

**DEED OF NOVATION AND VARIATION  
OF THE  
FUNDING AGREEMENT FOR THE BOLSOVER SCHOOL**

The Parties to this Deed are:

(1) **THE SECRETARY OF STATE FOR EDUCATION** of Sanctuary Buildings, Great Smith Street, London SW1P 3BT (the "**Secretary of State**");

(2) **REDHILL ACADEMY TRUST**, a charitable company incorporated in England and Wales with registered company number 07430317 whose registered address is at Redhill Academy Trust, Redhill Road, Arnold, Nottingham, Nottinghamshire NG5 8GX ( "**IAT**"); and

(3) **THE BOLSOVER SCHOOL ACADEMY TRUST**, a charitable company incorporated in England and Wales with registered company number 07913309 whose registered address is at The Bolsover School, Mooracre Lane, Bolsover, Chesterfield, Derbyshire S44 6XA (the "**Company**"),

together referred to as the "Parties".

## **INTRODUCTION**

- A. The Bolsover School is an academy within the meaning of the Academies Act 2010 (the "academy") and is currently operated by the Company (a single academy trust).
- B. The Secretary of State and the Company entered into a funding agreement on 1 October 2012 (the "**Agreement**") for the maintenance and funding of the academy (attached as Schedule 1).
- C. It is proposed that, with effect from 00.01 am on 1 February 2018 ("Transfer Date"), IAT will assume responsibility for the management and operation of the academy in succession to the Company.
- D. The Parties wish to novate the Agreement to IAT and the Secretary of State and IAT wish to vary the terms of the Agreement subject to the provisions of this Deed.

## **LEGAL AGREEMENT**

1. Any word or phrase used in this Deed shall, if that word or phrase is defined in the Agreement, bear the meaning given to it in the Agreement.

## **NOVATION**

2. The Company transfers all its rights and obligations under the Agreement to IAT with effect from the Transfer Date. With effect from the Transfer Date, IAT shall enjoy all the rights and benefits of the Company under the Agreement and all references to the Company in the Agreement shall be read and construed as references to IAT.

3. The references in the Agreement to the Master Funding Agreement between the Company and the Secretary of State shall be read as a reference to the Master Funding Agreement between the IAT and the Secretary of State.

4. With effect from the Transfer Date, IAT agrees to perform the Agreement and be bound by its terms in every way as if it were the original party to it in place of the Company.

5. With effect from the Transfer Date, the Secretary of State agrees to perform the Agreement and be bound by its terms in every way as if IAT were the original party to it in place of the Company.

## **OBLIGATIONS AND LIABILITIES**

6. With effect from the Transfer Date, the Company and the Secretary of State release each other from all future obligations to the other under the Agreement.

7. Each of the Company and the Secretary of State release and discharge the other from all claims and demands under or in connection with the Agreement arising after the Transfer Date.

8. Each of IAT and the Secretary of State will have the right to enforce the Agreement and pursue any claims and demands under the Agreement against the other with respect to matters arising before, on or after the date of this Deed as though IAT were the original party to the Agreement instead of the Company.

## **INDEMNITY**

9. Not used.

10. Not used.

## VARIATION

11. The Secretary of State and IAT agree that with effect from the Transfer Date the Agreement shall be amended and restated so as to take effect in the form set out in Schedule 2 to this Deed.

12. As varied by this Deed, the Agreement shall remain in full force and effect.

13. This Deed shall be governed by and interpreted in accordance with English law.

14. The Parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with, this deed or its subject matter or formation (including non-contractual disputes or claims).

## COUNTERPARTS

15. This Deed may be executed in any number of counterparts and by the parties to it on separate counterparts, each of which when so executed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument.

IN WITNESS whereof this Deed has been executed by the parties hereto and is intended to be and is hereby delivered on the last date listed below.

EXECUTED as a deed by affixing the corporate seal )  
of **THE SECRETARY OF STATE FOR EDUCATION** )  
authenticated by:- )



Duly authorised by the **SECRETARY OF STATE FOR EDUCATION**

Date.....1/2/18.....



EXECUTED as a deed by **IAT**  
acting by one director in the  
presence of a witness:

Director .....  
Print name.....  
Date .....  
  
Witness .....  
Print name.....  
Address.....  
Occupation.....

EXECUTED as a deed by **the**  
**Company** acting by one  
director in the presence of a  
witness:

Director .....  
Print name.....  
Date ..... 29<sup>th</sup> Nov 2017  
Witness .....  
Print name.....  
Address.....  
Occupati.....

EXECUTED as a deed by **IAT**  
acting by one director in the  
presence of a witness:

Director .....  
Print name.....  
Date .....

Witness .....  
Print name.....  
Address.....  
Occupation.....

EXECUTED as a deed by **the**  
**Company** acting by one  
director in the presence of a  
witness:

Director .....  
Print name.....  
Date .....

Witness .....  
Print name.....  
Address.....  
Occupation.....

**Schedule 1**  
**Original Funding Agreement**

**THE BOLSOVER SCHOOL**

**FUNDING AGREEMENT**

**2012**

# THE BOLSOVER SCHOOL

## FUNDING AGREEMENT

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## INTRODUCTION

- 1) This Agreement is made under section 1 of the Academies Act 2010 between the Secretary of State for Education ("the Secretary of State") and The Bolsover School Academy Trust (the "Academy Trust").
- 2) The Academy Trust is a Company incorporated in England and Wales, limited by guarantee with registered Company number (07913309).
- 2A) As part of the Academy Trust's conversion to academy status, it is the parties' intention for the Academy Trust to enter into the School Agreement, the Principal Agreement and the Lease.
- 3) The following expressions used in this Agreement have the respective meanings assigned to them by the numbered clauses of this Agreement referred to immediately after the reference to the expressions -
  - a) "Academies Financial Handbook" - clause 66;
  - b) "Academy Trust Insolvency Notice" – clause 60A.2;
  - c) "Accounting Officer" – clause 65;
  - d) "Annual Letter of Funding" - clause 59;
  - e) "Chief Inspector" means Her Majesty's Chief Inspector of Education, Children's Services and Skills or his successor;
  - f) "Critical Years" – clause 60A.1;
  - g) "Current Funding" – clause 60A.1;
  - h) "GAG" – clause 35;
  - i) "Capital Expenditure" - clause 36;
  - j) "Capital Grant" – clause 36;
  - k) "EAG" - clause 35;
  - l) "PFI EAG Refusal" – clause 60A.1;
  - m) "Recurrent Expenditure" – clause 35;

n) "Shortfall" – clause 60A.5;

o) "Start-up Period" – clause 49;

4) In this Agreement the following words and expressions shall have the following meanings:-

"Academy Financial Year" means the year from 1st September to 31st August or such other period as the Secretary of State may from time to time specify by notice in writing to the Academy Trust;

"Additional Governors" means Governors who may be appointed by the Secretary of State under Article 62 or 62A of the Articles;

"Business Day" means any day other than a Saturday, Sunday, Christmas Day, Good Friday or a day which is a bank holiday with the meaning given to that expression in the Banking and Financial Dealings Act 1971;

"Control" in relation to a body corporate ('Entity') means the legal or beneficial ownership of 30 per cent or more of the issued shares in the Entity ordinarily having voting rights or the power of a person ('A') otherwise to secure:-

- (a) by means of the holding of shares in that Entity or having an interest conferring voting rights at general meetings of the membership of the Entity or of any other body corporate;
- (b) by virtue of any powers conferred by the articles of association or other document regulating that Entity or any other Entity or partnership including, without limitation, the power to appoint or remove a majority of the governing body thereof, or
- (c) by virtue of any agreement, understanding or arrangement between any person or persons,

that the affairs of the first-mentioned Entity are conducted in accordance with the wishes of A and 'Controls' shall be construed accordingly;

"DfE" means Department for Education;

"Further Governors" means Governors who may be appointed by the Secretary of State under Article 63 of the Articles if a Special Measures Termination Event, as

defined in this Agreement, occurs;

"Insolvency" has the meaning given to it in section 123 of the Insolvency Act 1986;

"LA" means the Local Authority in the area in which the Academy is situated;

"Land" means the publicly funded land (including for the avoidance of doubt all buildings, structures landscaping and other erections) situated at and known as The Bolsover School, Mooracre Lane, Bolsover, Chesterfield, Derbyshire, S44 6XA and registered under Title Numbers DY442071, DY442056 and DY408685;

"Lease" means the lease granted by the LA to the Academy Trust on or around the date hereof;

"Memorandum" and "Articles" means the Memorandum and Articles of Association of the Academy Trust for the time being in force, a copy of the current version of which is annexed to this Agreement as Annex A;

"Normal Payment Matters" has the meaning given to it in the Principal Agreement;

"parents" means parents or guardians;

"persons" includes a body of persons, corporate or incorporate;

"PFI Contractor" means Equitix Education (Derbyshire) Ltd, the counterparty of the LA to the Project Agreement;

"Principal" means the head teacher of the Academy;

"Principal Agreement" means the agreement entered into by the Secretary of State, the Academy Trust and the LA on or around the date hereof;

"Principal Regulator" means the entity appointed as Principal Regulator further to the Charities Act 2006;

"Project Agreement" means the agreement between the LA and PFI Contractor for the design, build, finance and operation of The Bolsover School and Springwell Community School dated 23 July 2009;

references to "school" shall where the context so admits be references to the Academy;

“School Agreement” means the agreement entered into between the LA and the Academy Trust relating to the provision of facilities and services to the Academy Trust on or around the date hereof;

“SEN” means Special Educational Needs.

- 5) The Interpretation Act 1978 shall apply for the interpretation of this Agreement as it applies for the interpretation of an Act of Parliament.
- 6) Expressions defined in this Agreement shall have the same meaning where used in any Annex to this Agreement.
- 7) Questions arising on the interpretation of the arrangements in this Agreement shall be resolved by the Secretary of State after consultation with the Academy Trust.
- 8) Section 1 (3) of the Academies Act 2010 states that:

(3) An Academy agreement is an agreement between the Secretary of State and the other party under which-

(a) the other party gives the undertakings in subsection (5), and

(b) the Secretary of State agrees to make payments to the other party in consideration of those undertakings.

## **LEGAL AGREEMENT**

- 9) In consideration of the Academy Trust undertaking to establish and maintain, and to carry on or provide for the carrying on of, an independent school in England to be known as The Bolsover School (“the Academy”) and having such characteristics as are referred to in clause 10, the Secretary of State agrees to make payments to the Academy Trust in accordance with the conditions and requirements set out in this Agreement. For the avoidance of doubt, any obligations imposed upon or powers given to the Academy by this Agreement are also imposed upon and given to the Academy Trust.

## **CHARACTERISTICS OF THE ACADEMY**

- 10) The characteristics of the Academy set down in Section 1(6) of the Academies Act 2010, are that:

- (a) the school has a curriculum satisfying the requirements of section 78 of EA 2002 (balanced and broadly based curriculum);
- (b) if the school provides secondary education, its curriculum for the secondary education has an emphasis on a particular subject area, or particular subject areas, specified in the Agreement;
- (c) the school provides education for pupils of different abilities;
- (d) the school provides education for pupils who are wholly or mainly drawn from the area in which the school is situated.

### **ACADEMY OPENING DATE**

- 11) The Academy shall open as a school on 1 October 2012 replacing The Bolsover School which shall cease to be maintained by the LA on that date, which date shall be the conversion date within the meaning of the Academies Act 2010.

### **CONDITIONS OF GRANT**

#### **General**

- 12) Other conditions and requirements in respect of the Academy are that:

- (a) the school will be at the heart of its community, promoting community cohesion and sharing facilities with other schools and the wider community;
- (b) there will be assessments of pupils' performance as they apply to maintained schools and the opportunity to study for external qualifications in accordance with clause 29 (d);
- (c) the admissions policy and arrangements for the school will be in accordance with admissions law, and the DfE Codes of Practice, as they apply to maintained schools;
- (d) teachers' levels of pay and conditions of service for all employees will be the responsibility of the Academy Trust;
- (e) there will be an emphasis on the needs of the individual pupils including pupils with special education needs (SEN), both those with and without statements of SEN;

- (f) there will be no charge in respect of admission to the school and the school will only charge pupils where the law allows maintained schools to charge;
- (g) the Academy Trust shall as soon as reasonably practicable establish an appropriate mechanism for the receipt and management of donations and shall use reasonable endeavours to procure donations through that mechanism for the purpose of the objects specified in the Articles.

### **Governance**

- 13) The Academy will be governed by a governing body ("the Governing Body") who are the Directors of the company constituted under the Articles.
- 14) The Governing Body shall have regard to (but for the avoidance of doubt shall not be bound by) any guidance as to the governance of academies that the Secretary of State may publish.

### **Conduct**

- 15) The Academy shall be conducted in accordance with:
  - (a) the Articles, which shall not be amended by the Academy Trust without the written consent of the Secretary of State, such consent not to be unreasonably withheld;
  - (b) all provisions by or under statute which confer rights or impose obligations on Academies including, without limitation, the independent schools standards prescribed under section 157 of the Education Act 2002 to the extent they apply to the Academy;
  - (c) the terms of this Agreement;
  - (d) the Principal Agreement;
  - (e) the School Agreement; and
  - (f) the Lease.

### **Criminal Records Bureau Checks**

- 16) The Academy shall comply with the requirements of the Education (Independent School Standards) (England) Regulations 2010 (or such other regulations as may for the time

being be applicable) in relation to carrying out enhanced criminal records checks, obtaining enhanced criminal records certificates and making any further checks, as required and appropriate for members of staff, supply staff, individual Governors and the Chair of the Governing Body.

### **Pupils**

17) The planned capacity of the Academy is 850 in the age range 11-16. The Academy will be an all ability inclusive school whose requirements for:

- (a) the admission of pupils to the Academy are set out in Annex B to this Agreement;
- (b) the admission to the Academy of and support for pupils with SEN and with disabilities (for pupils who have and who do not have statements of SEN) are set out in Annex C to this Agreement; and
- (c) pupil exclusions are set out in Annex D to this Agreement.

### **Designated Teacher for Looked After Children**

17A) The Academy Trust will in respect of the Academy act in accordance with, and be bound by, all relevant statutory and regulatory provisions and have regard to any guidance and codes of practice issued pursuant to such provisions, as they apply at any time to a maintained school, relating to the designation of a person to manage the teaching and learning programme for children who are looked after by an LA and are registered pupils at the Academy. For the purpose of this clause, any reference to the governing body of a maintained school in such statutory and regulatory provisions, or in any guidance and code of practice issued pursuant to such provisions, shall be deemed to be references to the Governing Body of the Academy Trust.

### **Teachers and other staff**

18) Subject to clause 19, the Academy Trust shall not employ anyone under a contract of employment or for services to carry out planning and preparing lessons and courses for pupils, delivering lessons to pupils, assessing the development, progress and attainment

of pupils, and reporting on the development, progress and attainment of pupils ("specified work") who is not either:-

- (a) a qualified teacher within the meaning of regulations made under section 132 of the Education Act 2002; or
- (b) otherwise eligible to do specified work under the Education (Specified Work and Registration) (England) Regulations 2003 (SI 2003/1663), which for the purpose of this clause shall be construed as if the Academy were a maintained school.

19) Clause 18 does not apply to anyone who:

- (a) was transferred to the employment of the Academy Trust by virtue of the Transfer of Undertakings (Protection of Employment) Regulations 2006;
- (b) immediately prior to the transfer, was employed to do specified work; and
- (c) immediately prior to the transfer, was not:
  - (i) a qualified teacher within the meaning of regulations made under section 132 of the Education Act 2002 and registered with full registration with the appropriate body, or
  - (ii) eligible to do specified work under the Education (Specified Work and Registration) (England) Regulations 2003 (SI 2003/1663)

("transferred staff member"). The Academy Trust shall use its best endeavours to ensure that any transferred staff member who undertakes specified work and does not meet the requirements of clause 18(a) or clause 18(b) meets such requirements as soon as possible.

20) The Academy Trust shall ensure that all teachers employed at the Academy have access to the Teachers Pension Scheme and, in so doing, will comply with the statutory provisions underlying the scheme.

21) The Academy Trust shall ensure that all employees at the Academy other than teachers have access to the Local Government Pension Scheme.

**Curriculum, curriculum development and delivery and RE and collective worship**

22) The curriculum provided by the Academy to pupils up to the age of 16 shall be broad and

balanced with an emphasis in its secondary curriculum on Business and Enterprise.

22A) The Academy Trust shall publish information in relation to its current curriculum provision. Such information shall include details relating to:-

- (a) the content of the curriculum;
- (b) its approach to the curriculum;
- (c) the GCSE options (and other Key Stage 4 qualifications) offered by the Academy; and
- (d) how parents (including prospective parents) can obtain further information in relation to the Academy's curriculum.

23) The Academy Trust shall ensure that the broad and balanced curriculum includes English, Mathematics and Science.

24) The Academy Trust shall make provision for the teaching of religious education and for a daily act of collective worship at the Academy.

25) Where the Academy is designated with a religious character in accordance with section 124B of the School Standards and Framework Act 1998 or further to section 6(8) of the Academies Act 2010:

- (a) subject to clause 27, the Academy Trust shall ensure that provision is made for religious education to be given to all pupils at the Academy in accordance with the tenets of the specified religion or religious denomination of the Academy;
- (b) subject to clause 27, the Academy Trust shall comply with the requirements of section 70(1) of, and Schedule 20 to, the School Standards and Framework Act 1998 as if the Academy were a foundation school with a religious character or a voluntary school, and as if references to 'the required collective worship' were references to collective worship in accordance with the tenets and practices of the specified religion or religious denomination of the Academy;
- (c) the Academy Trust shall ensure that the quality of religious education given to pupils at the Academy and the contents of the Academy's collective

worship given in accordance with the tenets and practice of the specific religion or religious denomination are inspected. Such inspection shall be conducted by a person chosen by the Academy Trust and the Academy shall secure that such inspection shall comply with the requirements set out in any statutory provision and regulations as if the Academy were a foundation or voluntary school which has been designated under section 69(3) of the School Standards and Framework Act 1998 as having a religious character.

26) Where the Academy has not been designated with a religious character in accordance with section 124B of the School Standards and Framework Act 1998 or further to Section 6(8) of the Academies Act 2010:

- (a) subject to clause 27, the Academy Trust shall ensure that provision shall be made for religious education to be given to all pupils at the Academy in accordance with the requirements for agreed syllabuses in section 375(3) of the Education Act 1996 and paragraph 2(5) of Schedule 19 to the School Standards and Framework Act 1998;
- (b) subject to clause 27, the Academy Trust shall ensure that the Academy complies with the requirements of section 70(1) of, and Schedule 20 to, the School Standards and Framework Act 1998 as if it were a community, foundation or voluntary school which does not have a religious character, except that the provisions of paragraph 4 of that Schedule do not apply. The Academy may apply to the Secretary of State for consent to be relieved of the requirement imposed by paragraph 3(2) of that Schedule, the Secretary of State's consent to such an application not to be unreasonably withheld or delayed;
- (c) the Academy Trust:
  - (i) agrees that before making an application pursuant to the Religious Character of Schools (Designation Procedure) (Independent Schools) (England) Regulations 2003 for the Academy to be designated as a school with religious character it shall seek the prior written consent of the Secretary of State;
  - (ii) hereby acknowledges that the Secretary of State may in his absolute discretion refuse or consent to the Academy Trust making such an

application.

27) Section 71(1) – (6) and (8) of the School Standards and Framework Act 1998 shall apply as if the Academy were a community, foundation or voluntary school, and as if references to “Religious Education” and to “Religious Worship” in that section were references to the religious education and religious worship provided by the Academy in accordance with clauses 25 or 26 as appropriate.

28) The Academy Trust shall have regard to any guidance issued by the Secretary of State on sex and relationship education to ensure that children at the Academy are protected from inappropriate teaching materials and they learn the nature of marriage and its importance for family life and for bringing up children.

28A) The Academy Trust agrees to act in accordance with Sections 406 (Political Indoctrination) and 407 (Duty to secure balanced treatment of political issues) of the Education Act 1996 as if it were a maintained school, subject to the following modifications:-

- (a) references to any maintained school shall be treated as references to the Academy;
- (b) references to registered pupils shall be treated as references to registered pupils at the Academy;
- (c) references to the governing body or the local authority shall, in each case, be treated as references to the Academy Trust; and
- (d) references to the head teacher shall, in each case, be treated as references to the Principal of the Academy.

### **Assessment**

29) The Secretary of State will notify the appropriate body for assessment purposes about the Academy.

- (a) The Academy Trust shall ensure that the Academy complies with any guidance issued by the Secretary of State from time to time to ensure that pupils take part in assessments and in teacher assessments of pupil's performance as they apply to maintained schools.

- (b) The Academy Trust shall report to any body on assessments under clause 29 as the Secretary of State shall prescribe and shall provide such information as may be required by that body as applies to maintained schools.
- (c) In respect of all Key Stages, the Academy Trust will submit the Academy to monitoring and moderation of its assessment arrangements as prescribed by the Secretary of State.
- (d) The Academy Trust may not offer courses at the Academy which lead to relevant qualifications, as defined in section 96 of the Learning and Skills Act 2000, unless the Secretary of State gives specific approval for such courses.

### **Exclusions Agreement**

30) The Academy Trust shall, if invited to do so by an LA, enter into an agreement in respect of the Academy with that LA, which has the effect that where:

- (a) the Academy Trust admits a pupil to the Academy who has been permanently excluded from a maintained school, the Academy itself or another Academy with whom the LA has a similar agreement; or
- (b) the Academy Trust permanently excludes a pupil from the Academy

payment will flow between the Academy Trust and the LA in the same direction and for the same amount that it would, were the Academy a maintained school, under Regulations made under section 47 of the School Standards and Framework Act 1998 relating to the addition or deduction of a maintained school's budget following a permanent exclusion or the admission of a permanently excluded pupil. At the date of this Agreement, the applicable Regulation is Regulation 23 of the School Finance (England) Regulations 2008.

### **School Meals**

31) The Academy Trust shall, if requested to do so by or on behalf of any pupils at the Academy, provide school lunches for those pupils unless it would be unreasonable for it to do so. Subject to the provisions of clause 32 charges may be levied for lunches, but the Academy Trust shall otherwise fund the cost of such school lunches from its GAG.

32) In relation to a pupil who is himself or whose parents are in receipt of benefits mentioned

in section 512ZB of the Education Act 1996 (or equivalent provision governing the entitlement to free school lunches of pupils at maintained schools), the Academy Trust shall ensure that a school lunch is provided for such a pupil free of charge to be funded out of the Academy Trust's GAG.

### **Charging**

33) Sections 402 (Obligation to enter pupils for public examinations), 450 - 457 (charges), 459 (regulations about information about charges and school hours) and 460 (voluntary contributions), 461 (recovery of sums as civil debt) - 462 (Interpretation re charges) of the Education Act 1996 (including, for the avoidance of doubt, any secondary legislation made further to those provisions) shall be deemed to apply to the Academy with the following modifications:-

- (a) references to any maintained school shall be treated as references to the Academy;
- (b) references to registered pupils shall be treated as references to registered pupils at the Academy;
- (c) references to the governing body or the local education authority shall, in each case, be treated as references to the Academy Trust;
- (d) the charging and remissions policies required to be determined under section 457, and any amendment thereto, shall require the approval of the Secretary of State; and
- (e) the Academy Trust may charge persons who are not registered pupils at the Academy for education provided or for facilities used by them at the Academy.

### **International Education Surveys**

33A) The Secretary of State may, by notice in writing to the Academy Trust, require the Academy Trust to participate in an international education survey and the Academy Trust shall, upon receipt of such notice, participate in that survey and provide to the Secretary of State or to those carrying out the survey all such assistance and information as may reasonably be required for the purposes of the Academy's participation in that survey.

### **GRANTS TO BE PAID BY THE SECRETARY OF STATE**

**General**

34) The Secretary of State shall pay grants towards Capital Expenditure and Recurrent Expenditure for the Academy. Except with the Secretary of State's prior agreement, the Academy Trust shall not budget for its expenditure in any Academy Financial Year in excess of expected income. The Academy Trust shall not enter into commitments which are likely to have substantial implications for future levels of grant, or for the period for which grant may be required. No decision by the Academy Trust shall commit the Secretary of State to paying any particular amount of grant.

35) "Recurrent Expenditure" means any expenditure on the establishment, conduct, administration and maintenance of the Academy which does not fall within the categories of Capital Expenditure set out at clause 36. The Secretary of State shall pay two separate and distinct grants in respect of Recurrent Expenditure: General Annual Grant ("GAG") and Earmarked Annual Grant ("EAG").

**Capital Grant**

36) "Capital Expenditure" means expenditure on:

- (a) the acquisition of land and buildings;
- (b) the erection, enlargement, improvement or demolition of any building including fixed plant, installation, wall, fence or other structure, or any playground or hard standing;
- (c) the installation of electrical, mechanical or other services other than necessary replacements, repairs and maintenance due to normal wear and tear;
- (d) the purchase of vehicles and other self-propelled mechanical equipment;
- (e) the installation and equipping of premises with furnishings and equipment, other than necessary replacements, repairs and maintenance due to normal wear and tear;
- (f) the installation and equipping of premises with computers, networking for computers, operating software and information and communication technology equipment, other than necessary updates or necessary replacements, repairs and maintenance due to normal wear and tear;

- (g) the provision and equipping of premises, including playing fields and other facilities for social activities and physical recreation other than necessary replacements, repairs and maintenance due to normal wear and tear;
- (h) works of a permanent character other than the purchase or replacement of minor day-to day items;
- (i) any major repairs or replacements which are specified as constituting capital expenditure in any grant letter relating to them;
- (j) such other items (whether of a like or dissimilar nature to any of the foregoing) of a substantial or enduring nature as the Secretary of State may agree shall constitute capital expenditure for the purposes of this Agreement;
- (k) all professional fees properly and reasonably incurred in connection with the provision of any of the above;
- (l) VAT and other taxes payable on any of the above.

“Capital Grant” means grant paid to the Academy Trust in respect of Capital Expenditure.

37) Where the Academy is to open in new premises, or where existing premises are to be substantially refurbished or remodelled to enable the Academy to open in such premises, the Secretary of State, may, in his absolute discretion be responsible for meeting the incurred Capital Expenditure for that Academy. To that end, the Secretary of State will consider providing funding in accordance with any arrangements as he considers appropriate.

38) Any Capital Expenditure incurred in respect of the Academy on which Capital Grant payments are sought from the Secretary of State will require the specific prior written agreement of the Secretary of State, which agreement shall not be unreasonably withheld or delayed.

39) Any payment of Capital Grant to the Academy Trust under this Agreement is subject to the fulfilment of the following conditions:

- (a) such grants are used solely to defray expenditure approved by the Secretary of State;
- (b) the Academy Trust certifying and providing evidence that all planning and

other consents necessary for the development and all related infrastructure to be completed have been obtained or put in place; and

- (c) any other conditions that the Secretary of State may specify.

#### **Arrangements for Payment of Capital Grant**

40) Capital Grant will be paid by the Secretary of State to the Academy Trust on the basis of claims for grant submitted to the Secretary of State in the notified format with supporting invoices and certificates as required by the Secretary of State. If a dispute arises as to whether a claim is or is not acceptable both parties undertake to attempt to resolve it in good faith. In the event of such a dispute, the Secretary of State shall pay to the Academy Trust so much of the claim as shall not be in dispute.

#### **General Annual Grant**

41) GAG will be paid by the Secretary of State to the Academy Trust in order to cover the normal running costs of the Academy. These will include, but are not limited to:

- (a) teachers' salaries and related costs (including full and part time teaching staff and seconded teachers);
- (b) non-teaching staff salaries and related costs (including pension contributions, educational support staff, administrative and clerical staff and manual and premises related staff);
- (c) employees' expenses;
- (d) the purchase, maintenance, repair and replacement:
  - (i) of teaching and learning materials and other educational equipment, including books, stationery and ICT equipment and software, sports equipment and laboratory equipment and materials;
  - (ii) of other supplies and services;
- (e) examination fees;
- (f) repairs, servicing and maintenance of buildings (including redecoration, heating, plumbing, lighting etc); maintenance of grounds (including boundary fences and walls); cleaning materials and contract cleaning; water and

sewage; fuel and light (including fuel oil, solid and other fuel, electricity and gas); rents; rates; purchase, maintenance, repairs and replacement of furniture and fittings;

- (g) insurance;
- (h) medical equipment and supplies;
- (i) staff development (including in-service training);
- (j) curriculum development;
- (k) the costs of providing school meals for pupils (including the cost of providing free school meals to pupils who are eligible to receive them), and discretionary grants to pupils to meet the cost of pupil support, including support for pupils with special educational needs or disabilities (taking account of the fact that separate additional money will be available for pupils with statements of special educational needs);
- (l) administration;
- (m) establishment expenses and other institutional costs.

41A) The Academy Trust shall use the GAG funding it receives:

- i) prudently in order to cover the normal reasonable running costs of the Academy; and
- ii) in order to make relevant payments to the LA pursuant to the School Agreement which will in turn form a contribution to the Authority's obligations to pay the unitary charge pursuant to the Project Agreement.

42) Subject to clauses to 50-59B, GAG for each Academy Financial Year for the Academy will include:-

- (a) funding equivalent to that which would be received by a maintained school with similar characteristics, determined by the Secretary of State and notified in the Annual Letter of Funding or its equivalent, taking account of the number of pupils at the Academy;
- a) funding in respect of functions which would be carried out by the local

authority if the Academy were a maintained school.

43) Subject to clause 59B the GAG for each Academy Financial Year for the Academy will also include, payable on a basis equivalent to that applied to maintained schools:

- (a) funding for matters for which it is necessary for the Academy to incur extra costs, for as long as those costs are deemed necessary by the Secretary of State; and
- (b) payments in respect of further, specific grants made available to maintained schools, where the Academy meets the requisite conditions and criteria necessary (other than being a maintained school) for a maintained school to receive these grants.

44) Subject to clause 45, the basis of the pupil number count for the purposes of determining GAG for an Academy Financial Year for the Academy will be, in the first year of conversion, the same basis as that used by the LA for determining the budget share of the predecessor maintained school as adjusted by numbers counted in any subsequent Schools Census, as determined by the Secretary of State. In subsequent years the basis of the pupil count will be as determined by the Secretary of State.

45) Once the conditions specified in clause 46 have been satisfied with respect to the Academy for the Academy Financial Year for which funding is being calculated, the basis of the pupil number count for the purpose of determining GAG for the Academy will be:

- (a) for the pupil number count for pupils in Year 11 and below, the Schools Census for the January preceding the Academy Financial Year in question; and
- (b) for the pupil number count for pupils in Year 12 and above, the formula which for the time being is in use for maintained schools for the calculation of pupil numbers for pupils in Year 12 and above for the purpose of calculating their level of funding.

46) For the purpose of clause 45, the conditions are:

- (a) all planned Year-groups will be present at the Academy (that is, all the pupil cohorts relevant to the age-range of the Academy will have some pupils present); and

- (b) the total number of pupils as measured in the Schools Census for the preceding January is 90% or more of the planned final size of the Academy, which is 850
- (c) the Secretary of State has determined that the basis shall be as provided for in Clause 51.

47) For any Academy Financial Year in which GAG for the Academy has been calculated in accordance with clause 44, no adjustment shall be made to the following Academy Financial Year's formula funding element of GAG to recognise variation from the pupil count basis used.

48) For any Academy Financial Year in which GAG for the Academy is calculated in accordance with clause 45, no adjustment will be made to the formula funding element in the following Academy Financial Year's formula funding element of GAG unless the Academy Trust demonstrates to the satisfaction of the Secretary of State that there has been a significant impact on costs, such as an extra class. For any other element of GAG the Secretary of State may make adjustments to recognise a variation in pupil numbers from that used to calculate the element of grant in question; the basis of these will be set out in the annual letter of funding.

49) The Secretary of State recognises that:

- (a) where the Academy opens with an intake representing only a proportion of the final planned size of the Academy, payments based simply upon the number of pupils present are unlikely to be sufficient to meet the Academy's needs in the Academy Financial Years before all age groups are present at their planned size (the "Start-up Period") because of a lack of economies of scale. The Secretary of State may pay an appropriately larger GAG in the Start-up Period than would be justified solely on the basis of the methods set out in clauses 42-48, in order to enable the Academy to operate effectively;
- (b) where the Academy opens with pupils transferred from one or more maintained schools which have closed, additional GAG resources may be required to take account of transitional costs including any costs associated with supporting the integration of pupils from the closed schools and, where necessary, to offer a dual curriculum. If the Secretary of State has indicated that such additional GAG will be payable, the Academy Trust will make a bid for this addition to GAG based upon need and providing appropriate

supporting evidence.

50) During the Start-up Period or during the period when year groups are present who have transferred from a predecessor school or schools, the Secretary of State will pay a further element of GAG additional to that calculated in accordance with the methods set out in clauses 42-48 to allow the Academy to:

- (a) purchase a basic stock of teaching and learning materials (including library books, text books, software, stationery, science equipment and equipment for physical education) and other consumable materials;
- (b) meet the costs associated with the recruitment and induction of additional teaching and other staff.

After the Start-up Period these costs will be met through the ordinary GAG.

51) The Secretary of State recognises that if he serves notice of intention to terminate this Agreement, the intake of new pupils during the notice period is likely to decline and that in such circumstances payments based simply upon the number of pupils attending the Academy are unlikely to be sufficient to meet the Academy's needs during the notice period. The Secretary of State undertakes to pay a reasonable and appropriately larger GAG with respect to the Academy in the notice period than would be justified solely on the basis of the methods set out in clauses 42-48, in order to enable the Academy to operate effectively.

52) The Secretary of State also recognises that if this Agreement is terminated for any reason by either party the number of pupils at the Academy is likely to decline. In these circumstances both parties undertake to attempt to resolve issues arising from such termination in good faith and with the aim of protecting the interests and the education of the pupils at the Academy.

53) GAG paid by the Secretary of State shall only be spent by the Academy Trust towards the normal running costs of the Academy and any payments falling due pursuant to the School Agreement and/or Principal Agreement.

#### **Earmarked Annual Grant**

54) Earmarked Annual Grant ("EAG") shall be paid by the Secretary of State to the Academy Trust in respect of either Recurrent Expenditure or Capital Expenditure for such specific purposes as may from time to time be agreed between the Secretary of State and the

Academy Trust and as described in the relevant funding letter. The Academy Trust shall only spend EAG in accordance with the scope, terms and conditions of the grant set out in the relevant funding letter.

- 55) Where the Academy Trust is seeking a specific EAG in relation to any Academy Financial Year, it shall submit a letter outlining its proposals and the reasons for its request to Academies Division, Sanctuary Buildings, Great Smith Street, London SW1P 3BT.

#### **Arrangements for Payment of GAG and EAG**

- 56) The Secretary of State shall notify the Academy Trust at a date preceding the start of each Academy Financial Year of the GAG and EAG figures in respect of the Academy which, subject to Parliamentary approval, the Secretary of State plans for that Academy Financial Year and of the assumptions and figures on which these are based.

- 57) If GAG or EAG is calculated incorrectly due to a mistake of the Secretary of State then:

- (a) if this leads to an underpayment of GAG, the Secretary of State will correct the underpayment in subsequent Academy Financial Years;
- (b) if this leads to an overpayment of GAG, the Secretary of State reserves the right to recover any overpaid grant in subsequent Academy Financial Years, as appropriate, having considered all the relevant circumstances and taking into account any representations from the Academy Trust.

- 58) If GAG or EAG is calculated incorrectly because the Academy Trust provides incorrect information to the Secretary of State then;

- (a) if this leads to an underpayment of GAG, the Secretary of State may correct the underpayment in subsequent Academy Financial Years;
- (b) if this leads to an overpayment of GAG, the Secretary of State reserves the right to recover any overpaid grant in subsequent Academy Financial Years, as appropriate, having considered all the relevant circumstances and taking into account any representations from the Academy Trust.

- 59) The amounts of GAG for an Academy Financial Year will be determined annually by the Secretary of State. The amount of GAG for the Academy for the initial Academy Financial Year will be notified to the Academy Trust in a funding letter at a date

preceding that year. For subsequent years the amount of GAG (including any deductions made in accordance with clause 59B) will be notified to the Academy Trust in a funding letter not later than 31 March preceding that Academy Financial Year (the "Annual Letter of Funding"). The Annual Letter of Funding will not include the amount that the Academy Trust will receive in respect of grants for which information to enable timely calculation is not available or is incomplete, such grants will be notified as soon as practicable later in the year. Amounts of EAG will be notified to the Academy Trust wherever possible in the Annual Letter of Funding or as soon as practicable thereafter.

59A) In the event that the Secretary of State pays the LA any sums in connection with a Normal Payment Matter pursuant to the Principal Agreement the Secretary of State may, subject to clause 59B, set off or abate an amount equal to such sums from any GAG payable to the Academy Trust pursuant to this Agreement in the following financial year.

59B) Before exercising its right of set off or abatement pursuant to clause 59A above, the Secretary of State shall:

- a) notify the Academy Trust that such sums have been paid by the Secretary of State to the LA;
- b) take into account (acting reasonably) any representations made by the Academy Trust providing reasons why the relevant Normal Payment Matters liabilities were not settled; and
- c) take into account (acting reasonably) any representations made by the Academy Trust as to the nature of the Normal Payment Matters under consideration and whether they properly fall within the definition of Normal Payment Matters having regard to the costs that other academies may normally be expected to bear from GAG funding.

60) The Secretary of State undertakes to pay GAG in monthly instalments on or before the twenty fifth day of each month, each such instalment to fund the salaries and other payroll costs for the relevant month of all monthly paid employees and all other costs payable during the next following month. The detailed arrangements for payment will be set out in the Annual Letter of Funding.

60A.1) For the purpose of clauses 60A.1 to 60A.12:

**"Critical Years"** means the then current financial year and, if an annual letter of funding has been received for the following year, that following financial year;

**"Current Funding"** means the funding specified in the annual letters of funding for the Critical Years and all other resources available and likely to be available to the Academy Trust, including such funds as are set out in clause 42 of this Agreement;

A **"PFI EAG Refusal"** occurs where:

a) the Academy Trust has made a request for EAG funding to cover any costs that the Academy Trust has incurred or reasonably considers is likely to incur as a result of meeting its obligations and/or discharging its liabilities under the School Agreement or the Principal Agreement; and

b) the Secretary of State has not agreed, in accordance with clauses 54 and 55, to provide such EAG funding to the Academy Trust.

60A.2) Within 30 days of being notified by the Secretary of State of a PFI EAG Refusal, the Academy Trust may provide written notice that it considers that, after taking into account its Current Funding, it is likely that the running costs during the Critical Years would cause the Academy Trust to go into Insolvency ("Academy Trust Insolvency Notice").

60A.3) An Academy Trust Insolvency Notice must specify:

a) the grounds and evidence, including any professional accounting advice, upon which the Academy Trust's opinion is based;

b) a detailed statement of steps which the Academy Trust proposes to take with a view to ensuring that as soon as reasonably practicable the running costs are reduced sufficiently in the Critical Years to ensure that such costs are less than its Current Funding and the period of time within which such steps will be taken;

c) the shortfall in the Critical Years between the Current Funding expected to be available to the Academy Trust to cover the running costs and the projected expenditure of the Academy Trust; and

d) a detailed budget of income and expenditure for the Academy Trust during the Critical Years.

60A.4) Within 15 days of the provision of the Academy Trust Insolvency Notice, both parties

shall discuss and if possible (using reasonable endeavours) agree whether or not on the basis of the Current Funding, it is likely that the running costs during the Critical Years would cause the Academy Trust to go into Insolvency and such Insolvency could not be avoided through prudent financial management (including, but not limited to, using GAG funding prudently in order to cover the normal reasonable funding costs of the Academy).

60A.5) If the parties are unable to reach an agreement in accordance with clause 60A.4 within 15 days of the Academy Trust Insolvency Notice being served, then the following questions shall be referred to an independent expert (the "Expert") for determination:

- i) whether, on the basis of the Current Funding, it is likely that the running costs during the Critical Years would cause the Academy Trust to go into Insolvency;
- ii) whether the Academy Trust is using the funds provided under this Funding Agreement prudently; and
- iii) whether the Academy Trust is using the funds provided under this Funding Agreement in accordance with the requirements of this Funding Agreement.

The Expert's determination shall be final and binding on both parties. The Expert shall be requested to specify in his determination:

- a) the amount of the shortfall (if any) in funding between the running costs and the Current Funding during the Critical Years (the "Shortfall"); and
- b) (if appropriate) recommendations as to future spending and the running costs.

The Expert shall be an insolvency practitioner with significant professional experience of educational institutions or academies. If the parties fail to agree upon the appointment of the Expert then the Expert shall be appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales.

60A.6) The parties shall procure that the Expert (together with any educational specialist appointed pursuant to this clause) will act promptly in determining the matters referred to him. The Expert shall be required in performing his role to take account of advice from an educational specialist who is professionally familiar with the issues arising from the budget management of schools. If the parties fail to agree upon the appointment of the educational specialist then the educational specialist shall be appointed by the Chairman for the time

being of the Specialist Schools and Academies Trust.

60A.7) The Expert's and the educational specialist's fees shall be borne equally between the parties.

60A.8) For the purpose of clause 60A.9 and 60A.12, "Insolvency Decision" means either:

- a) in accordance with clause 60A.4, the Secretary of State agrees with the Academy Trust that on the basis of the Current Funding it is likely that the running costs during the Critical Years would cause the Academy Trust to go into Insolvency which could not be avoided through prudent financial management (including, but not limited to, using GAG funding prudently in order to cover the normal reasonable funding costs of the Academy); or
- b) an Expert determines in accordance with clauses 60A.5 that on the basis of the Current Funding it is likely that the running costs during the Critical Years would cause the Academy Trust to go into Insolvency or that the Academy Trust is not using the funds provided under this Funding Agreement prudently and in accordance with the requirements of this Funding Agreement.

60A.9) Within 10 Business Days of an Insolvency Decision, the Secretary of State may either at its option:

- a) withdraw the PFI EAG Refusal and promptly pay to the Academy Trust the amount of requested EAG funding or such other sum as shall be appropriate; or
- b) terminate this agreement on not less than 20 Business Days notice to the Academy Trust.

60A.10) In the event that the Secretary of State provides additional EAG funding in accordance with clause 60A.9(a), the Secretary of State may:

- a) appoint Additional Governors sufficient to enable him to appoint a majority of the Governing Body in accordance with the Articles and implement the recommendations of the Expert; and
- b) within 12 months of paying the additional EAG funding, terminate this Agreement at any time.

60A.11) In the event that the Secretary of State appoints Additional Governors in accordance with clause 60A.10(a), the Academy Trust must, upon the request of the Secretary of State, procure the resignation of any Governors appointed by the members of the Academy Trust in accordance with the Articles.

60A.12) In the event that there is no Insolvency Decision, this Agreement shall continue and the Secretary of State shall not be obliged to pay to the Academy Trust the requested EAG funding.

#### **Other relevant funding**

61) Not used.

62) The Secretary of State may meet costs incurred by the Academy Trust in connection with the transfer of employees from any predecessor school under the Transfer of Undertakings (Protection of Employment) Regulations 2006. Payment of grant in respect of such costs is to be agreed between the parties on a case by case basis and the Academy Trust shall not budget on the basis that it will receive any grant in respect of such costs unless it is specifically notified that such grant will be paid.

63) The Academy Trust may also receive funding from an LA in respect of the provision detailed in statements of SEN for pupils attending an Academy in accordance with the provisions of Section 483A of the Education Act 1996 and regulations made under that section. The Academy Trust shall ensure that all provision detailed in statements of SEN is provided for such pupils.

64) Not used.

#### **Financial and Accounting Requirements**

65) The Academy Trust shall appoint an Accounting Officer and shall notify the Secretary of State of that appointment.

66) In relation to the use of grant paid to the Academy Trust by the Secretary of State, the Academy Trust shall abide by the requirements of and have regard to the guidance in the Academies Financial Handbook published by the DfE and amended from time to time, which sets out in detail provisions for the financial management of the Academy including guidance on financial systems and controls and accounting and reporting requirements, in so far as these are not inconsistent with any accounting and reporting

requirements and guidance that it may be subject to by virtue of its being a charity.

67) The formal budget plan must be approved each Academy Financial Year by the Governing Body.

68) Any payment of grant by the Secretary of State in respect of the Academy is subject to his being satisfied as to the fulfilment by the Academy Trust of the following conditions:

- (a) in its conduct and operation it shall apply financial and other controls which conform to the requirements both of propriety and of good financial management;
- (b) arrangements have been made to maintain proper accounting records and that statements of income and expenditure and balance sheets may be produced in such form and frequency as the Secretary of State may from time to time reasonably direct;
- (c) in addition to the obligation to fulfil the statutory requirements referred to in sub-clause (f) below, the Academy Trust shall prepare its financial statements, Directors' report, Annual Accounts and its Annual Return for each Academy Financial Year in accordance with the Statement of Recommended Practice as if the Academy Trust was a non-exempt Charity and in such form or manner and by such a date as the Secretary of State may reasonably direct and shall file these with the Secretary of State and the Principal Regulator each Academy Financial Year;
- (d) a statement of the accounting policies used should be sent to the Secretary of State with the financial statements and should carry an audit report stating that, in the opinion of the auditors, the statements show a true and fair view of the Academy Trust's affairs and that the grants were used for the purposes intended;
- (e) the Academy Trust shall ensure that its accounts are audited annually by independent auditors appointed under arrangements approved by the Secretary of State;
- (f) the Academy Trust prepares and files with the Companies Registry such annual accounts as are required by the Companies Act 2006;
- (g) the Academy Trust shall publish on its website its Annual Accounts, Annual

Report, Memorandum and Articles of Association, Funding Agreement and a list of the names of the Governors of the Academy Trust;

- (h) the Academy Trust insures or procures insurance by another person of its assets in accordance with normal commercial practice or under the terms of any subsisting leases in respect of the leasehold interest of the site upon which the Academy is situated.

69) In addition, and at his expense, the Secretary of State may instruct auditors to report to him on the adequacy and effectiveness of the accounting systems and internal controls maintained by the Academy Trust to standards determined by the Secretary of State and to make recommendations for improving the financial management of the Academy Trust.

70) The books of accounts and all relevant records, files and reports of the Academy Trust including those relating to financial controls, shall be open at all reasonable times to officials of the DfE and the National Audit Office and to contractors retained by the DfE or the National Audit Office for inspection or the carrying out of value for money studies; and the Academy Trust shall secure that those officials and contractors are given reasonable assistance with their enquiries. For the purposes of this clause 'relevant' means in any way relevant to the provision and use of grants provided by the Secretary of State under this Agreement.

71) The Academy Trust shall submit indicative budgets relating to the Academy to the Secretary of State by not later than 15 February before the start of each Academy Financial Year. Such budgets shall set out clearly the prospective income and expenditure of the Academy and shall differentiate, and give adequate details of:

- (a) a statement of expected income for that Academy Financial Year including cash donations and gifts in kind from sources other than GAG, EAG and grants from the Secretary of State towards capital and revenue expenditure, distinguishing between income from public funds including the national lottery and income from other sources. Income from cash donations and gifts in kind from sources other than GAG, EAG and grants from the Secretary of State towards Capital Expenditure will not be taken into account by the Secretary of State in the calculation of GAG;
- (b) a statement of proposed Recurrent Expenditure for that Academy Financial Year;

- (c) a statement of proposed Capital Expenditure for that Academy Financial Year.

72) At the beginning of any Academy Financial Year the Academy Trust may hold unspent GAG from previous Academy Financial Years amounting to such percentage (if any) as the Secretary of State may specify by notice in writing to the Academy Trust prior to the beginning of that Academy Financial Year of the total GAG payable for the Academy in the Academy Financial Year just ended or such higher amount as may from time to time be agreed. The Academy Trust shall use such carried forward amount for such purpose, or subject to such restriction on its use, as the Secretary of State may specify by notice in writing to the Academy Trust.

73) Notwithstanding clause 72, any additional grant provided over and above that set out in clauses 42-48, and made in accordance with clauses 49-51 may be carried forward without limitation or deduction until the Start-up Period or the circumstances set out in clause 51 come to an end.

74) Any savings of GAG not allowed to be carried forward under clauses 72-73 will be taken into account in the payment of subsequent grant.

75) The Academy Trust may also accumulate funds from private sources or public sources other than grants from the Secretary of State for application to the benefit of the Academy as it sees fit. Any surplus arising from private sources or public sources other than grants from the Secretary of State shall be separately identified in the Academy Trust's balance sheet.

76) The Academy Trust shall not, in relation to assets or property funded (whether in whole or in part) by the Secretary of State, without the prior written consent of the Secretary of State which shall not be unreasonably withheld or delayed:

- (a) except such as are given in normal contractual relations or as provided for in the Principal Agreement, give any guarantees, indemnities or letters of comfort;
- (b) write off any debts or liabilities owed to it above a value for the time being specified by the Secretary of State, nor offer to make any ex gratia payments;
- (c) make any sale or purchase of freehold property; or

- (d) grant or take up any leasehold or tenancy agreement for a term exceeding three years.

76A) Grants paid by the Secretary of State shall only be used by the Academy Trust for purposes listed in Article 4(a) of the Articles. Such funds shall not be used by the Academy Trust for purposes listed in Article 4(b) of the Articles without the prior written consent of the Secretary of State except where the use of such funds for a charitable purpose set out in Article 4(b) is merely incidental to their use for the purposes set out in Article 4(a) of the Articles.

77) The Academy Trust shall provide 30 days notice to the Secretary of State, whether or not the circumstances require the Secretary of State's approval, of its intention to:

- (a) give any guarantees, indemnities or letters of comfort (other than guarantees or indemnities contained in the Principal Agreement);
- (b) write off any debts owed to it or offer to make any ex gratia payments;
- (c) make any sale or purchase of freehold property; or
- (d) grant or take up any leasehold or tenancy agreement for a term exceeding three years.

78) Each discovered loss of an amount exceeding the amount for the time being specified by the Secretary of State and arising from suspected theft or fraud, shall be reported by the Academy Trust to the Secretary of State at the earliest opportunity.

79) It is the responsibility of the Academy Trust to ensure that the Academy balances its budget from Academy Financial Year to Academy Financial Year. For the avoidance of doubt, this does not prevent the Academy Trust from:

- (a) carrying a surplus from one Academy Financial Year to the next; or
- (b) carrying forward from a previous Academy Financial Year or Academy Financial Years a sufficient surplus or sufficient cumulative surpluses on grants from the Secretary of State to meet an in-year deficit on such grants in a subsequent financial year; or
- (c) incurring an in-year deficit on funds from sources other than grants from the Secretary of State in any Academy Financial Year, provided it does not affect

the Academy Trust's responsibility to ensure that the Academy balances its overall budget from Academy Financial Year to Academy Financial Year.

79A) The Academy Trust shall abide by the requirements of and have regard to the Charity Commission's guidance to charities and charity trustees and in particular the Charity Commission's guidance in the Protecting Charities from Harm ('the compliance toolkit'). Any references in this document which require charity trustees to report to the Charity Commission should instead be interpreted as references to report to the Principal Regulator.

### **Borrowing Powers**

80) The Academy Trust shall not borrow against or so as to put at risk property or assets funded (whether in whole or in part) by the Secretary of State without specific approval of the Secretary of State, such approval may only be granted in limited circumstances. The Academy Trust shall not operate an overdraft except to cover irregularities in cash flow. Such an overdraft, and the maximum amount to be borrowed, shall require approval by the Academy Trust in General Meeting and in writing by the Secretary of State, and shall be subject to any conditions which the Secretary of State may reasonably impose.

81) The Academy Trust shall provide 30 days notice to the Secretary of State of its intention to borrow, whether or not such borrowing requires the Secretary of State's approval under clause 80 above.

### **Disposal of Assets**

82) Where the Academy Trust acquires assets for a nil consideration or at an under value it shall be treated for the purpose of this Agreement as having incurred expenditure equal to the market value of those assets at the time that they were acquired. This provision shall not apply to assets transferred to the Academy Trust at nil or nominal consideration and which were previously used for the purposes of an Academy and/or were transferred from an LA, the value of which assets shall be disregarded.

83) The sale or disposal by other means, or reinvestment of proceeds from the disposal, of a capital asset by the Academy Trust shall require the consent of the Secretary of State, such consent not to be unreasonably withheld or delayed, where:

- (a) the Secretary of State paid capital grant in excess of the value for the time being specified by the Secretary of State for the asset; or

- (b) the asset was transferred to the Academy Trust from an LA for no or nominal consideration.

- 84) Furthermore, reinvestment of a percentage of the proceeds of disposal of a capital asset paid for with a capital grant from the Secretary of State shall require the Secretary of State's consent in the circumstances set out above and reinvestment exceeding the value for the time being specified by the Secretary of State or with other special features will be subject to Parliamentary approval. The percentage of the proceeds for which consent is needed is the percentage of the initial price of the asset which was paid by capital grant from the Secretary of State.
- 85) This clause applies in the event, during the lifetime of this Agreement, of the disposal of a capital asset for which capital grant of any amount was paid by the Secretary of State, where the asset was acquired by the Academy Trust. In this event, the Academy Trust shall repay to the Secretary of State the same proportion of the proceeds of the disposal as equates with the proportion of the original cost met by the Secretary of State, unless the Secretary of State agrees to some or all of the proceeds being retained by the Academy Trust for its charitable purposes.
- 86) This clause applies in the event, during the lifetime of this Agreement, that the Secretary of State consents to the disposal of an asset which was transferred to the Academy Trust from an LA for no or nominal consideration. In this event the Secretary of State may give consent on the basis that all or part of the proceeds of the disposal should be made over to the LA from which the asset was transferred, taking into account the amount of the proceeds to be reinvested by the Academy Trust. The Secretary of State will have regard to any representations from the Academy Trust and the LA from which the asset was transferred before giving consent under this clause.
- 87) Except with the consent of the Secretary of State, the Academy Trust shall not dispose of assets funded (whether in whole or in part) by the Secretary of State for a consideration less than the best price that can reasonably be obtained, such consent not to be unreasonably withheld or delayed.
- 88) The Academy Trust shall provide 30 days notice to the Secretary of State of its intention to dispose of assets for a consideration less than the best price that can reasonably be obtained, whether or not such disposal requires the Secretary of State's consent under clause 87 above.

## TERMINATION

89) Either party may give not less than seven Academy Financial Years' written notice to terminate this Agreement, such notice to expire on 31 August 2019 or any subsequent anniversary of that date.

90) If the Secretary of State is of the opinion that the Academy no longer has the characteristics set out in clause 10 of this Agreement or that the conditions and requirements set out in clauses 12-33 of this Agreement are not being met by the Academy Trust, or that the Academy Trust is otherwise in material breach of the provisions of this Agreement, the School Agreement and/or the Principal Agreement the Secretary of State may give notice of his provisional intention to terminate this Agreement.

91) Any such notice shall be in writing and shall:

- (a) state the grounds on which the Secretary of State considers the Academy no longer has the characteristics set out in clause 10 of this Agreement or is not meeting the conditions and requirements of clauses 12-33 of this Agreement or the Academy Trust is otherwise in material breach of the provisions of this Agreement, the School Agreement and/or the Principal Agreement;
- (b) specify the measures needed to remedy the situation or breach;
- (c) specify a reasonable date by which these measures are to be implemented;  
and
- (d) state the form in which the Academy Trust is to provide its response and a reasonable date by which it must be provided.

92) If no response is received by the date specified in accordance with clause 91(d), the Secretary of State may give the Academy Trust 12 months, or such lesser period as he considers appropriate in the circumstances, written notice to terminate this Agreement.

93) If a response is received by the date specified in accordance with clause 91(d) the Secretary of State shall consider it, and any representations made by the Academy

Trust, and shall, within three months of its receipt, indicate that:

- (a) he is content with the response and/or that the measures which he specified are being implemented; or
- (b) he is content, subject to any further measures he reasonably specifies being implemented by a specified date or any evidence he requires that implementation of such measures have been successfully completed; or
- (c) he is not satisfied, that he does not believe that he can be reasonably satisfied, and that he will proceed to terminate this Agreement.

94) In the circumstances of clause 93(c) the Secretary of State shall notify the Academy Trust why he believes that he cannot be reasonably satisfied and, if so requested by the Academy Trust within thirty days from such notification, he shall meet a deputation including representatives from the Governing Body to discuss his concerns. If following such meeting he has good reasons for remaining satisfied that the Academy does not and will not have the characteristics set out in clause 10 of this Agreement or does not and will not meet the conditions and requirements set out in clauses 12-33 of this Agreement or the Academy Trust is in material breach of the provisions of this Agreement, the School Agreement and/or the Principal Agreement and such breach will not be remedied to his reasonable satisfaction, he shall give the Academy Trust twelve months written notice to terminate this Agreement.

95) If the Secretary of State has cause to serve a notice on the Academy Trust under section 165 of the Education Act 2002 and a determination (from which all rights of appeal have been exhausted) has been made that the Academy shall be struck off the Register of Independent Schools, the period of twelve months notice referred to in clause 94 may be shortened to a period deemed appropriate by the Secretary of State.

96) A "Special Measures Termination Event Occurs" when:

- (a) the Chief Inspector gives a notice to the Academy Trust in accordance with section 13(3) of the Education Act 2005 (the "Special Measures Notice") stating that in his opinion special measures are required to be taken in relation to the Academy; and

- (b) the Chief Inspector carries out a subsequent inspection of the Academy in accordance with the Education Act 2005 and makes a report in accordance with the Education Act 2005 stating that the Academy has made inadequate progress since the date of the Special Measures Notice; and
- (c) the Secretary of State shall have requested the Academy Trust to deliver within 10 Business Days a written statement (a "Further Action Statement") of the action the Academy Trust proposes to take, and the period within which it proposes to take such action, or, if it does not propose to take any action, the reasons for not doing so; and
- (d) the Secretary of State, having considered the Further Action Statement, is not satisfied that any action proposed to be taken by the Academy Trust is sufficient in all the circumstances, or, if no Further Action Statement shall have been given to the Secretary of State within the requested timeframe or otherwise.

97) If a Special Measures Termination Event occurs, the Secretary of State may:

- (a) by notice in writing to the Academy Trust terminate this Agreement forthwith; or
- (b) appoint such Further Governors to the Academy Trust as he thinks fit in accordance with the Articles and/or may provide up to 12 months' notice in writing to terminate this Agreement.

98) In the event that the Secretary of State appoints Further Governors in accordance with clause 97(b), the Academy Trust must, upon the request of the Secretary of State, procure the resignation of any Governors appointed in accordance with the Article 50 of the Articles.

98A) The parties acknowledge that the Secretary of State may appoint Additional Governors to the Academy Trust in accordance with the Articles.

99) The Secretary of State may at any time by notice in writing terminate this Agreement forthwith on the occurrence of any of the following events:-

- (a) the Academy Trust calls a meeting of its creditors (whether formal or

informal) or enters into any composition or arrangement (whether formal or informal) with its creditors; or

- (b) the Academy Trust proposes a voluntary arrangement within Section 1 of the Insolvency Act 1986; or
- (c) the Academy Trust is unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986 provided that, for the purposes of this clause, Section 123 (1)(a) of the Insolvency Act 1986 shall have effect as if the amount of £10,000 was substituted for £750. The Academy Trust shall not be deemed unable to pay its debts for the purposes of this clause if any such demand as is mentioned in the said Section is being contested in good faith by the Academy Trust; or
- (d) the Academy Trust has a receiver and manager (with the exception of Receivers and Managers or Interim Managers appointed by the Charity Commission under the Charities Act 1993 or any subsequent re-enactment of that Act), administrator or administrative receiver appointed over all or any part of its undertakings, assets or income; or
- (e) any distraint, execution or other process is levied or enforced on any of the Academy Trust's property and is not paid out, withdrawn or discharged within fifteen Business Days; or
- (f) the Academy Trust has passed a resolution for its winding up; or
- (g) an order is made for the winding up or administration of the Academy Trust.

100) The Academy Trust shall notify the Secretary of State as soon as possible after receiving any petition which may result in an order for the winding up or administration of the Academy Trust and shall provide an explanation to the Secretary of State of the circumstances giving rise to the service of such a petition.

101) If, following the exercise of the Secretary of State's powers to appoint Additional Governors or Further Governors, pursuant to the Articles the Members pass an ordinary or special resolution to remove one or more of those Additional or Further Governors appointed by the Secretary of State, the Secretary of State may give the Academy Trust 12 months, or such lesser period as he considers appropriate in the circumstances,

written notice to terminate this Agreement.

- 102) The Secretary of State's right to terminate this Agreement under clause 101 shall cease if he removes any of the Additional Governors or Further Governors which he has appointed pursuant to the Articles.

#### **Change of Control of the Academy Trust**

- 102A) The Secretary of State may at any time by notice in writing, subject to clause 102C below, terminate this Agreement forthwith (or on such other date as he may in his absolute discretion determine) in the event that there is a change:-

- (a) in the Control of the Academy Trust; or
- (b) in the Control of a legal entity that Controls the Academy Trust.

- 102B) The Academy Trust shall, as soon as it is reasonably practicable to do so after it has become aware of any change or proposed change of Control within the meaning of clause 102A, give written notice to the Secretary of State of such change or proposed change of Control.

- 102C) When notifying the Secretary of State further to clause 102B, the Academy Trust may seek the Secretary of State's agreement that, if he is satisfied that the person assuming Control is suitable, he will not in those circumstances exercise his right to terminate this Agreement further to clause 102A.

#### **Effect of Termination**

- 103) In the event of the termination of this Agreement however occurring the Secretary of State shall procure that his nominee (if any) shall resign as a member of the Academy Trust and shall co-operate in making any associated amendments to the Articles.

- 104) In the event of termination of this Agreement however occurring, the school shall cease to be an Academy within the meaning of Section 1 of the Academies Act 2010.

- 105) Subject to clause 106, if the Secretary of State terminates this Agreement for

reasons other than that:

- a) a Special Measures Termination Event occurs;
- b) the Academy no longer has the characteristics set out in clause 10 of this Agreement, or is no longer meeting the conditions and requirements set out in clauses 12-33 of this Agreement;
- c) this Agreement is terminated under clause 60A;
- d) the Academy Trust is otherwise in material breach of the provisions of this Agreement,; or
- e) that the Academy Trust is in material breach of the provisions of the School Agreement and/or the Principal Agreement

the Secretary of State shall indemnify the Academy Trust.

- 106) The amount of any such indemnity shall be determined by the Secretary of State having regard to any representations made to him by the Academy Trust, and shall be paid at such times and in such manner as the Secretary of State may reasonably think fit.
- 107) The categories of expenditure incurred by the Academy Trust in consequence of the termination of this Agreement in respect of which the Secretary of State shall indemnify the Academy Trust include (but not by way of limitation), staff compensation and redundancy payments, compensation payments in respect of broken contracts, expenses of disposing of assets or adapting them for other purposes, legal and other professional fees, and dissolution expenses.
- 108) Subject to clause 109, on the termination of this Agreement however occurring, the Academy Trust shall in respect of any of its capital assets at the date of termination:
  - (a) promptly transfer a proportion of the assets to a person nominated by the Secretary of State, if the Secretary of State considers that all or some of

those assets need to be used for educational purposes by that nominee. The proportion of the assets to be transferred shall be the same as the proportion of the capital contribution made by the Secretary of State to the original value of those assets, whether that contribution was made on the establishment of the Academy or later; or

- (b) if the Secretary of State confirms that a transfer under clause 108(a) is not required, promptly repay to the Secretary of State a sum equivalent to the percentage of the value of the assets at the date of termination, or, by agreement with the Secretary of State, at the date of subsequent disposal of those assets. Such percentage to be the same as the percentage of the capital contribution made by the Secretary of State to the original value of those assets, whether that contribution was made on the establishment of the Academy or later.

109) The Secretary of State may waive in whole or in part the repayment due under clause 108(b) if:

- (a) the Academy Trust obtains his permission to invest the proceeds of sale for its charitable objects; or
- (b) the Secretary of State directs all or part of the repayment to be paid to the LA.

110) If any land or premises of the Academy were acquired by the Academy Trust from an LA by a scheme under Paragraph 1 of Schedule 1 of the Academies Act 2010 or otherwise at less than the market value of the land at the date of acquisition, and the Secretary of State does not make a scheme as provided for in Paragraph 6 of Schedule 1 of the Academies Act 2010, the Academy Trust may dispose of its interest in that land or premises but only with the consent of the Secretary of State, who shall have regard to any representations from the Academy Trust and the LA from which the land was transferred before giving or withholding that consent.

## **GENERAL**

### **Information**

111) Without prejudice to any other provision of this Agreement, the Secretary of State acting reasonably may from time to time call for information on, inter alia, the Academy's:

- (a) curriculum;
- (b) arrangements for the assessment of pupils;
- (c) teaching staff including numbers, qualifications, experience, salaries, and teaching loads;
- (d) class sizes;
- (e) outreach work with other schools and the local community;
- (f) operation of the admission criteria and over subscription arrangements for the Academy including numbers of applications for places and the number and characteristics of pupils accepted for admission;
- (g) numbers of pupils excluded (including permanent and fixed term exclusions);
- (h) levels of authorised and unauthorised absence;
- (i) charging and remissions policies and the operation of those policies;
- (j) organisation, operation and building management;
- (k) financial controls; and
- (l) membership and proceedings of the Governing Body.

112) The Academy Trust shall make such information available to the Secretary of State, in such form and manner and at such times as may reasonably be required. The Secretary of State shall provide the Academy Trust with such information as it may reasonably require of him for the running of the Academy.

#### **Access by the Secretary of State's Officers**

113) The Academy Trust shall allow access to the premises of the Academy at any reasonable time to DfE officials. All records, files and reports relating to the running of the Academy shall be available to them at any reasonable time. The Academy Trust

shall provide the Secretary of State in advance with papers relating to the Academy prepared for meetings of the Governing Body and of the members of the Academy Trust. Two DfE officials shall be entitled to attend and to speak at all such meetings, but shall withdraw from any discussion of the Academy's or the Academy Trust's relationship with the Secretary of State or any discussion of bids for funding to the Secretary of State. The Academy Trust shall take any steps which are required to secure its compliance with the obligations imposed by this clause of this Agreement.

114) The Academy Trust shall ensure that:

- (a) the agenda for every meeting of the Governing Body;
- (b) the draft minutes of every such meeting, if they have been approved by the person acting as chairman of that meeting;
- (c) the signed minutes of every such meeting; and
- (d) any report, document or other paper considered at any such meeting,

are made available for inspection by any interested party at the Academy and, as soon as is reasonably practicable, sent to the Secretary of State.

115) There may be excluded from any item required to be made available for inspection by any interested party and to be sent to the Secretary of State by virtue of clause 114, any material relating to:

- (a) a named teacher or other person employed, or proposed to be employed, at the Academy;
- (b) a named pupil at, or candidate for admission to, the Academy; and
- (c) any matter which, by reason of its nature, the Academy Trust is satisfied should remain confidential.

## **LAND**

### **Restrictions on Land transfer**

115A) Recognising that they are or will be receiving publicly funded land at nil consideration

(which for the purposes of this transaction shall include leases granted at a peppercorn rent) the Academy Trust:

- (a) shall, within 28 days from the transfer to it of the Land, apply to the Land Registry for a restriction in the proprietorship register (under section 43(1)(a) of the Land Registration Act 2002 in Form RX1 as prescribed by Rule 91 and Schedule 4 of the Land Registration Rules 2003) in the following terms:

*No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the Secretary of State for Education, of Sanctuary Buildings, Great Smith Street, London SW1P 3BT*

- (b) shall take any further steps required to ensure that the restriction referred to in clause 115A(a) is entered on the proprietorship register,
- (c) shall provide the Secretary of State with confirmation of the entry of the restriction referred to in clause 115A(a) as soon as practicable after it receives notification from the Land Registry,
- (d) in the event that it has not registered the restriction referred to in clause 115A(a), hereby consents to the entering of the restriction referred to in 115A(a) in the register by the Secretary of State (under s. 43(1)(b) of the Land Registration Act 2002),
- (e) shall not, without the consent of the Secretary of State, apply to disapply, modify or remove (by cancellation or otherwise) a restriction entered in accordance with clause 115A(a) or 115A(d) above whether by itself, a holding company, a subsidiary company, or a receiver, administrator or liquidator acting in the name of the Academy Trust.

## **Notices**

- 116) Any notice or other communication concerning this Agreement shall be sent, in the

case of a notice or communication from the Secretary of State to the Academy Trust at its registered office or such other addressee/address as may be notified in writing from time to time by the Academy Trust and, in the case of a notice or communication from the Academy Trust to the Secretary of State to Head of Academies Division, Department for Education, Sanctuary Buildings, Great Smith Street, London SW1P 3BT; or such other address as may be notified from time to time by the Secretary of State and where any such notice or communication is sent by post, unless the contrary is proved, it shall be deemed, subject to satisfactory proof of posting, to be effected at the time at which the letter would be received in the ordinary course of post.

- 117) The service by the Secretary of State of a notice of termination of this Agreement shall not prejudice the ability of the Academy Trust (if it wishes to do so) during the notice period to admit pupils to the Academy in accordance with the provisions of this Agreement and to receive GAG and EAG in respect of them.

#### **General**

- 118) This Agreement shall not be assignable by the Academy Trust.
- 119) The Secretary of State and the Academy Trust recognise the difficulties in catering in this Agreement for all the circumstances which may arise in relation to the Academy and undertake in good faith to conduct such consultations as may from time to time be desirable in order to promote the interests of the Academy throughout the currency of this Agreement.

This Agreement was executed as a Deed on

01 / 10 / 2012

Executed on behalf of THE BOLSOVER SCHOOL ACADEMY TRUST

by:



Director



Director

The Corporate Seal of the Secretary of State for Education, hereunto affixed is authenticated

by:



Duly Authorised

**Schedule 2**  
**Amended Supplemental Funding Agreement**



Department  
for Education

# **Mainstream academy and free school: supplemental funding agreement**

**April 2016**

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## **SUMMARY SHEET**

### **Information about the Academy:**

|                                                                  |                                                                                                                         |
|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| <b>Name of Academy Trust</b>                                     | Redhill Academy Trust                                                                                                   |
| <b>Company number</b>                                            | 07430317                                                                                                                |
| <b>Date of Master Funding Agreement</b>                          | Amended by Deed of Variation dated 27 March 2015                                                                        |
| <b>Name of academy</b>                                           | The Bolsover School                                                                                                     |
| <b>Opening date</b>                                              | The Academy opened on 1 October 2012 and is to be operated by the Academy Trust from 1 February 2018                    |
| <b>Type of academy (indicate whether academy or free school)</b> | Mainstream Academy                                                                                                      |
| <b>Religious designation</b>                                     | N/A                                                                                                                     |
| <b>Wholly or partly selective</b>                                | N/A                                                                                                                     |
| <b>Name of predecessor school (where applicable)</b>             | The Bolsover School                                                                                                     |
| <b>Capacity number</b>                                           | 850                                                                                                                     |
| <b>Age range</b>                                                 | 11-16                                                                                                                   |
| <b>Number of sixth form places</b>                               | N/A                                                                                                                     |
| <b>Number of boarding places</b>                                 | N/A                                                                                                                     |
| <b>SEN unit / Resource provision</b>                             | N/A                                                                                                                     |
| <b>Land arrangements (Version 1-7 or other)</b>                  | Version 2                                                                                                               |
| <b>Address and title number of Land</b>                          | The Bolsover School, Mooracre Land, Bolsover, Chesterfield, Derbyshire, S44 6XA<br><br>Leasehold Title Number: DY473564 |
| <b>Part of a PFI Scheme</b>                                      | Yes                                                                                                                     |

| Clause No. | Descriptor                                                                                                            | Applied | Not used |
|------------|-----------------------------------------------------------------------------------------------------------------------|---------|----------|
| 1.J        | Only applies to academies which form part of a PFI arrangement                                                        | X       |          |
| 1.K        | Only applies to academies which form part of a PFI arrangement                                                        | X       |          |
| 1.I        | Only applies to free schools and new provision academies                                                              |         | X        |
| 2.A.1      | Clause applies where an academy was previously a VC or foundation school designated with a religious character        |         | X        |
| 2.C, 2.D   | Only applies where the academy has an SEN unit                                                                        |         | X        |
| 2.E        | Only applies where there was a predecessor independent school                                                         |         | X        |
| 2.G        | Clause does not apply to free schools (unless there was a predecessor independent school), or new provision academies | X       |          |
| 2.M        | Clause applies only to academies and free schools designated with a religious character                               |         | X        |
| 2.N        | Clause applies only to academies that were formerly wholly selective grammar schools                                  |         | X        |
| 2.O        | Clause applies only to academies that were formerly partially selective grammar schools                               |         | X        |
| 2.T        | Clause applies to free schools and new provision academies designated with a religious character                      |         | X        |
| 2.W        | Clause only applies where the academy is designated with a religious character                                        |         | X        |
| 2.X        | Clause only applies where the academy has not been designated with a religious character                              | X       |          |
| 2.Y        | Clause applies where an academy was previously a VC school or foundation school designated with a religious character |         | X        |
| 2.Yc)      | Sub-clause applies if the academy is designated with a denominational religious                                       |         | X        |

| Clause No. | Descriptor                                                                                                            | Applied | Not used |
|------------|-----------------------------------------------------------------------------------------------------------------------|---------|----------|
|            | character – CE etc. rather than 'Christian'                                                                           |         |          |
| 3.A – 3.F  | Option 1 applies to converter and sponsored academies: if used delete option 2                                        | X       |          |
| 3.A – 3.F  | Option 2 applies to free schools and new provision academies: if used delete option 1                                 |         | X        |
| 3.H        | Clause relating to Start-up only applies in some cases (does not apply to academy converters)                         |         | X        |
| 3.J        | Clause only applies to full sponsored and intermediate sponsored academies with approved Academy Action Plans         |         | X        |
| 3.K        | Clause does not apply to free schools (unless there was a predecessor independent school), or new provision academies | X       |          |
| 3.L        | Only applies to academies which form part of a PFI arrangement                                                        | X       |          |
| 3.M        | Only applies to academies which form part of a PFI arrangement                                                        | X       |          |
| 3.N        | Only applies to academies which form part of a PFI arrangement                                                        | X       |          |
| 5B(d)-(k)  | Only applies to academies which form part of a PFI arrangement                                                        | X       |          |
| 5.G.1      | Clause applies only to a boarding academy/free school.                                                                |         | X        |
| 5.I        | Clause only applies to sponsored academies                                                                            |         | X        |
| 5.K        | Clause applies to free schools and may be applied to new provision academies                                          |         | X        |
| 5.L        | Clause applies to free schools and may be applied to new provision academies                                          |         | X        |
| 5.M        | Clause applies to free schools and may be applied to new provision academies                                          |         | X        |
| 5.N        | Clause applies to free schools and may be applied to new provision academies                                          |         | X        |

| Clause No. | Descriptor                                                                                               | Applied | Not used |
|------------|----------------------------------------------------------------------------------------------------------|---------|----------|
| 5.O        | Clause applies to free schools and may be applied to new provision academies                             |         | X        |
| 5Z-5LL     | Only applies to academies which form part of a PFI arrangement                                           | X       |          |
| 6.H        | Clause only applies to schools which are designated with a Church of England or Roman Catholic character |         | X        |

## 1. **ESTABLISHING THE ACADEMY**

- 1.A This Agreement made between the Secretary of State for Education and Redhill Academy Trust is supplemental to the master funding agreement made between the same parties and amended by a Deed of Variation dated 27 March 2015 (the "**Master Agreement**").

### **Definitions and interpretation**

- 1.B Except as expressly provided in this Agreement words and expressions defined in the Master Agreement will have those same meanings in this Agreement.

- 1.C The following capitalised words and expressions will have the following meanings:

"The **Academy**" means the The Bolsover School.

"**Academy Trust Insolvency Notice**" - clause 5.CC;

"**Coasting**" has the meaning given by regulations under subsection (3) of section 60B of the Education and Inspections Act 2006 in relation to a school to which that section applies.

"**Critical Years**" - clause 5.BB;

"**Current Funding**" - clause 5.BB;

"**Insolvency**" has the meaning given to it in section 123 of the Insolvency Act 1986;

"**Lease**" has the meaning given to it in clause 4 of this Agreement;

"**Normal Payment Matters**" has the meaning given to it in the Principal Agreement;

"**PFI Contractor**" means Equitix Education (Derbyshire) Ltd, the counterparty of the LA to the Project Agreement;

"**PFI EAG Refusal**" - clause 5.BB;

"**Principal Agreement**" means the principal agreement entered into by the Secretary of State, the Academy Trust and the LA in connection with the Academy and dated on or around the date of this Agreement;

**"Project Agreement"** means the PFI project agreement dated 23 July 2009 and entered into by the LA and PFI Contractor (as may be amended from time to time); and

**"School Agreement"** means the school agreement entered into by the LA and the Academy Trust relating to the provision of facilities and services to the Academy and dated on or around the date of this Agreement.

**"SEN"** means Special Educational Needs and the expressions **"special educational needs"** and **"special educational provision"** have the meaning set out in sections 20(1) and 21(2) of the Children and Families Act 2014.

**"Shortfall"** - clause 5.FF.

**"Termination Notice"** means a notice sent by the Secretary of State to the Academy Trust, terminating this Agreement on the date specified in the notice.

**"Termination Warning Notice"** means a notice sent by the Secretary of State to the Academy Trust, stating his intention to terminate this Agreement.

- 1.D The Interpretation Act 1978 applies to this Agreement as it applies to an Act of Parliament.
- 1.E Reference in this Agreement to clauses and annexes will, unless otherwise stated, be to clauses and annexes to this Agreement.

## **The Academy**

- 1.F The Academy is a Mainstream Academy as defined in clause 1.4 of the Master Agreement.
- 1.G The Academy Trust will establish and maintain the Academy in accordance with the Master Agreement and this Agreement.
- 1.H The Academy opened on 1 October 2012 and is to be operated by the Academy Trust from 1 February 2018 .
- 1.I Not used.
- 1.J The Academy Trust shall enter into the School Agreement, the Principal Agreement and the Lease.

- 1.K The Academy Trust must conduct the Academy within the terms and requirements of the Principal Agreement, the School Agreement and the Lease.

## **2. RUNNING OF THE ACADEMY**

### **Teachers and staff**

- 2.A Subject to clause 2.4 of the Master Agreement, 7.A of this Agreement and section 67 of the Children and Families Act 2014, the Academy Trust may, in accordance with any relevant Guidance, employ anyone it believes is suitably qualified or is otherwise eligible to plan and prepare lessons and courses for pupils, teach pupils, and assess and report on pupils' development, progress and attainment.

- 2.A.1 Not used

### **Pupils**

- 2.B The planned capacity of the Academy is 850 in the age range 11-16. The Academy will be an all ability inclusive school.

### **SEN unit**

- 2.C Not used.

- 2.D Not used.

### **Charging**

- 2.E Not used.

### **Admissions**

- 2.F Subject to clauses 2.K– 2.L the Academy Trust will act in accordance with, and will ensure that its Independent Appeal Panel is trained to act in accordance with, the School Admissions Code and School Admission Appeals Code published by the DfE (the “Codes”) and all relevant admissions

law as they apply to foundation and voluntary aided schools, and with equalities law. Reference in the Codes or legislation to “admission authorities” will be deemed to be references to the Academy Trust.

- 2.G Pupils on roll in a Predecessor School which was a maintained or independent school will transfer automatically to the Academy on opening. All children already offered a place at that Predecessor School must be admitted to the Academy.
- 2.H The Academy Trust must participate in the local Fair Access Protocol. The Academy Trust must participate in the coordinated admission arrangements operated by the LA in whose area the Academy is situated. If the Academy is a free school, the Academy Trust is not required to participate in coordination for its first intake of pupils.
- 2.I The Academy Trust may determine admission arrangements (subject to consultation in line with the Codes) that give priority for admission to children attracting the Pupil Premium, including the service premium (the “pupil premium admission criterion”), but not above looked-after children and previously looked-after children.
- 2.J Where the Academy Trust applies the pupil premium admission criterion, it must provide information in its admission arrangements about eligibility for the premiums.
- 2.K For the purposes of applying the pupil premium admission criterion only, sections 1.9(f) and 2.4(a) of the School Admissions Code do not apply insofar as they prevent admission authorities from giving priority to children according to the financial or occupational status of parents or using supplementary forms that ask for:
- a) any personal details about their financial status; or
  - b) whether parents are serving in the UK armed forces or were serving in the UK armed forces, and are exercising parental care and responsibility for the child in question.

2.L The Secretary of State may:

- a) direct the Academy Trust to admit a named pupil to the Academy:
  - i. following an application from an LA including complying with a school attendance order as defined in section 437 of the Education Act 1996. Before doing so the Secretary of State will consult the Academy Trust; or
  - ii. where in relation to a specific child or children the Academy Trust has failed to act in accordance with the Codes or this Agreement or has otherwise acted unlawfully; or
- b) direct the Academy Trust to amend its admission arrangements where they do not comply with the Codes or this Agreement, or are otherwise unlawful.

2.M Not used

2.N Not used.

2.O Not used.

2.P The Academy Trust must ensure that parents and 'relevant children' (as described in the **Codes**) have the right to appeal to an Independent Appeal Panel if they are dissatisfied with an admission decision of the Academy Trust. The arrangements for appeals must comply with the Codes as they apply to foundation and voluntary aided schools. The determination of the appeal panel is binding on all parties.

2.Q Subject to clause 2.R, the meaning of "**relevant area**" for the purposes of consultation requirements in relation to admission arrangements is that determined by the relevant LA for maintained schools in the area in accordance with the Education (Relevant Areas for Consultation on Admission Arrangements) Regulations 1999.

2.R If the Academy does not consider the relevant area determined by the LA for the maintained schools in the area to be appropriate, it must apply to the

Secretary of State by 1 August before the academic year in question for a determination of the appropriate relevant area for the Academy, setting out the reasons for this view. The Secretary of State will consult the Academy Trust and the LA in whose area the Academy is situated in reaching a decision.

- 2.S The Office of the Schools Adjudicator (“**OSA**”) will consider objections to the Academy’s admission arrangements (except objections against the agreed variations from the Codes specified at clause 2.K, over which it has no jurisdiction). The Academy Trust must therefore make it clear, when determining the Academy’s admission arrangements, that objections should be submitted to the OSA. The OSA’s determination of an objection is binding on the Academy and the Academy Trust must make appropriate changes to its admission arrangements as quickly as possible.

- 2.T Not used.

### **Curriculum**

- 2.U The Academy Trust must provide for the teaching of religious education and a daily act of collective worship at the Academy.
- 2.V The Academy Trust must comply with section 71(1)-(6) and (8) of the School Standards and Framework Act 1998 as if the Academy were a community, foundation or voluntary school, and as if references to “religious education” and “religious worship” in that section were references to the religious education and religious worship provided by the Academy in accordance with clause 2.X.
- 2.W Not used.
- 2.X Subject to clause 2.V, **where the academy has not been designated with a religious character** (in accordance with section 124B of the School Standards and Framework Act 1998 or further to section 6(8) of the Academies Act 2010):
- a) provision must be made for religious education to be given to all pupils

at the Academy in accordance with the requirements for agreed syllabuses in section 375(3) of the Education Act 1996 and paragraph 2(5) of Schedule 19 to the School Standards and Framework Act 1998;

- b) the Academy must comply with section 70(1) of, and Schedule 20 to, the School Standards and Framework Act 1998 as if it were a community, foundation or voluntary school which does not have a religious character, except that paragraph 4 of that Schedule does not apply. The Academy may apply to the Secretary of State for consent to be relieved of the requirement imposed by paragraph 3(2) of that Schedule.

2.Y Not used.

2.Z The Academy Trust must have regard to any Guidance, further to section 403 of the Education Act 1996, on sex and relationship education to ensure that children at the Academy are protected from inappropriate teaching materials and that they learn the nature of marriage and its importance for family life and for bringing up children. The Academy Trust must also have regard to the requirements in section 405 of the Education Act 1996, as if the Academy were a maintained school.

2.AA The Academy Trust must prevent political indoctrination, and secure the balanced treatment of political issues, in line with the requirements for maintained schools set out in the Education Act 1996, and have regard to any Guidance.

### 3. **GRANT FUNDING**

#### **Calculation of GAG**

3A-3D. Not used.

3.E The Secretary of State will calculate GAG based on the pupil count at the Academy. In order to calculate GAG for the Academy Financial Year in which the Academy opens, the pupil count will be determined on the same basis as

that used by the relevant LA for determining the budget of the maintained Predecessor School.

- 3.F For Academy Financial Years after that referred to in clause 3.E, the basis of the pupil count for determining GAG will be:
- a) for pupils in Year 11 and below, the Schools Census which is used to fund maintained schools for the financial year overlapping with the Academy Financial Year in question; and
  - b) for pupils in Year 12 and above, the formula which is in use at the time for maintained schools.
- 3.G The Secretary of State may, at his discretion, adjust the basis of the pupil count to take account of any diseconomies of scale which may affect the Academy if it is operating below the planned capacity in clause 2.B. If such an adjustment is made in any Academy Financial Year, this will not change the basis of the pupil count for calculating the following Academy Financial Year's GAG. If the Secretary of State has indicated that additional grant may be payable in such circumstances, the Academy Trust will bid for this additional grant based on need and providing appropriate supporting evidence. The Secretary of State may accept or refuse the bid at his discretion.
- 3.H Not used.
- 3.I The Secretary of State recognises that if a Termination Notice or a Termination Warning Notice is served, or the Master Agreement is otherwise terminated, the intake of new pupils during the notice period may decline and therefore payments based on the number of pupils attending the Academy may be insufficient to meet the Academy's needs. In these circumstances the Secretary of State may pay a larger GAG in the notice period, to enable the Academy to operate effectively.

#### **Other relevant funding**

- 3.J Not used.

- 3.K The Secretary of State may pay the Academy Trust's costs in connection with the transfer of employees from a Predecessor School under the Transfer of Undertakings (Protection of Employment) Regulations 2006. Such payment will be agreed on a case-by-case basis. The Academy Trust must not budget for such a payment unless the Secretary of State confirms in writing that it will be paid.
- 3.L The Academy Trust must use the GAG funding it receives prudently to cover the normal reasonable running costs of the Academy including payments which fall due pursuant to the School Agreement or the Principal Agreement and to make payments under the School Agreement which will in turn form a contribution to the LA's obligations to pay the unitary charge under the Project Agreement.
- 3.M If the Secretary of State makes a payment under the Principal Agreement the Secretary of State may, subject to clause 3.N, set off or abate an equivalent amount from any GAG payable to the Academy Trust pursuant to this Agreement in the following financial year.
- 3.N Before making any set off or abatement pursuant to clause 3.M above, the Secretary of State shall:
- 3.N.1 notify the Academy Trust of the payment under the Principal Agreement;
  - 3.N.2 take into account (acting reasonably) any representations made by the Academy Trust providing reasons why the relevant liabilities were not settled;
  - 3.N.3 take into account (acting reasonably) any representations made by the Academy Trust as to the nature of the liabilities under consideration.

## **Carrying forward of funds**

- 3.O Any additional grant made in accordance with clause 3.I, for a period after the Secretary of State has served a Termination Notice or a Termination Warning Notice under this Agreement, or otherwise terminates the Master Agreement, may be carried forward without limitation or deduction until the circumstances set out in clause 3.I cease to apply or the Academy closes.

## **4. LAND**

### ***Version 2: existing leasehold site***

**“Land”** means the land at The Bolsover School, Mooracre Land, Bolsover, Chesterfield, Derbyshire, S44 6XA, being the land registered with leasehold title number DY473564 and demised by the Lease.

**“Lease”** means the lease or other occupational agreement between the Academy Trust and a third party (the **“Landlord”**) under which the Academy Trust derives title to the Land.

**“Property Notice”** means any order, notice, proposal, demand or other requirement issued by any competent authority (including the Landlord) which materially affects the Academy Trust’s ability to use the Land for the purposes of the Academy.

### **Restrictions on Land transfer**

4.A The Academy Trust must:

- a) not used;
- b) not used;
- c) not used;
- d) not used;
- e) not, without the Secretary of State’s consent, apply to disapply, modify, cancel or remove the Restriction, whether by itself, a holding company, a subsidiary company, or a receiver, administrator or liquidator acting in

the name of the Academy Trust.

### **Obligations of the Academy Trust**

- 4.B Save to the extent that any of the Academy Trust's obligations are the responsibility of the PFI Contractor (whereupon the Academy Trust must use reasonable endeavours to procure the PFI Contractor's compliance with its obligations under the Project Agreement), the Academy Trust must keep the Land clean and tidy and make good any damage or deterioration to the Land. The Academy Trust must not do anything to lessen the value or marketability of the Land without the Secretary of State's consent.
- 4.C The Academy Trust must comply with the Lease and promptly enforce its rights against the Landlord.
- 4.D The Academy Trust must not, without the Secretary of State's consent:
- a) terminate, vary, surrender, renew, dispose of or agree any revised rent under the Lease;
  - b) grant any consent or licence; or
  - c) create or allow any encumbrance; or
  - d) part with or share possession or occupation; or
  - e) enter into any onerous or restrictive obligations,
- in respect of all or part of the Land.

### **Option**

- 4.E Not used.

### **Option Notice**

- 4.F Not used.

### **Property Notices**

4.G If the Academy Trust receives a Property Notice, it must:

- a) send a copy of it to the Secretary of State within 14 days, stating how the Academy Trust intends to respond to it;
- b) promptly give the Secretary of State all the information he asks for about it;
- c) allow the Secretary of State to take all necessary action, with or instead of the Academy Trust, to comply with it, and
- d) use its best endeavours to help the Secretary of State in connection with it.

### **Breach of Lease**

4.H If the Academy Trust is, or if it is reasonably foreseeable that it will be, in material breach of the Lease, the Academy Trust must immediately give written notice to the Secretary of State stating what the breach is and what action the Academy Trust has taken or proposes to take to remedy it, including timescales where appropriate.

4.I After notifying the Secretary of State under clause 4.H, the Academy Trust must:

- a) promptly give the Secretary of State all the information he asks for about the breach;
- b) allow the Secretary of State to take all necessary action, with or instead of the Academy Trust, to remedy or prevent the breach, and
- c) use its best endeavours to help the Secretary of State to remedy or prevent the breach.

### **Sharing the Land**

4.J Where:

- a) the Secretary of State identifies basic or parental need for additional

places in the area in which the Academy is situated; and

- b) the Secretary of State then considers that not all the Land is needed for the operation of the Academy at planned capacity,

the Secretary of State must consult with the Academy Trust to determine whether part of the Land could be demised or sublet to another Academy Trust, as the Secretary of State considers appropriate, for the purpose of that Academy Trust establishing and maintaining an educational institution on the Land.

- 4.K To the extent the Academy Trust and the Secretary of State agree to part of the Land being demised or sublet in accordance with clause 4.J, the Academy Trust must use its best endeavours to procure either the approval of the Landlord or any necessary amendments to the Lease in order to enable it to share occupation of the Land with the incoming Academy Trust and to provide the incoming Academy Trust with security of tenure over the Land occupied by it, and shall enter into any legal arrangements which the Secretary of State requires for this purpose. The Secretary of State shall meet the necessary and reasonable costs incurred by the Academy Trust in connection with this clause.

- 4.L For the purposes of clause 4.J:

- a) **a basic need** will arise when the forecast demand for pupil places in the area where the Academy is situated is greater than the existing capacity to provide them;
- b) **a parental need** will arise when the DfE is actually aware of an additional demand for pupil places in the area where the Academy is situated, following representations from parents in that area; and
- c) **planned capacity** has the meaning given in clause 2.B.

## **5. TERMINATION**

### **Termination by either party**

- 5.A Either party may give at least seven Academy Financial Years' notice to terminate this Agreement. Such termination would take effect on 31 August of the relevant year.

### **Termination Warning Notice**

- 5.B The Secretary of State may serve a Termination Warning Notice where he considers that:

- a) the Academy Trust has breached the provisions of this Agreement or the Master Agreement; or
- b) the standards of performance of pupils at the Academy are unacceptably low; or
- c) there has been a serious breakdown in the way the Academy is managed or governed; or
- d) the safety of pupils or staff is threatened, including due to breakdown of discipline; or
- e) the Secretary of State is obliged to make a payment under the Principal Agreement; or
- f) the Secretary of State considers that in the immediately preceding 12 month period, the aggregate of payments made by the Academy Trust to the LA under the Principal Agreement has reached a level which the Secretary of State considers to be excessive and which may (assessed objectively) cause the Academy Trust material financial difficulties; or
- g) the Secretary of State considers (acting reasonably) that the Academy Trust's compliance with the School Agreement of the Principal Agreement is such that claims or disputes are of a number or nature likely to materially and adversely impact on the provision of educational services at the Academy; or
- h) the Academy Trust has committed a material breach of the School Agreement or the Principal Agreement; or

- i) the Secretary of State has received a notice from the LA informing it of instances of breaches or non-compliance by the Academy Trust with the School Agreement or Principal Agreement that may have the consequence of causing the LA to be in breach or default of the Project Agreement; or
- j) the Academy Trust has failed to take the action referred to in clause 5.C by the date specified in clause 5.C; or
- k) the circumstances envisaged by clauses 5.II and 5.JJ of this Agreement in respect of EAG funding are applicable; or
- l) the Academy is coasting provided he has notified the Academy Trust that it is coasting.

Each of a) to l) (inclusive) above is a default event for the purposes of this Agreement.

5.C A Termination Warning Notice served under clause 5.B will specify:

- a) the action the Academy Trust must take;
- b) the date by which the action must be completed; and
- c) the date by which the Academy Trust must make any representations, or confirm that it agrees to undertake the specified action.

5.D The Secretary of State will consider any representations from the Academy Trust which he receives by the date specified in the Termination Warning Notice. The Secretary of State may amend the Termination Warning Notice to specify further action which the Academy Trust must take, and the date by which it must be completed.

5.E If the Secretary of State considers that the Academy Trust has not responded to the Termination Warning Notice as specified under clause 5.C(c), or has not completed the action required in the Termination Warning Notice as specified under clauses 5.C(a) and (b) (and any further action specified under clause 5.D) he may serve a Termination Notice.

### **Termination by the Secretary of State after inspection**

5.F If the Chief Inspector gives notice to the Academy Trust that:

- a) special measures are required to be taken in relation to the Academy;  
or
- b) the Academy requires significant improvement

the Secretary of State may serve a Termination Warning Notice, specifying the date by which the Academy Trust must make any representations.

5.G In deciding whether to give notice of his intention to terminate under clause 5.F, the Secretary of State will have due regard to the overall performance of the Academy Trust.

5.G.1 Not used.

5.H If the Secretary of State has served a Termination Warning Notice under clause 5.F and:

- a) has not received any representations from the Academy Trust by the date specified in the notice; or
- b) having considered the representations made by the Academy Trust remains satisfied that this Agreement should be terminated;

he may serve a Termination Notice.

5.I Not used.

### **Termination by the Secretary of State**

5.J If the Secretary of State has determined that the Academy will be removed from the Register of Independent Schools and no appeal against that determination is pending, he may serve a Termination Notice.

5.K Not used.

5.L Not used.

- 5.T Any notice given by the Academy Trust under clause 5.S must be provided to the Secretary of State within six weeks of the Secretary of State issuing the Funding Allocation. The notice given by the Academy Trust under clause 5.S must specify:
- a) the grounds upon which the Academy Trust's opinion is based, including:
    - i. evidence of those grounds;
    - ii. any professional accounting advice the Academy Trust has received;
    - iii. a detailed statement of steps which the Academy Trust proposes to take to ensure that the running costs of the Academy are reduced such that costs are less than the Funding Allocation and All Other Resources, and the period of time within which such steps will be taken; and
  - b) the shortfall in the Critical Year between the Funding Allocation and All Other Resources expected to be available to the Academy Trust to run the Academy and the projected expenditure on the Academy; and
  - c) a detailed budget of income and expenditure for the Academy during the Critical Year (the "**Projected Budget**").
- 5.U Both parties will use their best endeavours to agree whether or not the cost of running the Academy during the Critical Year would cause the Academy Trust to become insolvent. Both parties recognise that they will need to engage in a constructive dialogue at the time about how best to provide education for the pupils at the Academy and use their best endeavours to agree a practical solution to the problem.
- 5.V If no agreement is reached by 30 April (or another date if agreed between the parties) as to whether the cost of running the Academy during the Critical Year would cause the Academy Trust to become insolvent, then that question will be referred to an independent expert (the "**Expert**") for resolution. The

Expert's determination will be final and binding on both parties. The Expert will be requested to specify in his determination the amount of the shortfall in funding (the "**Shortfall**").

- 5.W The Expert will be an insolvency practitioner with significant professional experience of educational institutions or academies. If the parties fail to agree upon the appointment of the Expert then the Expert will be appointed by the President of the Institute of Chartered Accountants in England and Wales. The Expert's fees will be borne equally between the parties.
- 5.X The Expert will be required in reaching his determination to take account of advice from an educational specialist who is professionally familiar with the issues arising from the budget management of schools. If the parties fail to agree upon the appointment of the educational specialist then the educational specialist will be appointed by the Chairman of the Specialist Schools and Academies Trust (or any successor or equivalent body). The educational specialist's fees will be borne equally between the parties.
- 5.Y If the Expert determines that the cost of running the Academy during the Critical Year would cause the Academy Trust to become insolvent, and the Secretary of State will not have agreed to provide sufficient additional funding to cover the Shortfall, then the Academy Trust will be entitled to terminate this Agreement, by notice expiring on 31 August before the Critical Year. Any such notice will be given within 21 days after (a) the Expert's determination will have been given to the parties or (b), if later, the Secretary of State will have given written notice of his refusal to provide sufficient additional funding for the Academy to cover the Shortfall.
- 5.Z The provisions of this clause 5.Z and of clauses 5.AA to 5.LL shall apply with the Project Agreement is subsisting.
- 5.AA The Secretary of State will, before the start of each Academy Financial Year, provide the Academy Trust with a final allocation indicating the level of GAG and EAG to be provided in the next following Academy Financial Year (the "Indicative Funding").

5.BB For the purpose of clauses 5.BB to 5.LL:

"Critical Years" means the current financial year and, if an annual letter of funding or its equivalent has been received for the following financial year, that financial year;

"Current Funding" means the funding specified in the annual letters of funding (or their equivalent) for the Critical Years and all other resources available and likely to be available to the Academy Trust, including funds detailed in the Master Agreement;

A "PFI EAG Refusal" occurs where:

- (a) the Academy Trust has made a request for EAG funding in connection with its obligations or discharging its liabilities under the School Agreement or the Principal Agreement; and
- (b) the Secretary of State has not agreed, in accordance with clauses 3.16 and 3.17 of the Master Agreement, to provide such EAG funding to the Academy Trust.

5.CC Within 30 30 days of being notified by the Secretary of State of a PFI EAG Refusal, the Academy Trust may provide written notice that it considers that, after taking into account its Current Funding, it is likely that the running costs during the Critical Years would cause the Academy Trust to go into Insolvency ("Academy Trust Insolvency Notice").

5.DD Any Academy Trust Insolvency Notice must specify:

5.DD.1 the grounds upon which the Academy Trust's opinion is based, including:

- (i) evidence of those grounds;
- (ii) any professional accounting advice, upon which the Academy Trust's

- b) direct the Academy Trust to pay all or part of the sale proceeds to the relevant LA.

## **6. OTHER CONTRACTUAL ARRANGEMENTS**

### **Annexes**

- 6.A Any annexes to this Agreement form part of and are incorporated into this Agreement.

### **The Master Agreement**

- 6.B Except as expressly provided in this Agreement, all provisions of the Master Agreement have full force and effect.

### **General**

- 6.C The Academy Trust cannot assign this Agreement.
- 6.D Failure to exercise, or a delay in exercising, any right or remedy of the Secretary of State under this Agreement (including the right to terminate this Agreement), or a single or partial exercise of such a right or remedy, is not a waiver of, and does not prevent or restrict any initial or further exercise of, that or any other right or remedy.
- 6.E Termination of this Agreement will not affect the accrued rights, remedies, obligations or liabilities of the parties existing at termination.
- 6.F This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all of which will together constitute the same agreement.
- 6.G This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales, and submitted to the exclusive jurisdiction of the courts of England and Wales.
- 6.H Not used.

## **ANNEXES**

### **7. PUPILS WITH SPECIAL EDUCATION NEEDS (SEN) AND DISABILITIES**

“**Statement of SEN**” means a statement made under section 324 of the Education Act 1996.

“**EHC plan**” means an Education, Health and Care plan made under sections 37(2) of the Children and Families Act 2014.

7.A Except as set out in clause 8 below, the Children and Families Act 2014 imposes duties directly on Academies in respect of pupils with special educational needs, including the admission of pupils with EHC plans. If an Academy Trust considers that a LA should not have named the Academy in an EHC plan, it may ask the Secretary of State to determine whether the LA has acted unreasonably, and to make an order directing the LA to reconsider. The Secretary of State’s determination will be final, subject to any right of appeal which a parent of the child may have to the First Tier Tribunal (Special Educational Needs and Disability) or the Upper Tribunal Administrative Appeals Chamber.

7.B Not used

7.C Not used

7.D Not used.

### **8. ADMISSION OF PUPILS WITH SEN AND DISABILITIES**

8.A The Academy Trust must for each of its Academies, subject to its right of appeal to the Secretary of State, admit all pupils with a statement of SEN naming the Academy.

8.B Where an LA proposes to name one of the Academies in a statement of SEN, it must give the Academy Trust written notice of this, stating why it considers that Academy to be suitable for the pupil in question. Within 15 days of receipt of the LA’s notice, the Academy Trust must consent to being named, except

where admitting the child would be incompatible with the provision of efficient education for other children, and no reasonable steps could secure compatibility. In deciding whether a child's inclusion would be incompatible with the efficient education of other children or the efficient use of resources, the Academy Trust must have regard to the relevant Guidance issued to maintained schools.

- 8.C If the Academy Trust decides that admitting the child would be incompatible with the provision of efficient education or the efficient use of resources, it must, within the 15 days, notify the LA in writing, giving its reasons for its decision.
- 8.D The Academy Trust must then seek to establish from the LA whether or not it agrees with this determination. If the LA does not agree with the Academy Trust's response, and names the Academy in the child's statement of SEN, the Academy Trust must admit the child to the school as specified in the statement or otherwise by the LA.
- 8.E If in such case, the Academy Trust considers that the LA should not have named the Academy in the statement, it may ask the Secretary of State to determine whether the LA has acted unreasonably, and to make an order directing the LA to reconsider. The Secretary of State's determination will be final, subject only to any right of appeal which a parent of the child may have to the First-tier Tribunal (Special Educational Needs and Disability) or the Upper Tribunal Administrative Appeals Chamber.
- 8.F If a parent of a child for whom the LA maintains a statement appeals to the First-tier Tribunal (Special Educational Needs and Disability), either for or against the naming of the Academy in the child's statement, then the Tribunal's decision will be binding, even if it is different from that of the Secretary of State.
- 8.G Where it has been finally determined that the Academy be named in a child's statement of SEN, the Academy Trust must admit the child to the Academy, notwithstanding any other admissions requirements in this Agreement.

8.H Clauses 8.A to 8.G only apply insofar as the relevant provisions of the Children and Families Act 2014 relating to SEN and disability do not apply to Academies and Free Schools.



Department  
for Education

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