



What to expect in the new Academic Year?

5 October 2022

ESFA Academy Trust Handbook 2022

- Effective from 1 September 2022
- Released just 2 weeks before that date!
- Minimal changes....luckily!

ESFA Academy Trust Handbook 2022

- Financial requirements
 - Removal of requirement for BFRO to be submitted annually in May
- Related parties
 - Transactions where a “religious designation” not just “diocese” now deemed at cost
- Delegated authorities
 - Only “special” severance payments > £100k and/or Eee earns > £150k require ESFA approval

ESFA Academy Trust Handbook 2022

- Delegated authorities
 - Now no ESFA approval required for indemnities where in “normal course of business”
 - Indemnity is where one party compensates a loss to the other due to their actions
 - “Normal” indemnity examples:
 - Catering contract
 - Energy contract
 - Data sharing agreement
 - Contract register of known indemnity clauses – an expectation
 - But Trustees should oversee this and challenge appropriate assessments etc made

Governance and Financial Strength

- White paper refers to “strong trusts”
- Who will define “strong”?
- Do the Regional Directors (RSC) have capacity to assess each Trust?
- Governance and Financial Strength highlighted as key to “strong”
- But little in way of definition

Governance and Financial Strength

- Governance
 - External review undertaken?
 - Strong clerking
 - Quality of trustees and involvement?
 - Recruitment for both a struggle?
 - Judged on volume of resignations etc?
 - Succession planning – in place?

Governance and Financial Strength

- Finance
 - RSC capable?
 - Solvent?
 - Audit (external and internal) reports and findings?
 - Deficits over years?
 - Accurate budgeting?
 - Ratios? Costs per pupil etc

Value for money

- Pressures everywhere
 - Time!
 - Cost of living
 - Suppliers providing quotes (and timely!)
- Forgetting the concept of VfM
 - Doing the moral thing vs VfM
 - Pressure to deliver educational standards
 - Keep staff happy
 - Setting precedents for later



Climate change

- A few years away..... or is it?
- Costs are driving change
- Not just energy bills
- Price of paper has increased...plus many other supplies
- What is your plan?
- Financing the above a headache
- Pressure on ESFA to give more “freedom”
- FE sector can “borrow” – why not us?

