



Department  
for Education

# Academy Trust Standards

**Schools Bill Factsheet**

**May 2022**

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# Schools Bill Factsheet: Academy Trust Standards

## What is the government's policy objective?

The current regulatory framework for academy trusts has underpinned the growth of the academy sector over the last decade. It sets out the requirements placed on trusts while allowing strong trusts to maximise fundamental academy freedoms, enabling them to achieve the best outcomes for their children and to support their teachers and schools where the challenges are greatest.

However, the requirements on academy trusts are currently spread across numerous instruments (funding agreements; legislation; Academy Trust Handbook) in a complex regulatory system. As we move towards a school system in which all schools sit within a family of strongly performing academy trusts, there is a pressing need to ensure those existing requirements are consolidated into a single, simple overarching statutory framework, suitable for a school system consisting entirely of academies in strong trusts, that serves the needs of both trusts and communities while enabling the government to steward a thriving school system.

Our proposals to consolidate and simplify the existing framework by introducing a 'common rulebook' of statutory trust standards, will set out the requirements on academy trusts in a way that is more clear, consistent and transparent to parents, pupils, and all academy trusts.

These Academy Trust Standards will be underpinned by new intervention powers that will enhance the government's ability to drive up performance by extending the ways in which failures in the management and governance of academy trusts can be challenged and resolved.

The government is also proposing to introduce a small number of additional requirements, primarily relating to attendance policy and how complaints are handled. We also intend to introduce a new collaborative standard that will require trusts to work constructively with other partners.

These important steps provide the regulatory foundation for the move towards a fully trust-led school system. To ensure schools are able to continue to meet their requirements and deliver high-quality education, and to minimise disruption to the sector, it is important that regulatory reform is conducted in a considered and phased approach.

For this reason, the first set of Academy Trust Standards will largely consolidate and reflect existing requirements. As the school system evolves, we want to work and closely engage with academy trusts and schools on any future changes that will help ensure the regulatory regime works for them, as well as parents and pupils.

The first set of Academy Trust Standards regulations, and any time they are updated, will be subject to a debate and affirmatory vote in both Houses, allowing Parliament to scrutinise the standards, and any changes to them.

It is not the government's intention to restrict the fundamental freedoms that underpin strong academy trusts. We continue to recognise that the autonomy to decide on key aspects of running a school such as deciding on its curriculum, term dates and school hours, and how best to spend their budget enables academy trusts to collaborate, innovate, and organise and run themselves to deliver the best outcomes for their pupils.

## **What is the problem we are trying to solve?**

The current regulatory framework is now out-of-date. It was designed for a smaller group of academies, not a fully trust-led system encompassing thousands of schools.

It has become complex and inconsistent as the sector has grown and it does not allow adequate and proportionate options for enforcement if a trust does not meet its obligations.

To prepare for a fully trust-led system, we need to review how requirements are placed on academy trusts and the levers through which the Secretary of State can ensure that academy trusts are compliant with them.

## **Why is legislation needed?**

This legislation is required to bring the existing contractual requirements placed on trusts and their academies on to a statutory footing and apply them to all academy trusts equally, regardless of when they entered into their funding agreements.

The model funding agreement between the Secretary of State and an academy trust has been updated over time but the version of the funding agreement to which an individual academy or academy trust is subject depends on when they entered into their contract.

This has led to an inconsistent and complex system of regulation where Academy trusts, and different academies sitting within them, including those within the same academy trust, can be on different versions of funding agreements and therefore are subject to different requirements. This is a difficult system for schools and trusts and for parents and pupils to navigate.

We believe that the contractual enforcement mechanisms currently contained within funding agreements are one-dimensional and unsophisticated. This means that the Secretary of State has limited powers of intervention in the event of an academy trust not meeting its obligations, other than termination of the agreement.

The academy trust standards will be enforceable in a better, more measured way than the existing framework, for example through new powers of direction, and will establish a more proportionate and risk-based approach to the regulation of academy trusts.

## **What is the effect of the legislation?**

The legislation will allow the Secretary of State to make regulations that set out the standards to which academy trusts must adhere.

The Academy Trust Standards will comprise of these new regulations, together with some primary legislation, including that which this Bill proposes to amend. For the first time, most of the standards that an academy trust must meet will be set out in one place. Statutory guidance will be published to support trusts in understanding and complying with the requirements.

The legislation will create a regulatory system that supports a proportionate intervention approach for any breaches, and will have the flexibility to accommodate future changes across the system.

Our approach to the regulatory framework will allow the requirements placed on schools to be updated to keep pace with the evolution of the system and the move for all schools to be part of a strong multi-academy trust.

The legislation also creates the opportunity for Parliament to scrutinise any future proposals to change the obligations placed on academy trusts. This offers a significant improvement on the current contract-based system, which does not afford the same level of scrutiny.

In consolidating the existing obligations placed on academy trusts and academies into a statutory framework, the Academy Trust Standards will be capable of applying equally across academy trusts, regardless of when a funding agreement was signed.

This means that we will be able to apply future changes to the standards in a much more consistent way, while still being able to tailor them to meet the needs of academies and trusts where the standard in question would not work for a particular type of school.

## **How will this work in practice?**

Our intention is for the academy standards regulations to be debated in Parliament before they come into force. The government does not expect this to be before September 2023, at the earliest.

The government will not commence the amendments to primary legislation before this because it will be necessary to bring the entire Academy Trust Standards regime into force at the same time.

The first set of Academy Trust Standards will predominantly mirror the existing requirements that already apply to academy trusts and, as such, the government does not anticipate that there will be a significant operational impact on academy trusts or on their academies.

The Academy Trust Standards are intended to strengthen the regulatory framework for the sector, and the government expects that the new statutory guidance will provide support for academy trusts in discharging their obligations.

## **Key questions and answers**

### **What does this mean for pupils, parents and schools?**

Academy trusts will be subject to a set of statutory requirements to which they can be held to account by parents and pupils.

The Academy Trust Standards will provide greater clarity and transparency to pupils and parents about the requirements that the government has placed upon academy trusts. This will provide more assurance to parents and pupils that academies are delivering a school environment that enables all pupils to thrive and reach their full potential at school.

Having a consolidated set of standards that is predominantly set out in regulations means that academy trusts will be subject to a consistent set of requirements.

If the standards need to be updated then we will be able to amend them for all academy trusts, or distinct types of academy trust, regardless of when they entered into their funding agreements.

### **What is a funding agreement?**

A funding agreement is the contract every academy trust signs with the Secretary of State for Education. It is currently used to set out the operating framework for the academy trust and its academies, including how they receive their funding and the requirements with which they must comply. The model funding agreements are updated from time to time and the current versions can be found on [gov.uk](https://www.gov.uk).

### **Why change the current system?**

Academy trusts are regulated mainly through their funding agreements. Once a funding agreement is in force, there is limited scope for the Secretary of State to amend it, or to introduce new standards into it.

This means that individual academy trusts and the academies within them can be subject to different standards resulting from when their funding agreements were signed. It also

means that it is difficult to ensure that important changes are adopted by all academies, benefitting all children.

The government can amend the model funding agreement and associated governance documents, but those changes would only apply to academy trusts that sign up to the new model.

Funding agreements set out the basic consequences that follow when an academy trust fails to comply with an individual requirement, mainly based on termination of the agreement. Termination of the agreement is the ultimate sanction and is not proportionate for many, often unintentional, instances of non-compliance.

The standards will enable a more measured, risk-based approach to regulation of academy trusts, although termination of the agreement will still be a statutory power available to the Secretary of State.

### **What will happen to funding agreements?**

Academy trusts will continue to receive their funding from the government and a shorter funding agreement will continue to be used to form the legal contract between an academy trust and the Secretary of State for Education, retaining arrangements that are specific to an individual academy or trust.

### **What will happen if an academy trust fails to adhere to the standards?**

The government wants to take a robust approach to non-compliance through new trust-level intervention powers which enable the Secretary of State to tackle entrenched underperformance.

The Academy Trust Standards will be statutory requirements. Failure to comply could lead to a range of different consequences depending upon the nature of the requirement and whether the academy trust is prepared or able to rectify the failure.

The Secretary of State will have the power to direct compliance as one potential route

### **Does the academy standards statutory framework centralise control over academy trusts with the Secretary of State compared to the current regulatory system?**

Academy trusts must be free to innovate and to operate effectively, focussing resources on delivering the best outcomes for pupils. It is not the government's intention to undermine academy freedoms.

The first set of regulations will largely consolidate the existing requirements on academies, which are mostly found in the current version of the [model funding](#)

[agreements](#) and the [The Education \(Independent School Standards\) Regulations 2014 \(legislation.gov.uk\)](#).

For example, the model funding agreement includes a clause that states that the curriculum is the responsibility of the academy, and that the trust must ensure that it is balanced and broadly based, and includes English, maths, and science. The intention is to replicate this curriculum freedom in the Academy Standards regulations.

Our proposals for a new statutory set of Academy Standards will provide much more parliamentary and public scrutiny on the requirements placed on academy trusts than the existing regulatory regime.

Currently, the Secretary of State can introduce new requirements by updating the model funding agreement which requires no parliamentary scrutiny or consultation. In contrast, the academy standards regulations will be subject to the affirmative procedure each time they are made, and Parliament will always have the opportunity to debate and vote on any changes to them.

### **Are there any new measures being introduced through the Academy Trust Standards?**

The government's aim is to strengthen the regulatory framework for the sector. The Academy Trust Standards will initially largely mirror existing requirements, to which the overwhelming majority of academy trusts already adhere. We are, however, taking the opportunity to introduce new measures, primarily relating to attendance, the handling of complaints, and collaboration.

### **Will this place additional burdens on academy trusts?**

The Academy Trust Standards will bring together existing obligations placed on academy trusts and academies to create a system with greater clarity, consistency and transparency. We will consult on the content of the first set of regulations before they are introduced, and whenever they are updated.

Although the first set of regulations may introduce some new standards for the benefit of schools and pupils, we anticipate that these will be minor and not impose significant additional burdens on trusts.

The government will always want to take robust action to tackle the small minority of failing academy trusts. This legislation will enable that to happen more swiftly and efficiently.



## **What changes are proposed to the way academy trusts handle complaints?**

Historically, complaints have been handled differently in academy trusts and in schools maintained by local authorities due to their different regulatory frameworks.

We are proposing a minor addition to the way complaints are handled to align the school complaint handling processes and assess the reasonableness of complaint decisions made by academy trusts, as it already does with maintained school complaints.

## **What does the collaborative standard aim to do?**

We plan to introduce the collaborative standard to ensure trusts work constructively with each other, their local authorities, and the wider public and third sectors.

We also intend the collaborative standard to articulate the expectation that trusts should behave with civic responsibility, working broadly to benefit children in their communities.

We will engage the sector to develop the detail of the collaborative standard over the course of the next year.

## **Will you seek to mandate local governing bodies?**

No. Academy trusts can choose whether to have local governing bodies. Our aim is for all schools to have a voice in the governance of their academy trusts through local governance arrangements, as already happens in most trusts. We will discuss how to implement this with the sector.

## **What has changed in attendance management and support for academies/academy trusts?**

All existing attendance requirements for academy trusts will continue to apply. The Schools Bill proposes new attendance requirements which will improve the consistency of attendance support available to families in England.

This measure will require the proprietor of every school in England, including academies, to ensure policies to promote regular attendance are implemented and published in an attendance policy, and to have regard to attendance guidance issued by the Secretary of State.

Additionally, the measure extends the Secretary of State's existing power to make regulations in respect of the granting of leaves of absence (which regulations provide can only be granted where there are exceptional circumstances) so that it will cover all types of schools, including academies.

This power currently only applies to any school maintained by a local authority and any special school not maintained by a local authority.

This extension to academies reflects widespread existing practice, will help improve the consistency of the granting of leave of absence in all state-funded schools, and is particularly important as the country moves to a fully trust-led system.

We will publish non-statutory attendance guidance for schools, trusts and governing bodies, and local authorities ahead of academic year 2022-23, providing them with time to become familiar with the changes before legislation requires it.

### **Will the Academy Trust Standards lead to additional demands being placed on academies over time?**

The first set of academy standards regulations are intended to largely mirror existing requirements, to which the overwhelming majority of academy trusts already adhere.

Our approach to the regulatory framework allows the requirements placed on schools to be updated when necessary. This means parents and pupils can be confident that standards will keep pace with the evolution of the system and the move for all schools to be part of a strong multi-academy trust.

The government will consult on the content of the regulations whenever they are updated. In addition, we propose that the regulations, and each time they are updated, will be subject to a debate and affirmatory vote in both Houses, allowing Parliament to scrutinise the regulations.

### **What will happen to the Academy Trust Handbook?**

The requirements currently set out in the Academy Trust Handbook will move into the standards regulations and the new statutory guidance.

The government intends to issue statutory guidance that will explain what the regulations are and what academy trusts need to do to meet them in user-friendly language. It will also include examples of best practice from the strongest academy trusts.

### **Will the Education (Independent School Standards) Regulations 2014 continue to apply to academy trusts?**

The Independent School Standards will no longer apply to academy schools once the new regulations are in force because the Academy Trust Standards will replace those parts of the regulations that currently apply to academy trusts and academies.

## **Does the department have the resources to regulate a school system in which every school is part of a multi-academy trust?**

It is precisely to ensure we are properly equipped to oversee a system where all schools are in trusts that we are launching a formal regulatory review. This will establish the appropriate model and options for how best to regulate the English school system when all schools are part of a family of schools, in strong trusts.

We cannot prejudice the outcome of that review, and decisions on the required capacity and skills to resource any subsequent regulatory function, will need to be made in the usual way in future spending reviews.

## Part 2: Additional details on Delegated Powers

The delegated powers this note will cover are:

1. [Prescribing standards relating to academy trusts](#)
2. [Requiring academy proprietors to have regard to guidance](#)
3. [Power to apply/amend/remove education-related legislation \(including primary legislation\) in relation to academies by regulations](#)

### Prescribing standards relating to academy trusts

#### What does this delegated power do?

This delegated power will allow the Secretary of State to set out in regulations the standards which apply to academy trusts or to academies.

#### How does the government intend to use this power?

The power to prescribe standards relating to academy trusts enables the Secretary of State to set out in regulations the requirements that all academy trusts need to follow.

The academy standards regulations will provide a common rulebook for academy trusts which sets out the requirements in a way that is clear, consistent and transparent to parents, pupils, and those who operate, support and regulate academy trusts. It also enables the regulations to be updated, and for these changes to apply to all academy trusts simultaneously.

The regulations will be subject to a debate and affirmatory vote in both Houses every time they are updated, allowing Parliament to scrutinise them. This contrasts with the existing contract-based regulatory regime where there is no parliamentary oversight or scrutiny.

We will consult with representatives from the sector on the first set of regulations and any subsequent changes to ensure they work effectively while keeping pace with the evolving schools system.

The Schools Bill, as introduced in Parliament, contains a non-exhaustive list of the areas where standards may be made. To minimise disruption to schools, the first set of regulations will largely consolidate and reflect existing requirements.

Below are examples of the requirements that the regulation-making power would enable us to include in the standards. The vast majority of these are taken from the current [model funding agreements](#), [The Education \(Independent School Standards\) Regulations 2014](#), and the [Academy Trust Handbook](#), and reflect the existing requirements on academy trusts, except where indicated.

## **The nature and quality of education provided, and the curriculum followed**

We intend to set standards that continue to allow academy trusts to have responsibility over their curriculum. These may include standards that ensure:

- the curriculum up to 16 is broad and balanced, and includes English, mathematics, science
- there is provision for the teaching of religious education and a daily act of worship
- the trust does not allow any view or theory to be taught as evidence-based if it is contrary to established scientific or historical evidence and explanations
- there is provision for relationships education, relationships and sex education and health education
- there is provision for the teaching of evolution as a comprehensive, coherent and extensively evidenced theory
- the trust prevents political indoctrination, and secures the balanced treatment of political issues

In meeting pupils' needs, we intend to set standards that will ensure trusts are inclusive in their approach and address the needs individual pupils, including pupils with disabilities and special educational needs.

## **The welfare, health and safety of, and attendance by, pupils**

We intend to set standards that academy trusts must meet relating to their responsibilities surrounding the welfare, health and safety of and attendance by pupils. These may include:

- ensuring arrangements are in place to safeguard and promote the welfare of pupils at the school and also having regard to any guidance that is issued by the Secretary of State, such as Keeping Children Safe in Education
- that trusts take appropriate steps to safeguard the health, safety and welfare of pupils either on or off the school premises when they secure any work placement or work experience opportunities for pupils
- the creation and implementation of a written health and safety policy
- maintaining an admission and attendance register in accordance with the Education (Pupil Registration) (England) Regulations 2006(27)
- extending the statutory charging restrictions on maintained schools to academy schools and alternative provision academies

- a requirement on trusts to admit a named pupil to the academy or amend its admission arrangements where they do not comply with the admissions codes
- standards preventing trusts from charging for admission or attendance at an academy

## **The spiritual, moral, social and cultural development of pupils**

We intend to set standards that academy trusts must meet relating to their responsibilities towards the spiritual, moral, social and cultural development of pupils. These may include requirements for trusts to actively promote:

- the fundamental British values of democracy, the rule of law, individual liberty and mutual respect and tolerance of those with different faiths and beliefs
- principles enabling pupils to develop self-knowledge, self-esteem and self-confidence and to be able to distinguish right from wrong, respect the law, understand consequences, investigate moral and ethical issues, and offer reasoned views
- principles that enable pupils to acquire an appreciation of and respect for their own and other cultures by understanding, accepting, respecting and celebrating diversity

## **The provision of careers guidance**

We intend to set standards that academy trusts must meet relating to their responsibilities towards careers guidance. These may include:

- providing careers guidance in accordance with requirements placed on maintained schools in the Education Act 1997
- requiring a trust to follow guidance developed by the Department for Education in line with the eight Gatsby benchmarks of good career guidance and ensure there is opportunity for a range of education and training providers to access registered pupils in years 8-13 for the purpose of informing them about approved technical education qualifications or apprenticeships
- publishing information on their careers programme and in accordance with the School Information (England) Regulations

## **The length of the school day, the school year, school terms or school holiday periods**

We intend to set standards that will allow academy trusts to retain the existing freedom they have to determine the length of the school day and year, as well as their ability to set their own school term and holiday start and end dates, and the times of school sessions.

## **The assessment of pupils' performance and the entry of pupils for public examinations**

We intend to set standards that academy trusts must meet in relation to assessment. These may include:

- ensuring that pupils are entered for examinations as well as reporting to the Secretary of State, as required
- allowing the monitoring and moderation of the academy's assessment arrangements
- publishing information about performance measures on their school website; the information required may include progress scores, average scores, and percentage of pupil of attainment

## **The handling of complaints**

We intend to set standards relating to how academy trusts handle complaints. We intend this to mean that a trust will ensure that a complaints procedure is drawn up and implemented. Trusts will be expected to ensure the procedure is in writing and made available to parents setting out clear timescales for the management of the complaint.

The standard may also allow the complaint to be considered initially on an informal basis, with a formal procedure in place should the parent not be satisfied with the response.

Provision may also be made for a hearing before a panel consisting of a minimum of three people not previously involved in the handling of the complaint with one member being independent of the management and running of the school. Findings and recommendations would then be provided to the complainant. We intend to require that a written record be kept of all complaints made, what process has been undertaken in relation thereto, and their respective outcomes.

We are proposing a minor change to the complaints handling processes that will assess the reasonableness of complaint decisions made by academy trusts, as is already the case with maintained school complaints.

## **Policies and procedures in relation to whistleblowing**

We intend to set standards that academy trusts must meet relating to the creation of policies and procedures for whistleblowing to protect staff who report individuals they believe are doing something wrong or illegal, in line with existing legislation.

## **Premises, land and accommodation**

We intend to set standards that academy trusts must meet relating to accommodation, ensuring arrangements are made to safeguard and promote the welfare of boarders while they are accommodated at a school. These may include standards that:

- require proprietors of academies to ensure there is suitable disabled access; toilet and washing facilities for the sole use of pupils, with separate toilet facilities for pupils aged 8 years or over
- suitable changing accommodation and showers for those aged 11 years or over who receive physical education
- ensure that accommodation is provided to cater for the medical and therapy needs of pupils
- require that the trust ensures that school premises and the accommodation and facilities provided are maintained to a standard that ensures, so far as is reasonably practicable, the health, safety and welfare of pupils

## **The quality of leadership and management**

We intend to set standards that academy trusts must meet relating to the quality of leadership and management of schools. A trust will be expected to ensure those in positions of leadership and with management responsibility demonstrate good skills and knowledge appropriate to their role to ensure standards are met consistently, responsibilities are fulfilled effectively, and that the well-being of pupils is actively promoted.

## **Governance structures and procedures, including the composition and responsibilities of boards of directors of proprietors of Academies**

We intend to set standards that academy trusts must meet when setting out their governance arrangements, including those:

- requiring arrangements to be in place for matters relating to the functioning of each Academy to be brought to the attention of the board of trustees
- relating to the need for the board of trustees to have regard to any guidance on the governance of academy trusts
- that state no board member or trustees are appointed before the Secretary of State has had an opportunity to assess their suitability
- requiring that a trust must not amend or remove certain provisions in its articles before obtaining the Secretary of State's consent



- requiring that if the Secretary of State consents to proposed changes, the academy trust would approve these as soon as reasonably practicable and provide the Secretary of State with a copy

## **The suitability of proprietors of Academies and of staff**

We intend to set standards that academy trusts must meet when assessing the suitability of staff, supply staff and proprietors. This may include:

- requiring DBS certificates, as appropriate, for members of staff, enhanced criminal record check, checks on identity, right to work in the UK and if appropriate the person's qualifications
- maintaining a single central register to collate information on checks made on staff
- obtaining evidence that any employment business who supplies staff to the trust has undertaken the necessary checks on each relevant individual

## **The procedures and criteria for appointing staff and assigning them particular roles**

We intend to set standards that academy trusts must meet in relation to the procedures and criteria for appointing staff and assigning them particular roles. These may include:

- a requirement that the academy trust follows relevant guidance when employing anyone it believes is suitably qualified for a particular role and have regard to guidance such as Keeping Children Safe in Education, Safeguarding Children and Safer Recruitment in Education
- that the academy trust will be obliged to require enhanced Disclosure and Barring Service (DBS) certificates prior to the appointment of members of staff, supply staff, members of the academy trust, individual trustees and the chair of the board of charity trustees

## **The remuneration of staff (including salary and pension arrangements)**

We intend to set standards that academy trusts must meet relating to salary and pension matters. These may include:

- ensuring that all teaching staff have access to the Teachers' Pension Scheme (TPS) and comply with the TPS regulations
- that trusts also grant access to the TPS in accordance with HM Treasury's published Fair Deal guidance which sets out how pension issues are to be dealt with when Teaching Staff are compulsorily transferred from the public sector to independent providers
- that trusts will ensure that all affected staff employed by the Academy Trust other than teachers have access to the Local Government Pension Scheme and, in

doing so, comply with the requirements of the scheme and with Fair Deal for staff pensions guidance published by HM Treasury

## **The procedures and criteria for admission**

We intend to set standards that academy trusts must meet relating to procedures and criteria for pupil admissions. We intend that academy trusts will not be allowed to charge for admission to or attendance at the academy, and that they will only be able to make charges where the new charging provisions introduced by this Bill allow them to do so.

We may set standards that:

- require trusts to participate in the local fair access protocol and the coordinated admission arrangements operated by the local authority in the area in which the academy is situated (if the academy is a free school, the trust would not be required to participate in coordination for the first intake of pupils)
- ensure trusts make arrangements to establish an independent appeals panel and that a trust's clerk and panel members are trained in accordance with the admissions codes
- ensure that trusts inform parents and pupils of their right to appeal if they are dissatisfied with an admission decision
- that require the academy trust to ensure that the academy adopts admission criteria to the effect that, if oversubscribed, at least 50% of its places available each year will be allocated without reference to faith-based admission criteria (for faith free schools only)

## **The publication of information by proprietors of Academies, and the provision of information by proprietors to the Secretary of State or any other person**

We intend to set standards that academy trusts must meet relating to the publication and provision of information. These may include requirements:

- to provide, on request, information contained in any enhanced DBS certificate they receive
- relating to sharing information about a teacher's capability if a prospective employer such as another academy, a maintained school or further education institution requested it
- to ensure their academies publish information on their websites about their curricula
- to publish performance measures, progress scores, information on locating Ofsted reports and on how to access performance tables on their website
- for a trust to submit information to the Secretary of State about their finances, and to promptly provide any information requested about the trust or the academy

which the Secretary of State regards as necessary to fulfil their role and responsibilities

- to publish on its website its annual reports and accounts, current memorandum of association, Articles and Funding Agreement and the names of its Trustees and members
- to provide local authorities with the name, address and date of birth of a pupil or student and the name and address of a parent of the pupil or student in order to assist them in carrying out their function with regard to providing education or training under the Education Act 2008

## **The preparation of accounts and financial reporting by proprietors of Academies**

We intend to set standards that academy trusts must meet on financial reporting and the preparation of accounts. These may include standards that:

- require the trust to prepare and file with Companies House the annual reports and accounts required by the Companies Act 2006
- require trusts to prepare annual reports and accounts for each Academy Financial Year in accordance with the Charity Commission's 'Accounting and Reporting by Charities: Statement of Recommended Practice', as if the Academy Trust were a registered charity; and additionally as the Secretary of State directs
- ensure accounts are audited annually by independent auditors and carry an audit report stating whether, in the auditors' opinion, the accounts show a true and fair view of the Academy Trust's affairs
- relate to the date by which accounts must be submitted to the Secretary of State, and give the Secretary of State the power to publish the Academy Trust's annual reports and accounts, and the audit report, as they see fit
- the books of accounts and all relevant records, files and reports of the Academy Trust, including those relating to financial controls, must be open at all reasonable times to officials of the Department for Education and the National Audit Office, and to their agents and contractors, for inspection or carrying out value for money assessments. Such a standard would require the trust to give those officials and contractors reasonable assistance with their enquiries
- would enable the Secretary of State, at their expense, to instruct auditors to report to them on the adequacy and effectiveness of the Academy Trust's accounting systems and internal controls to standards determined by the Secretary of State, and to make recommendations for improving the Academy Trust's financial management

## **The spending of money by proprietors of Academies**

We intend to set standards that academy trusts must meet on financial and accounting matters. These may include standards relating to:

- regularity
- propriety
- value for money
- appointing an accounting officer with specified responsibilities
- abiding by charity law and guidance
- and reporting to the Secretary of State as principal regulator instead of to the Charity Commission
- following funding guidance issued by the Secretary of State for students above compulsory school age
- reclaiming VAT and on repaying VAT to the Secretary of State
- providing financial information to the Secretary of State
- insurance
- the keeping of, and access to, accounting information, other records, files and reports

We intend to set standards relating to budgeting, reporting and the publication of financial information, including:

- the approval, and the setting of balanced budgets
- the receipt, and expenditure, of non-grant funds and reporting for that expenditure
- recovering the debts of maintained schools from their successor academy schools
- preparing and filing reports and accounts under company law, in accordance with the Charity Commission's recommended practice for accounting and reporting and in accordance with directions from the Secretary of State
- annual auditing by independent auditors
- the publication of accounts, financial, audit and other company information on websites

We intend to set standards relating to assets, including on:

- the acquisition, and the disposal, of publicly-funded assets, including land and any other capital assets
- notice of the disposal of freehold land and other capital assets

- the taking up, and of the granting of, leasehold land, being provided to the Secretary of State

We intend to set standards that academy trusts must meet when in receipt of grant funding. These may include:

- for recurrent expenditure grants, that academy trusts do not make commitments to spending that would have implications for future grant or commit the Secretary of State to paying a grant
- for capital grant, that the grant can be spent only on those items of capital expenditure approved by the Secretary of State and that have the required consents for building and infrastructure; paid only where invoices and certificates have been provided in the format specified; reported in financial statements, reports and returns as required; and repaid in specified circumstances
- for general annual grant (for normal running costs and capital expenditure), there may be standards determining on what it may be spent, including (for example) the education and training of children, the professional development of staff, governance training and development, but excluding some nursery, sport and leisure provision
- for earmarked annual grant, that it is spent only for the purposes set out in the grant letter
- for additional funding received from a local authority to support pupils who have special educational need and disabilities, that all of the support required is provided

## **Collaboration between proprietors of Academies and any other persons or bodies**

We intend to introduce a new requirement to ensure trusts work constructively with each other, local authorities and the wider public and third sectors. The standard would articulate the expectation that trusts should behave with civic responsibility, working broadly to benefit children in their communities.

## **The application procedure for being designated as a school with a religious character**

We intend to set standards that academy trusts must meet in relation to schools designated with a religious character. These may include standards that would require a trust to:

- obtain the Secretary of State's consent before applying for the academy to be designated as a school with a religious character. The Secretary of State is likely to be able, at their discretion, to refuse or consent to such an application

- ensure that pupils of all faiths and none play a full part in the life of an academy, and that pupils or parents of any faith or none are not disadvantaged on the basis of their beliefs

## **Will there be any further consultation on this issue?**

We will formally consult on the first set of academy standards regulations and then each and every time we intend to make changes to ensure that the regulatory framework continues to work effectively for academy trusts, parents, pupils and those who support and regulate academies.

## **Key questions and answers**

### **How often will the regulations be updated?**

The first set of regulations will largely consolidate the existing requirements on academies, which can be found in the current version of the [model funding agreements](#) and the [The Education \(Independent School Standards\) Regulations 2014 \(legislation.gov.uk\)](#). This will provide the continuity that will allow all trusts to continue to maximise their academy freedoms to deliver high quality education.

Subsequently, we only intend to update the regulations when it is necessary to make changes to the standards to ensure the regulatory framework continues to work for an evolving school system in which every school will become part of a strong trust.

We will formally consult on the first set of academy standards regulations and then each and every time we intend to update the regulations to ensure that the regulatory framework continues to work effectively for academy trusts, parents, pupils and those who support and regulate academies.

### **Why does the delegated power cover such a broad range of standards?**

While the breadth of matters that could be covered by the Academy Standards may seem extensive and wide-ranging, the examples provided in the Bill reflect matters that are already covered in existing funding agreements, legislation or the Academy Trust Handbook.

For example, the model funding agreement includes a clause on the curriculum which states that it is the responsibility of the academy trust but must be balanced and broadly based, and include English, maths, and science. The intention is to replicate this freedom in the Academy Standards regulations.

The first set of academy standards regulations will largely mirror these existing requirements on academy trusts and consolidate them into a single, simple overarching statutory framework.

## **Requiring academy proprietors to have regard to guidance**

### **What does this delegated power do?**

This delegated power requires academy proprietors (usually academy trusts) to have regard to guidance issued by the Secretary of State in relation to academy standards.

### **How does the government intend to use this power?**

To support academy trusts to comply with the requirements set out in the Academy Standards regulations, as well as other provisions in primary and secondary legislation that will continue to apply to academy trusts, the government intends to provide guidance that will support compliance with the various requirements to which academy trusts will be subject.

It will provide an explanation of how and what academy trusts need to do meet the requirements, including guidance on managing public money.

The guidance will be amended to reflect any changes to the Academy Standards. These standards will predominantly be set out in regulations, which will be subject to a debate and affirmative vote in both Houses.

### **Will there be any further consultation on this issue?**

The Department will engage and work closely with a wide range of representatives from the sector on the content of the guidance to ensure it provides a clear articulation of the Academy Standards that support schools to comply with them.

## **Key questions and answers**

### **What will happen to the Academy Trust Handbook?**

The requirements and information currently set out in the Academy Trust Handbook will move into the standards regulations and the new statutory guidance.

The government intends to issue statutory guidance that will explain what the regulations are and what academy trusts need to do to meet them in user-friendly language. It will also include examples of best practice from the strongest academy trusts.



## **Power to apply/amend/remove education-related legislation (including primary legislation) in relation to academies by regulations**

### **What does this delegated power do?**

This delegated power allows the Secretary of State to apply, amend, or disapply existing provisions in both primary and secondary legislation relating to other education institutions to academies, or to apply them subject to modifications.

### **How does the government intend to use this power?**

The government's intention is to move – over time - towards a single rule book of consolidated requirements placed on academy trusts. This will ensure clarity, consistency and transparency for parents and academies.

As part of the move to a fully trust-led school system, the government wishes to implement the new statutory framework as a staged process, to enable a smooth transition for schools, parents, and pupils, and those who support and regulate academies.

This staged approach will enable us to work with the sector on the implementation of the academy standards at a pace which is right for schools, and takes account of the transition from the maintained to the academies sector that many schools will be undertaking in the coming years.

The academy system comprises of different types of educational institutions, including single and multi-academy trusts, faith and non-faith academy trusts; mainstream academies, special academies, alternative provision academies 16-19 academies, secure academies, and selective academies, and is covered by a complex web of different primary legislative provisions.

As the school system evolves towards begin being fully trust-led, the government will work closely with the sector to identify any changes that will improve the statutory framework, in order to ensure that the latter works effectively for academies, parents, and pupils and those involved in supporting and regulating schools.

Generally, as set out above, we intend to move towards a system in which requirements are contained in a single set of 'standards regulations'. We are at the beginning of that process. We envisage, over time, revoking or repealing primary legislation (or indeed other secondary legislation) which sets standards for schools, and moving such provision into our new standards regulations.

In the transition period, we may also want to extend primary powers which currently apply only to maintained schools to academies – with or without appropriate modifications.

This will enable us to take account of the changing needs of schools, pupils and other stakeholders, as we transition to a fully trust-led system.

The power will be confined to amending, applying, or disapplying legislation to the extent to which it relates to educational institutions which provide school-age education, further education, or early years education. The legislation in scope must also either pre-date the Schools Bill, or (in the case of primary legislation) have been passed in the same Parliamentary Session.

The exception to this is that the power can be used to amend Schedule 1 of the Schools Bill itself (but no other provisions contained within the Bill). Schedule 1 contains amendments to bring academies into, or remove them from, the scope of primary duties relating to other educational institutions.

For the reasons set out above, we are likely to want to amend these provisions further as we progress towards a fully trust-led system, in which all relevant requirements are set out in a single set of standards regulations.

The power would be exercised through secondary legislation subject to a debate and affirmative vote in both Houses, allowing Parliament to scrutinise the use of the power.

## **Key questions and answers**

### **Why does the government need such a power?**

The government considers it important to be able to be responsive to the needs of the school system as it shifts to a fully trust-led system.

There may be improvements which can be brought about by applying, amending, revoking or repealing existing primary legislation related to other educational institutions which will ensure there is an effective, but not overly onerous, regulatory framework for academies.

The power will be confined to legislation related to educational institutions which has been passed previously or (in the case of primary legislation) in the same session as the Schools Bill.

### **Will there be any consultation before the government use this power?**

We intend to consult before making any changes to the academy standards regulations to ensure that the regulatory framework continues to work effectively for academy trusts, parents, pupils and those who support and regulate academies as the system evolves.



Department  
for Education

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