control to schools and their leadership teams. As the head of an academy, you have the freedom to exercise your professional judgement about what is taught and how that teaching is delivered. You are under a legal duty only to deliver "a broad and balanced" curriculum. This means you do not have to follow the National Curriculum, and are free to develop a creative and innovative teaching and learning environment that maximises opportunities for all your pupils, including the most able and those needing additional support.
- **Freedom to set pay and conditions for staff:** The regulations that place requirements on maintained schools for the pay and conditions of their teaching staff (the School Teacher's Pay and Conditions Document (STPCD)) do not apply to academies. However, general

employment law applies to academy trusts as the employer, in the same way as it does to other employers. Academy trusts can be innovative in how they reward and incentivise staff. Introducing new, more creative ways of delivering the curriculum means that you can offer staff different or more flexible terms and conditions. You may wish to consider how this could be delivered in your school to ensure that teachers and pupils are properly rewarded for high performance.

- **Freedom to achieve value for money:** Academies have control over their own procurement and support services and we would encourage you to ensure you achieve the greatest possible value for money on all your contracts.
- **Freedom to change your governance:** The flexibility in the academy governance model allows academies to choose the right model for their school. You will want to ensure that you have a strong skill-based Board of Directors /Trustees with the right specialist knowledge and expertise to ensure the right standards of governance for an effective and efficiently run school.
- **Freedom to be flexible with the timing of school day and terms:** To be more creative in the way you deliver the curriculum, you may want to consider what timings of the school day and school holidays are most beneficial for your pupils and their families. All schools in England are now free to decide when their school day should start and end. And with academies not bound by the school day and school year regulations you are also free to set your own term and holiday dates.

## **New Responsibilities**

As a new academy, you will want to familiarise yourself with the new responsibilities which will pass to you from the local authority. It may be that you will already have some of these systems and processes in place, but we would advise you to consider how you can best develop them in light of your change in circumstances.

- **Financial management and accountability:** Academies are charitable companies and are also classified by the Office for National Statistics as central government public sector bodies. As an academy, your trustees/directors have a wide range of duties and responsibilities under the law, and under the funding agreement to provide education at the academy. You are accountable for spending public money and, therefore, subject to public standards of accountability. Additionally, Academy Accounting Officers are personally responsible to Parliament and to the Accounting Officer of the Education Funding Agency (EFA), for the resources under their control, and must be able to assure Parliament and the public of high standards of probity in the management of public funds. The essence of the role is a personal responsibility for regularity, propriety and value for money in their stewardship of academy funds which supplements and potentially overrides their responsibilities as a trustee. All academies are expected

to operate a balanced budget, details of which must be submitted to the ESFA each academic year.

As a newly opened academy, your Board of Directors/Trustees must approve and submit to the ESFA a balanced budget in a form specified by the ESFA within the period set out in your ESFA welcome letter. Academies are expected to complete a short self-assessment of their financial management and governance within 4 months of opening. They are required to prepare annual accounts for each academic year (ending 31 August) and to have these accounts, and a supplementary accounts return, independently audited and published. If your academy's opening date means it does not prepare accounts for the current academic year, you will be required, as a one-off, to submit an accounts return covering the period from your date of opening to the following 31 March.

The ESFA will provide you with more detailed information about academy financial management and accountability, including their responsibilities, in the welcome letter. You can also refer to the [Academies Financial Handbook](#).

Several groups of academy finance directors and business managers offer self-help support on financial management and your academy may wish to join one of these. Details of such groups can be found in Annex D of the [Academies Financial Handbook](#).

**Governance:** The academy trust is responsible for the strategic direction and operation of the academy and has two layers of governance: the members of the trust and the Board of Directors/Trustees. Some multi academy trusts also establish local governing bodies for each, or groups of, constituent academies. People serving on these bodies will be known as governors. The Directors/Trustees are responsible for controlling the management and administration of the trust. They are responsible for directing the day to day affairs of the academy, and ensuring the trust is solvent, well-run and delivering academy objectives. They are also responsible for the line management of the head teacher. The Members of the trust have a different responsibility and status, and should be a different body of people to the Directors/Trustees and, if appropriate, the governors. The Members include subscribers to the academy trust's memorandum of association, whose powers include the authority to appoint Directors/Trustees. They may inform strategic direction and ensure the trust achieves its objectives. In a sponsored academy, the sponsor will usually provide the Members.

The Directors/Trustees are responsible for the three core strategic functions associated with governance, that is, strategic direction, holding the head teacher to account for educational performance, and overseeing the financial performance of the school. Unlike at a maintained school, an academy trust is autonomous and must ensure compliance with charity law, company law and the academy trust's

funding agreement.

Academies are free, within certain general parameters, to constitute a board of Directors/Trustees to meet the needs of their school. By now, you will have agreed and set out in the articles of association the constitution of your academy trust, including the most suitable composition of Directors/Trustees to meet the needs of your school and the community. Academy trusts remain free to revisit their governance arrangements at any time to ensure they continue to have Directors/Trustees with the right skills and expertise.

There is more information available on the responsibilities for Directors/Trustees of academies in the in the Academies Financial Handbook. The Schools and Colleges Governance website also includes helpful advice here: [Schools and Colleges: Governance - GOV.UK](https://www.gov.uk/guidance/schools-and-colleges-governance)

- **Risk Protection Arrangement (RPA) and insurance:** The risk protection arrangement (RPA) for academy trusts is an alternative to insurance, where losses that arise are covered by UK government funds and has been effective since 1 September 2014.

The RPA protects academy trusts against losses due to any unforeseen and unexpected event. The intention is that the RPA, as a minimum, covers risks normally included in a standard schools insurance policy.

As well as significant cost savings for school budgets, trusts that choose the RPA will avoid complex and time-consuming procurement of commercial insurance cover.

The RPA does not cover motor insurance or overseas travel. The Department will provide a route to the commercial insurance market to purchase additional cover to manage these and other excluded risks. Alternatively, academy trusts can choose to continue to use commercial insurance suppliers if they so wish.

- **Staffing:** The academy trust has responsibility for setting pay and conditions for its staff. The trust also holds responsibility for obtaining CRB checks on its staff; must be aware of its duties under the Disability Discrimination Act 1995 and the Equalities Act 2010; and continue to honour the conditions of staff who were TUPE'd over from the predecessor school.

Under the latest funding agreement the requirement for teachers to have QTS has been removed. Instead, you must be satisfied that teachers are suitably qualified. The funding agreement also provides that all teachers employed at an academy must have access to the Teachers Pensions Scheme and that the academy trust complies with

the statutory provisions underlying the scheme. All other employees at an academy must have access to the Local Government Pension Scheme. You should ensure that the governing body is aware of these [responsibilities](#) prior to conversion.

- **Data management:** Academies are required by law to make the same statutory data returns, such as the School Census and the School Workforce Census, which maintained schools are required to make.

### What's next?

Once the new academy is open, you will receive a welcome letter from the ESFA, which will set out how the ESFA will work with the academy and where you can find information about funding levels. The EFA provides the academy's revenue and capital funding, operates an enquiry service for academies and carries out a compliance and assurance function on behalf of the Secretary of State.

You can obtain information and support from the ESFA in these ways:

- website – '[About the EFA](#)' is the gateway site for all ESFA customers and has specific areas for academies
- Every fortnight the ESFA publishes an [e-bulletin](#) highlighting key developments and changes in academy policies and procedures, and events and things to look out for, including reminders of returns that are due.

If the website doesn't have the information you need, the ESFA enquiry service can be accessed directly by email at:

[Academy.QUESTIONS@education.gov.uk](mailto:Academy.QUESTIONS@education.gov.uk)

I would like to take this opportunity to wish you every success in your school's future as an academy.

Yours sincerely,

Lisa Moreman

Department for Education Delivery Officer on behalf of the Secretary of State for Education