

Further Questions and Answers from Academisation Consultation

Within the scheme of delegation, what would happen if the Broomfield local governing body did not agree with a course of action recommended by the Trust? A case in the press (Greengate Lane Academy) highlights this point and when things were not as the primary school expected and they looked at leaving the trust, their local governing body was dissolved by the MAT.

If the LGB did not agree with the Trusts executive management team they would initially raise the issue with either the relevant Trustee scrutiny committee or the full Trustee board who would make a judgement on the issue and direct the executive management team.

In the scenario where the LGB believed it was in the best interests of the school to leave the Trust they would have to request this from the DFE Regional Schools Commissioner, who would, if they deemed it necessary, facilitate a re-brokerage of the school to another Academy Trust.

There has been the recent scandal of Wakefield Cities Academies Trust which just before its failure is accused of transferring schools' reserves into its central accounts. What protection exists if a similar situation were to occur with Ebor in the future?

All Trusts are a single legal entity with a single balance sheet and bank account. As such all the school's assets & liabilities are combined into the Trust upon conversion to an Academy. Any cash reserves upon conversion will generate a surplus budget which will be allocated to the school.

If the school left the Trust any surplus on the school's budget would have to be funded from the Trusts cash reserves. The reserve levels of the Trust are monitored by the Trustees and the Regional Schools Commissioners and audited annually by the independent auditor.

In the latest published accounts for the Ebor Academy Trust (for the year ended 31 August 2016), their pension fund deficit has increased from £717k to £3072k, an increase of 328%, which seems very high.

The Local Government Pension deficit increased due to the additional schools which were taken on by Ebor during the year. It is revalued by an independent actuary every year, and can have significant variations based on the assumptions used. The Trust are liable for the pension deficit, however this is backed by the DFE so that in the event that the Trust cannot pay the deficit the DFE will guarantee that all liabilities will be covered by central government.

<https://www.gov.uk/government/publications/academies-and-local-government-pension-scheme-liabilities>

In their accounts, the trust recognises that reserves held for the year ended 31 August 2016 are inadequate to meet 2 months payroll (circa £700k). Have the appropriate financial checks been carried out on the Trust's most recent accounts?

The Trusts accounts are independently audited by Mazars LLP and signed off by the Trustees. The accounts are also agreed by the Members of the Trust and are reported to the DFE for their scrutiny. The 2016/17 audited accounts are publicly available documents and will be published at Companies House and on the Trusts website in January 2018. The Trust is aiming to maintain reserves of between 3% and 5% of its income.