



Department
for Education

Academy transfers and funding

Ad-hoc notice

Contents

Introduction	3
Main findings	4
Notes	6
Future Publications	9
Further information	9
Get in touch	10

Introduction

Academies are independent state schools that are directly funded by the Government. Every academy is required to be part of an academy trust, which is an exempt charity and company limited by guarantee.

There are a number of different types of academies. Some academies have sponsors, while other schools convert to become academies without a sponsor. Many academies operate in multi-academy trusts (MATs), while others are standalone.

With an increasingly school-led system, the responsibility for taking action to improve outcomes lies with the academy trust. Where a trust is failing to improve a school that is underperforming, the Regional Schools Commissioners (RSCs) will intervene.

RSCs carry out their functions within a national framework that has been agreed by ministers. Individual decisions are made with reference to each academy's funding agreement, relevant legislation and published criteria.

RSCs use a range of intervention strategies of escalating severity to address underperformance. They then tailor their approach based on local knowledge and an expert understanding of the circumstances of the individual school to secure rapid improvement. This includes:

- Evaluating underperformance through scrutinising performance data, Ofsted inspections and other relevant information.
- Undertaking diagnostic school visits, discussions and meetings with the academy trust or sponsor to assess the level and cause of underperformance and to assess the quality of the improvement plan being delivered.
- Brokering additional school-to-school support, which can help academies and sponsors take control of their own improvement.
- In serious cases of sustained poor academic performance, a formal pre-warning notice (PWN) or warning notice (WN) can be issued, which sets out clearly the improvements that are required and by when.
- If improvement does not follow, taking further action which could ultimately lead to a stand-alone school joining a MAT, a change of sponsor, changes to MAT arrangements, mergers between academies or ultimately closure.

An academy may also apply to change trust arrangements voluntarily – for example, a single academy may want to join a multi-academy trust because it wants to benefit from the greater capacity this can provide.

This publication provides information on the funding associated with the transfer of academies to a different MAT or sponsor whether this is initiated voluntarily by the academy or trust or where the RSC has made a decision that this will be the best outcome for the academy. Grant funding is normally provided only in the latter scenario.

Main findings

- A total of 332 academies moved trust during the four financial years 2013-14 to 2016-17. Of these 197 received no grant funding for the transfer.
- The number of academies moving trust has increased from 15 in financial year 2013-14 to 165 in 2016-17. This represents 2.5% of the total number of open academies compared to 0.4% in 2013-14.

Table 1: Number of academies moving trust

Financial year	Number of academies where grant funding was provided	Number of academies where no grant funding was provided	Total number of academies that have moved trust	Percentage of the total number of academies
2013-14	2	13	15	0.4%
2014-15	40	21	61	1.2%
2015-16	34	57	91	1.6%
2016-17	59	106	165	2.5%
Total	135	197	332	

Source: Education & Skills Funding Agency and Academies Regional Delivery Group

- 2 academies moved trust and received grant funding in financial year 2013-14. The average amount of grant funding provided was approximately £233,600. 40 academies moved trust and received grant funding in the financial year 2014-15. The average amount of grant funding provided was approximately £111,800. In financial year 2015-16, 34 academies moved trust and received grant funding. The average amount of grant funding provided was £140,200.
- The total grant funding provided to academies moving trust in financial year 2016-17 is not comparable with earlier years due to differences in what it has been possible to include in the total costs compiled (see notes). The average amount of grant funding provided in 2016-17 was £106,700 for 59 academies.

Table 2: Grant funding provided to academies when moving trust¹

Financial year	Number of academies where grant funding was provided	Grant funding provided in 2013-14 £	Grant funding provided in 2014-15 £	Grant funding provided in 2015-16 £	Grant funding provided in 2016-17 £	Total grant funding provided £	Average payment £
2013-14	2	74,400	121,200	271,700	0	467,300	233,600
2014-15	40	491,700	3,532,500	343,800	105,000	4,473,000	111,800
2015-16	34	0	337,400	3,627,400	801,800	4,766,600	140,200
2016-17	59	0	0	0	6,297,700	6,297,700	106,700
Total	135	566,000	3,991,100	4,242,900	7,204,500	16,004,500	118,600

Source: Education & Skills Funding Agency and Academies Regional Delivery Group

¹ Funding figures are calculated using figures that have been rounded to nearest £100. There may be discrepancies between the sum of constituent items and totals as shown.

Notes

1. An academy can change trust arrangements only with the agreement of the Regional Schools Commissioner (RSC) acting on behalf of the Secretary of State (prior to 2014 decisions were taken by the Secretary of State). The academy may apply to do so voluntarily – for example, a single academy may apply because it wants to benefit from the greater capacity eg school improvement from being part of a multi-academy trust; or the transfer may be initiated by the RSC because of concerns about the performance of the academy or the trust responsible for it. The latter scenario is sometimes referred to as re-brokerage and is similar to intervention in local authority maintained schools, which sees them transformed into sponsored academies.
2. The sponsored academy process, which began in the early 2000s, is now well established. The first re-brokerage of an academy was carried out in 2012. Much like the early sponsored academies, funding for trust transfers was agreed on a case-by-case basis according to the particular circumstances and needs of the case.

However, as academies moving trust has become more systematically implemented, we have sought to align the process more closely with that used for establishing sponsored academies. This includes establishing guidelines for grant funding so that it is applied to re-brokerage cases in a similar way to the grant funding that is applied to sponsored academy projects.

These changes were introduced in Autumn 2016. As with all processes, we will keep this under review.

3. The indicative grant funding levels, are: a basic, fast track level (£70,000 primary, £80,000 secondary); an intermediate level (£90,000 primary, £110,000 secondary) and a full level (£110,000 primary, £150,000 secondary). In addition, we look to offset the grant awarded against any surplus that will transfer with the academy to the new sponsor. The grants tend to be paid in one instalment rather than claimed annually.
4. The data in this release has been compiled by the Education and Skills Funding Agency (ESFA) and the Academies Regional Delivery Group. In the financial year 2016-17 budget responsibilities transferred from ESFA to the Academies Group in the DfE. Legacy and current MI/Finance systems were used as well as ESFA and Academies Group documentation.
5. Academies will only be listed if the trust transfer has concluded during that financial year (i.e. when a new funding agreement has been issued concluding a re-brokerage). Therefore, in cases where trusts receive an advance payment ahead of the transfer concluding, the case will not be listed until it has concluded which could be in the next financial year. Where trusts receive payments over more than one year, the separate payments are shown in each financial year.

6. Academies operate under a strict system of oversight and accountability and RSCs will require the new trusts to provide details on how the re-brokerage grant will be used and the impact that it is expected to have. They will monitor the academy's performance to ensure the necessary improvements are made and that we get the best value for our investment.
7. Due to differences in the way data was recorded in legacy systems compared to the current system the grant funding for financial years 2013-2014, 2014-2015 and 2015- 2016 are not comparable with the grant funding in financial year 2016-2017. The grant funding included for each financial year are set out below:

Financial years 2013-2014, 2014-2015 and 2015- 2016

- Legal costs
- Environmental Improvement Grant
- ICT costs
- Project management support costs
- Financial management support
- Education consultancy costs
- Recruitment / training costs
- School Improvement Grant
- Sponsor Grant
- Staff restructure/redundancy costs

Excluded funding are:

- Deficit payments
- Diseconomies of scale

Financial year 2016-2017

- Leadership support, teaching and learning interventions, curriculum re-design, pupil-focused support, etc
- Staff re-structuring
- Legal services relating to the transfer
- Communications and marketing support, including re-branding
- HR and recruitment services to support any TUPE process and senior leader appointments

- Financial management and advice to establish the AT's finance and management information systems

Excluded funding are:

- Deficit payments
- Diseconomies of scale
- Capital costs eg EIG, ICT hardware, building works
- Statutory redundancies

Future Publications

In this first year of publishing the data, we have published 4 financial years of data. The information will be updated annually to include the additional financial year. For example in 2018, grant funding will be added to the spreadsheet for financial year 2017-2018.

Further information

Open academies and academy projects in development	A list of open academies and academies awaiting approval is published monthly at: Open academies and academies in development
Academies annual report	Academies annual report for academic year 2014 to 2015: Academies annual report: academic year 2014 to 2015
Free schools and successful applications	A list of open free schools and successful applications Open free schools and successful applications
Letters to academy trusts about poor performance	Letters issued by RSCs to academy trusts about poor performance Letters to academy trusts on poor performance
Academy spending	Experimental statistics on academy income and expenditure 2014 to 2015 Income and expenditure in academies
Academy financial notices	Academies financial notices to improve https://www.gov.uk/government/collections/academies-financial-notices-to-improve

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