

# Annual Academies Update

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The Barns Hotel, Bedford

9 July 2019



# Agenda

- **VAT for Academies**
  - Leo Donovan, Senior VAT Manager
- **Academies Financial Update**
  - Robert Anderson, Lead Technical Partner for Academies

## Break

- **Creating financial resilience through budgeting and good financial management**
  - Elizabeth Cracknell, Senior Manager
- **The Role of Due Diligence within a SAT and MAT Setting**
  - Alan Endersby, Partner

## Lunch



# VAT for Academies

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# Key Issues

01. Legal Status

02. VAT Registration or not?

03. Partial exemption

04. Catering contracts

05. What does “closely related” mean?

06. Supplies of Staff / Consultancy

07. Consideration

08. Lettings / Sports Halls

09. Capital Projects

10. Teaching Partnerships



# Legal Status

- Section 33B VAT Act 1994
- Goalposts have moved
- Not entitled to recover all the VAT incurred



# VAT Registration – Why register?

- Why do schools register for UK VAT?
- Because they are legally obliged to do so – Compulsory registration

Para. 1, Sch. 1, VATA 1994

Or

- Because they are entitled to do so – voluntary registration

Para's 9 and 10, Sch. 1, VATA 1994

- Multi Academy Trust (MAT) – obligation to monitor income from schools within it



# VAT Registration – Advantages/disadvantages

## Advantages of VAT registration

- Fulfilling legal compliance obligations
- Transparency/credibility
- Input tax recovery

## Disadvantages of VAT registration

- Compliance obligations (VAT returns, records keeping, MTD, etc)
- Risk of penalties if you get it wrong
- Potential erosion of profit margin/competitive advantage



# VAT Registration – Historic test

- Need to look at preceding 12 months of “supplies” made
- Liability to register if threshold (£85,000) has been exceeded

Para. 1(1)(a), Sch. 1, VATA 1994

- Must notify liability within 30 days of end of “relevant month”
- Registered effective from beginning of the next but one month following “relevant month”

Para. 5, Sch 1, VATA 1994





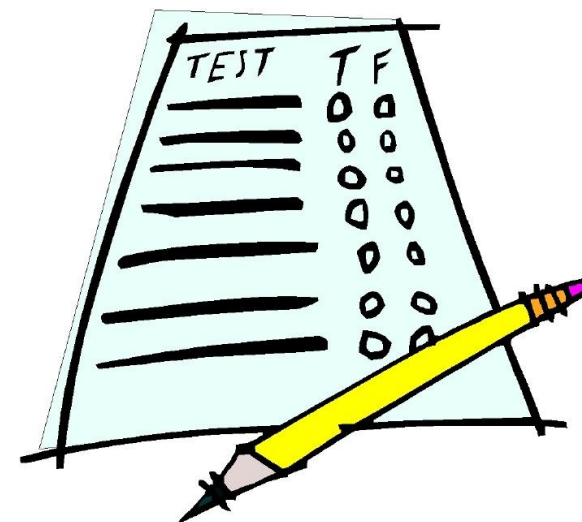
# VAT Registration – Future test

- A trader has an “expectation” that the threshold will be exceeded in the next 30 days

Para. 1(1)(b), Sch. 1, VATA 1994

- Must notify liability HMRC within 30 days
- Registered with effect from the date the expectation arose

Para. 6, Sch. 1, VATA 1994



# VAT Registration – Taxable supplies

What is included when calculating a traders taxable supplies:

- Standard rated sales i.e. consultancy income, administration and management services
- Zero-rated sales i.e. books, school uniforms for sizes up to 14 years old
- Reverse charge services received i.e. services from another EU Member State



# What does “closely related mean?”

Limited to goods and services that are necessary for delivering the education directly to the pupil, student or trainee. Usually accepted are:

- Tuckshops and vending (at or below cost)
- Accommodation
- Catering
- Transport
- School trips
- Musical instruments for use in music lessons/school orchestra
- Rulers/calculators/stationery

**Not** closely rated are:

- Supplies to staff
- Sale of goods from school shops
- Vending machines (but not catering)
- Good not needed for regular use in class (consider private use high value items)

**MUST BE AT OR BELOW COST TO QUALIFY AS CLOSELY RELATED**



# Input tax blocks – Non-business purposes

- Apportionment: Business/Non-Business use
- No mechanism set out in law
- Direct attribution and a proportion of overheard VAT
- HMRC can assess if not fair and reasonable
- Example based on values

$$\text{Input tax} = \left[ \frac{\text{Business income}}{\text{Total income}} \right] \times \text{VAT incurred}$$

$$\text{Non-business overhead VAT} = \left[ \frac{\text{Non-business income}}{\text{Total income}} \right] \times \text{VAT incurred}$$

S.24(5), VATA 1994



# Evidence required for recovery

- Valid VAT invoice
- Self billed invoice
- Less detailed invoice (£250) – Retailers need not issue VAT invoices unless specifically requested by customer – invoice can be simplified for values below £250
- Invoice for acquisitions
- Invoice for reverse charge
- Alternative evidence

**Reg. 29(2), VAT Regs SI 1995/2158**



# Partial exemption - general

- Accurate coding of income & expenditure is key;
- Income – non-business & business activities;
- Income – taxable & exempt business activities;
- Underlying concept re expenditure is that it has to be attributed in accordance with the onward activity to which it relates;
- Multiple 20% codes for purchases required to attribute input tax to its onward usage; and
- Without sufficient codes all VAT on purchases has to be treated as non-attributable and recovery potentially restricted



# Partial exemption – 2 step method

- Directed by HMRC for academies
- Consists of various stages:
  - Non-business/business income apportionment (VAT 126);
  - Calculate non-attributable VAT relating to non-business activities (recoverable);
  - Calculate non-attributable VAT relating to business activities;
  - Business income - taxable/exempt income apportionment;
  - Calculate non-attributable VAT relating to taxable activities (recoverable);
  - Calculate non-attributable VAT relating to exempt activities (aka exempt input tax); and
  - Calculate total VAT relating to exempt activities (i.e. wholly attributable to exempt activities + non-attributable relating to exempt income)

– (irrecoverable unless de minimis)



# Partial exemption – de minimis limits

- De minimis criteria:
  - (a) less than £625 per month on average; and
  - (b) less than 50% of total business input tax for the period.

Both have to be met for ‘exempt input tax’ to be recoverable.

- In the case of academies, total business input tax does not include VAT incurred on non-business activities





# Partial exemption – annual adjustment

- VAT reclaimed on purchases is provisional for partially exempt organisations;
- An annual adjustment is required to even out potential seasonal fluctuations;
- Partial exemption year ends 31 March, 30 April or 31 May depending on VAT periods;
- For monthly returns VAT year ends 31 March;
- Basically annual adj uses figures for the whole year – same calculation as for each month/quarter; and
- Resultant adj to be included on 1<sup>st</sup> return for new VAT year or if preferred last return of old VAT year.



# Catering (1)

- Optimum Position

School acts as principal for supplies to pupils/free school meals/duty teachers

Catering Co acts as principal for supplies to visitors and paying teachers

- As Good

School acts as principal for supplies to pupils/free school meals/duty teachers/visitors and paying teachers



# Catering (2)

- Not So Good

Catering Co acts as principal for supplies to pupils/free school meals/duty teachers/visitors and paying teachers

VAT cost to parent!!



# Supplies of Staff

- Standard Rated BUT
- Hire or loan of staff from one charity to another can be treated as non-business and outside the scope of VAT. This is subject to the following conditions:

*the employee has been engaged only in the non-business activities of the lending charity/organisation and is being seconded to assist in the non-business activities of the borrowing charity; and*

*the payment for the supply of the employee's services does not exceed the employee's normal remuneration ('Normal remuneration' means the total costs incurred in employing the member of staff including National Insurance and pension scheme contributions etc).*



# Supplies of Staff

- Could be VAT exempt education services;
- No VAT charged but how does VAT exempt income impact on VAT recovery position.



# Lettings

- Exempt subject to an option to tax;
- Rooms with catering – combined charge standard rated; and
- Sports lettings subject to VAT but there are exceptions and these mostly apply to Academy situations.



# Lettings – Basic position

- Exempt – if registered, no VAT chargeable.
- Related input VAT cannot be recovered because:
  - A. S 126 Business
  - B. Registered Input VAT relating to exempt not allowed (unless all such input VAT is “de minimis”)
- Remember : Input VAT on general overheads must be apportioned between school use and business use.
- Can “opt-to-tax” (must be registered for VAT)



# Lettings – Implications OTT

1. Any lettings from any school premises on same site subject to VAT.
2. Lasts for 20 years.
3. Can claim back all input VAT incurred.

## CAR PARKING

- If VAT Registered subject to VAT.
- Exception: charges to pupils to cover “cost”





# Buildings and Construction

Input VAT on construction costs can be claimed on the basis of:

- Used for school's education
- VAT charged on lettings.

Input VAT cannot be claimed in as far as used for exempt lettings (i.e. non-sports lettings, parking etc.)

If mixed use - apportionment required based on intention when bringing into use.

Intention will be demonstrated by minutes of Governors or sub-committee meetings.



# Capital Projects Sports Hall

- Greater scope for third party use
- Liability of supplies – 20% or Exempt
- Option to tax
- Revise booking conditions = taxable
- Last resort – opt to tax



# Lettings

Note 16 says

- 16) Paragraph (m) shall not apply where the grant of the facilities is for -
- (a) a continuous period of use exceeding 24 hours; or
  - (b) a series of 10 or more periods, whether or not exceeding 24 hours in total, where the following conditions are satisfied -
    - (i) each period is in respect of the same activity carried on at the same place;
    - (ii) the interval between each period is not less than one day and not more than 14 days;
    - (iii) consideration is payable by reference to the whole series and is evidenced by written agreement;
    - (iv) the grantee has exclusive use of the facilities; and
    - (v) the grantee is a school, a club, an association or an organisation representing affiliated clubs or constituent associations.



# Capital Projects Certification

- Relevant Residential Purpose
- Relevant Charitable Purpose
- RCP – 95% (Non Business) Test
- Change in Use Provisions
- Penalties



# Examples

***Non-VAT Registered School builds a sports block and intends to let out as much as possible outside of hours.***

- Input VAT claim should be apportioned according to intended business use.
- Available for letting proportion can be as high as 40% - Could be very costly.
- Input tax incurred subsequently should be restricted e.g. maintenance

***Non-VAT Registered School builds a sports block for 100% School use. A year later it is approached for an out-of-hours letting.***

- If certificate issued to contractor to obtain zero rate on build, any subsequent change of use would create a self-supply with VAT due to HMRC
- However, if VAT charged by contractor and recovered via VAT126 form, at present there is no mechanism for a pay-back of VAT if there is a change of use and Academy is not VAT-registered
- Input VAT incurred subsequently should be restricted e.g. maintenance

***VAT Registered School builds a sports block and intends to let out as much as possible outside of hours.***

- Input VAT should again be apportioned according to intended business use.
- Portion to be claimed includes income subject to VAT e.g. sports lettings (but not “series of lets”).
- Input VAT incurred subsequently should be restricted e.g. maintenance



# Examples (cont)

***VAT Registered School builds a sports block for 100% School use. A year later it is approached for an out-of-hours letting.***

- The Academy has to apply a VAT pay-back mechanism known as “the Capital Goods Scheme” applicable for works above £250K
- This runs for 10 years from when VAT claimed and each year one tenth of the VAT claimed has to be repaid insofar as it relates to exempt lettings.

***There are organisations offering to look after lettings for all use outside school hours.***

- This entails a lease to the entity and thus maximises the “available for letting” proportion. This can mean a 40% disallowance of VAT build costs if it is planned when the building comes into use or if decided after brought into use will mean a **Capital Goods Scheme (CGS)** annual payback(if VAT Registered).
- In this case it may be essential to opt to tax and recover all input VAT



# Sports facilities

## General findings

- Individuals and unincorporated clubs (where there is no membership scheme) – EXEMPT
- Series of lets to individuals and unincorporated clubs – EXEMPT
- Sports or physical education classes provided by the Academy – EXEMPT
- Otherwise – plus VAT and “taxable business income”



# Sports facilities

- **Building a new sports hall**  
Can we get zero-rated construction services?
- **Membership schemes**  
Special rules under the sports exemption – must take great care as if grant full membership rights (i.e. more than 3 months) this will take the Exemption away from individuals and will need to rely on “series of lets” test for VAT exemption.
- **Capital projects**  
Apportionment according to use of facilities.





# Teaching partnerships

- Legal entity – does one exist?
- Non-profit making company
- Think of costs coming into the entity – i.e. Staff
- Irrecoverable VAT on cost if TP makes VAT exempt supplies  
i.e. training and education



# Miscellaneous

- Leasing schemes for laptops etc.
- Arrangements with Universities for teacher training.
- Whether events such as 'Proms' give rise to VAT
- Sales of 'Hoodies'
- Supplies between Landlord (i.e. Local Authority) and Tenant (School) and vice versa



# Questions



# Academies Financial Update

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# Agenda

- Sector Overview
- ESFA Letters
- Academies Accounts Direction
- Academies Financial Handbook



# Sector Overview

	<u>2017</u>		<u>May 2018</u>		<u>May 2019</u>	
Primary	3,961	24%	4,721	29%	5,545	33%
Secondary	2,146	70%	2,210	73%	2,611	76%
Special	226		266		340	
Alternative Provision	<u>65</u>		<u>80</u>		<u>133</u>	
	<b>6,398</b>		<b>7,317</b>		<b>8,629</b>	
Free Schools	347					
Studio Schools	36					
UTCs	<u>51</u>					
	<b>6,832</b>					



# Sector Overview

Number of entities	01.06.2017	01.05.2018	01.05.2019
SATs	1,812	1,614	1,608
MATs	<u>932</u>	<u>1,067</u>	<u>1,183</u>
	2,744	2,681	2,791



# ESFA Letters

- September 2018 – ESFA to Academies
- March 2019 – ESFA to Academies
- April 2019 – Lord Agnew to External Auditors





# September 2018 – ESFA to Academies

- Related Party Transactions
- Controlling Executive Pay
- Scrutinising Budgets
- Acting on Audit Findings
- Late Filings – trusts to be named
- Providing Governance and Executive Details



# March 2019– ESFA to Academies

- Key Reporting Dates
  - Budget Forecast Return – 30 July 2019
- Related Party Transactions – a reminder



# April 2019 – Lord Agnew to External Auditors

- Management Letters – areas for improvement
- Auditors Report on Regularity – extended testing
- Financial Summaries, including management briefings



# Academies Accounts Direction

- Issued April 2019
- Includes Key Changes
- Part 8 - Musts



# Academies Accounts Direction

- Year end accounts to be sent to every member
- Technical guidance on the payment of dividends
- Increased Related Party Transaction disclosure given new reporting regime
- Irregular expenditure includes all alcohol and excessive gifts



# Academies Financial Handbook 2019

- Issued June 2019
- Includes Key Changes – mainly “more”
- Part 8 – Musts



# Management Accounts 2.18, 2.21 and 2.23

- Must prepare monthly management accounts
- Chair of Trustees each month
- Other Trustees six times a year
- I&E, budget variations, cash flows and balance sheet
- Select and monitor KPI's
- Act on concerns



# Executive Pay 2.30 and 2.31

- Follow robust evidence-based process
- Approach needs to be transparent, proportionate and justifiable
- 2.31 sets out conditions





# Gender Pay Gap 2.32

- 250 or more employees
- Publish on website and government's reporting website



# Risk Register 2.36

- Now mandatory
- Links to guidance



# More about Whistleblowing 2.41 and 2.46

- Must have procedures
- Ensure respond properly and fairly



# Internal Scrutiny 3.1 and 3.22

- Risk based approach
- Must have an audit committee if income over £50m
- Removes external auditors extended work programme



# ESFA Approval of Transactions 5.1

- Special Payments
- Writing off debts
- Acquisition and disposal of land
- Gifts
- Finance Lease
- Etc.



# Related Party Transactions 5.40 to 5.43

- New from 1 April 2019
- Report all transactions via online form
- Prior Approval
  - Contracts over £20,000
  - Cumulative Contracts over £20,000



# Questions?



# Creating financial resilience through budgeting and good financial management

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# Methodology of budgeting

## 5 minutes discussion with your neighbour.....

- Are you in a single academy or multi-academy?
- What is your starting point when preparing a budget?
- Who is involved?
- What do you aim to achieve?



# Methodology of Budgeting



## Single Academy Trust

1. Check income expected
2. Allocate costs to suit the needs of the school, as directed by the Governors, Headteacher, Senior Leadership / Management Teams
3. Ultimate goal – to manage local priorities within the funds available

# Methodology of Budgeting

## Multi Academy Trust

1. Check income expected
2. Check 'top slice' to MAT costs
3. Allocate costs to suit the needs of the MAT/school, as directed by the MAT board Senior Leadership / Management Teams
4. Ultimate goal – to manage local and MAT priorities within the funds available

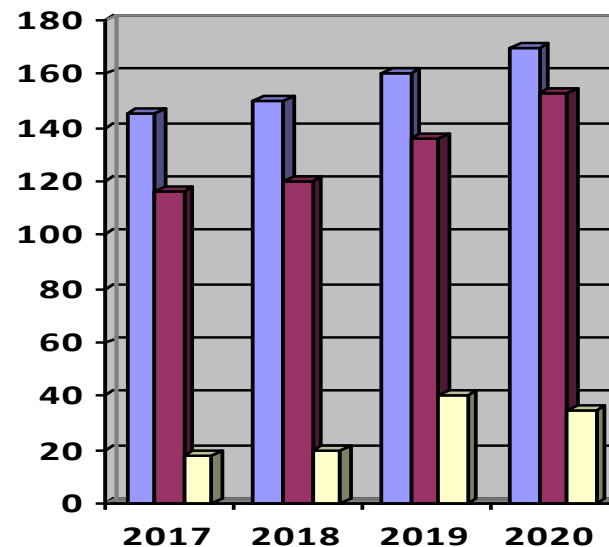


# Methods of budgeting

## Incremental budgeting

How?

Look at income and expenditure from last year and flex it up or down for known factors

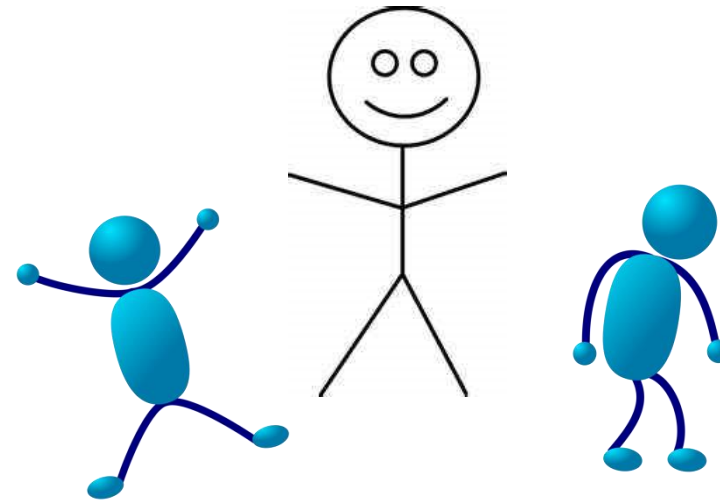


# Methods of budgeting

## Activity based budgeting

How?

Look at the activities required  
and assess the associated  
income and costs

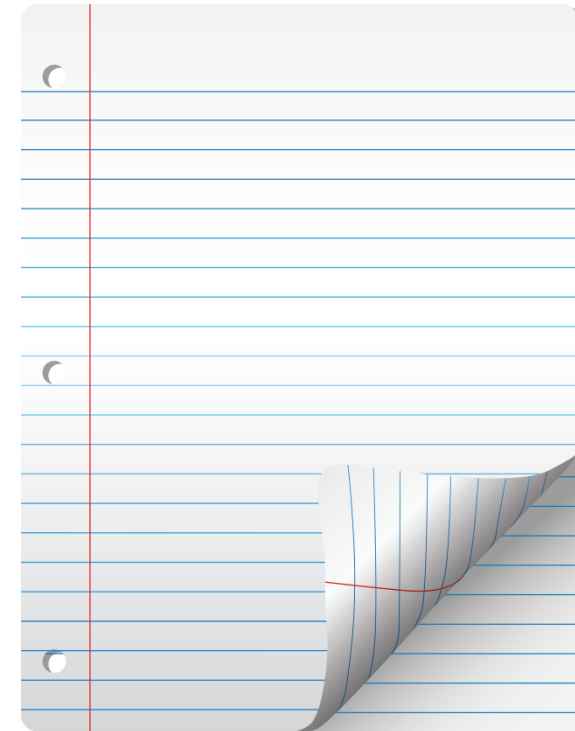


# Methods of budgeting

## Zero based budgeting

How?

Start with a blank sheet of paper and justify every item of income and expenditure



# Methods of budgeting

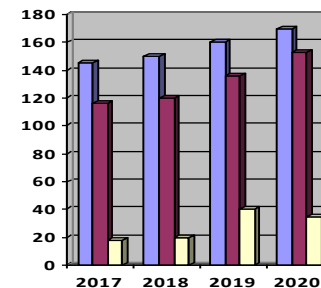
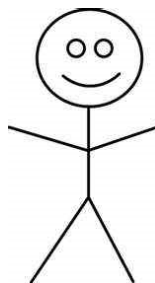
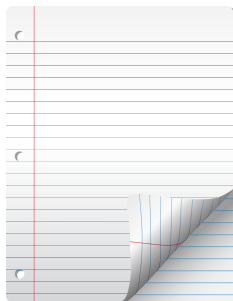
**Reality???**



A combination of everything and everyone!



Can one size fit all?



# Setting and applying reserve policies

## Academy Trust policy

What is the basic level of reserve for operating activities

What is a reasonable level of reserves?

## Review of actual reserves

When was the last review undertaken?

How close are the actual reserves to the desired level?

What action is needed (if any)?





# Setting and applying reserve policies

## Too much being held?

- Good fortune or Good financial planning?
- Are funds being used for the benefit of current pupils?
- Are funds being accumulated for investment in future projects

## Action needed?

- Look at the budget and see where funds could be applied to give the greatest benefit



# Setting and applying reserve policies

## Too little being held?

- How will the school activities be sustained in the long-term?
  - How will cashflow be managed?

## Action needed?

- Are any savings or available or can efficiencies be improved?
- Is there potential to generate income – grants, lettings, fundraising?



# Setting and applying reserve policies

## How often?



Before the start of the year – to set the budget

During the year – to monitor performance and take action if needed

At year end – to make appropriate disclosures in the accounts



# Risk and rewards of income generation



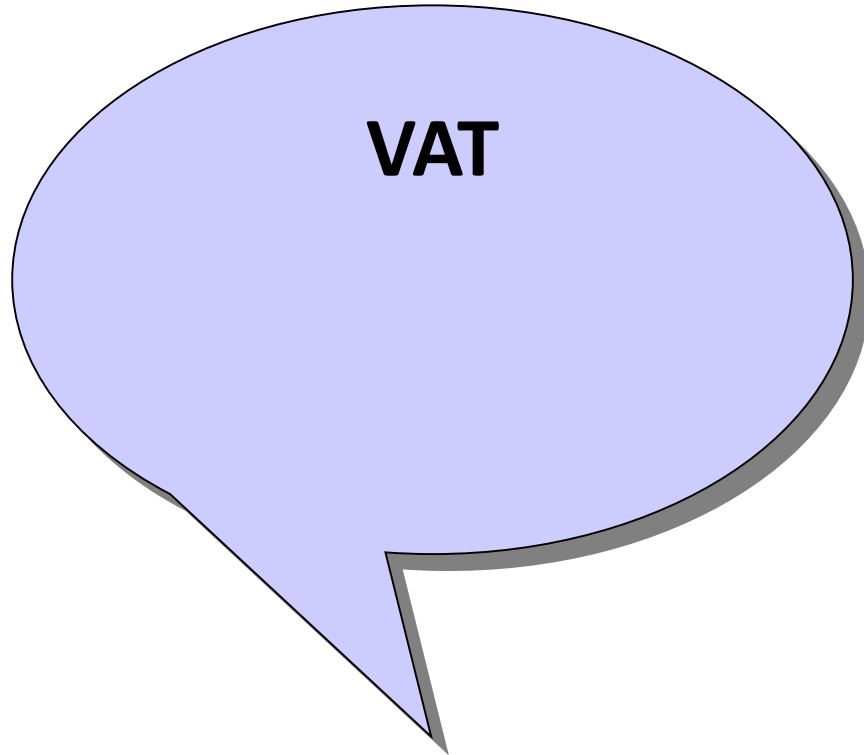
**CORPORATION  
TAX**

May be payable on profits generated, if the activity is deemed to be commercial trading.

Consider a subsidiary company to minimise or eliminate tax problems and maximise benefits for income generated

May be payable on costs outside the charitable objects of the organisation

# Risk and rewards of income generation



## Check the nature of the activity

- Exempt
- Standard Rated
- Outside the Scope

## Check the VAT threshold

- One School or One Trust?
- What are other schools doing to contribute to the VAT threshold?
- If VAT applies to a MAT, it applies to all schools in the Trust

# Risk and rewards of income generation



**Other risks**

## **Knowledge and Expertise?**

Is the activity within or outside skills and experience

## **Purpose?**

Does the activity support or conflict with the main purpose of school

## **Risks / liability?**

Are there costs of generating funds?

What happens if the activity is not successful?

# Risk and rewards of income generation



**Other rewards**

## **Knowledge and Expertise?**

Does the Academy or Trust have specific skills and experience which can be shared?

## **Purpose?**

Does the activity fall within charitable objectives and extend public benefit?

## **Non-financial rewards?**

Can students gain from being involved in running the activity experience?



# Cost management, benchmarking & scrutiny

## Policies and Procedures

- Have clear aims and objectives
- Have robust financial procedures
  - Check effective implement of procedures
- Maintain good communication (formal and informal)



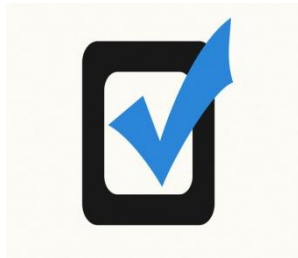


# Cost management, benchmarking & scrutiny

## Management Accounts



- Prepare management accounts on a monthly basis and show them to trustees



- Undertake a review – compare to budgets, expectations, other schools within the MAT, other similar schools on ESFA benchmarking tool

# Cost management, benchmarking & scrutiny

## Management Accounts - Monitoring the budget (AFH)

- 2.18 The trust **must** prepare management accounts every month setting out its financial performance and position. Managers must take appropriate action to ensure ongoing viability.
- 2.19 Management accounts **must** be shared with the chair of trustees every month irrespective of the trust's size, and with the other trustees six times a year. The board must consider these when it meets.
- 2.20 The board **must** ensure appropriate action is being taken to maintain financial viability including addressing variances between the budget and actual income and expenditure.



# Cost management, benchmarking & scrutiny

## Management Accounts - Monitoring the budget (AFH)

- 2.21 The format of management accounts **must** include an income and expenditure account, variation to budget report, cash flows and balance sheet.
- 2.22 The trust **must** select key financial performance indicators and measure its performance against them regularly, including analysis in its annual trustees' report as explained in the Accounts Direction.
- 2.23 Where the board has concerns about financial performance, it should act quickly ensuring the trust has adequate financial skills in place.



# Cost management, benchmarking & scrutiny

## Purpose of internal scrutiny (AFH)

3.1 All academy trusts **must** have a programme of internal scrutiny to provide independent assurance to the board that its financial and other controls, and risk management procedures, are operating effectively.

3.2 Internal scrutiny **must** focus on:

- evaluating the suitability of, and level of compliance with, financial and other controls. This includes assessing whether procedures are designed effectively and efficiently, and checking transactions to confirm whether agreed procedures have been followed



# Cost management, benchmarking & scrutiny

## Purpose of internal scrutiny (AFH)

- offering advice and insight to the board on how to address weaknesses in financial and other controls, acting as a catalyst for improvement, but without diluting management's responsibility for day to day running of the trust
- ensuring all categories of risk are being adequately identified, reported and managed.

3.3 The trust **must** identify on a risk-basis (with reference to its risk register) the areas it will review each year, modifying its checks accordingly. For example, this may involve greater scrutiny where procedures or systems have changed.



# Cost management, benchmarking & scrutiny

## Internal Scrutiny, External Audit, Peer to Peer review, Sharing

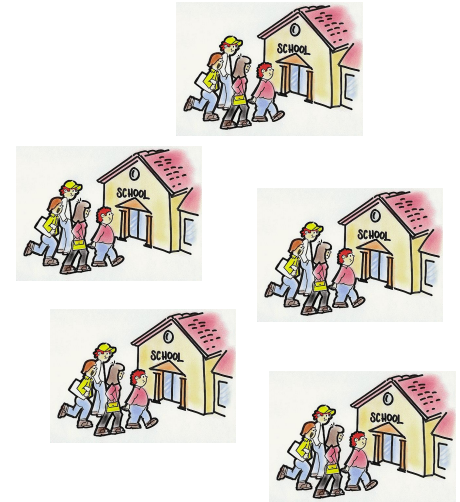


- Are comments fair?
- Are recommendations practical?
- Can improvements be made to the systems in operation?



# Conclusion

**Ultimate aim is for the best use of resources for staff and students**



# The Role of Due Diligence within a SAT and MAT Setting

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# Good Governance within Existing Trusts

The purpose of governance is to provide confident and strong strategic leadership which leads to robust accountability, oversight and assurance for educational and financial performance.



Governance is controlled by Governing Bodies within the Trust set up. There are 3 core functions which Governing Bodies work with:

- Ensuring clarity of vision, ethos and strategic direction;
- Holding executive leaders to account for the educational performance of the organisation and its pupils, and the effective and efficient performance management of staff; and
- Overseeing the financial performance of the organisation and making sure its money is well spent.



A successful governing body will need to have the following key features:

- **Strategic leadership** that sets and champions vision, ethos and strategy.
- **Accountability** that drives up educational standards and financial performance.
- **People** with the right skills, experience, qualities and capacity.
- **Structures** that reinforce clearly defined roles and responsibilities.
- **Compliance** with statutory and contractual requirements.
- **Evaluation** to monitor and improve the quality and impact of governance.



# Benefits and Risks of MATs

Potential Benefits of MATs include:

- Additional support
- Power to negotiate and economies of scale
- Potential opportunities for staff
- Sharing of grant generation expertise
- Sharing of high level leadership costs
- Sharing of specialist resources



Potential Risks of MATs include:

- Geographical issues
- Disruption to existing MAT structure
- Loss of control at academy level
- Reputational risk
- Competition vs Collaboration
- Variances in systems and reluctance to change by staff
- Short term restructuring costs in order to achieve long term savings



## Big Decision

The decision to join a MAT is not one that should be taken lightly; making the wrong decision about which MAT to join, or which schools to accept in to your trust, could result in negative repercussions for your schools.

The guidance, shared resources and collaborative expertise offered by MATs means that for many academies, joining one is a natural next step, but it is not necessarily the right fit for all academies.



# Questions to ask when joining a MAT

- Do we share similar values?
- Who are the existing schools in the MAT?
- Who decides what schools can join the trust and how is this decided?
- What is the MAT's vision?
- What % of the annual budget ("top slice") will be taken by the MAT and what services does this cover?
- What will be the envisaged powers of the local governing body? Is there a scheme of delegation?



# Questions to ask accepting a new school in to a MAT

- Do we share similar values?
- Can the MAT support the new school adequately?
- What is the school's vision and aims?
- What are the pupil number projections?
- What are the historical financial results of the school?
- What are the projected budgets for the school?
- Where can costs be saved?
- Are there beneficial resources at the new school?





# Procedures for Changing Structure

- Obtaining consent from the Secretary of State for Education via ESFA or Regional Schools Commissioner
- Joining academy enters into a deed of termination which will end the current funding agreement
- The MAT will enter into a supplementary funding agreement on behalf of the joining academy



- All employed staff will be transferred from the joining academy to the MAT in line with TUPE arrangements
- All assets and contracts undertaken by the joining academy will transferred to the MAT under a commercial transfer agreement
- Use of the joining academy's school and buildings must be granted to the MAT either by transferring the freehold or leasehold.



# Common Questions When Changing Structure

## Do we need to consult on our proposals?

There is no requirement for the MAT or joining academy to consult with stakeholders. **HOWEVER**, it is considered good practice to hold consultations with parents, staff and other key stakeholders.



# Common Questions when Changing Structure

## **Will trustees' roles change when joining a MAT?**

As a SAT the trust has two tiers of governance; Members and Trustees/Governors/Directors.

As a MAT there is an extra level added to make three tiers of governance; Members, MAT Board of Trustees/Governors/Directors and Local Governing Bodies.

Trustees of a joining academy will remain as the Local Governing Body, however discussion will be needed to assess whether a member of the joining academy's Local Governing Body should be included on the MAT Board of Trustees.



# Common Questions when Changing Structure

**Do you have to document the Due Diligence work carried out?**

Whilst there are no strict rules, my response would be.....  
why wouldn't you?

Whether an existing MAT, or a SAT joining a MAT, your responsibilities are the same in terms of ensuring that all decisions are made with your trusts best interests at heart. Therefore ensuring that there is historical records of this is important, and could become crucial in future if things do not work out.



# Annual Academies Update

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The Barns Hotel, Bedford

9 July 2019

