



Department  
for Education

# **Special academy and free school: supplemental funding agreement**

**December 2020 v3**

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## **SUMMARY**

### **Information about the Academy:**

<b>Name of Academy Trust</b>	Liberty Academy Trust Ltd.
<b>Company number</b>	07954396
<b>Date of Master Funding Agreement</b>	
<b>Name of academy</b>	Thames Valley School
<b>Opening date</b>	The Academy opened on 2 September 2013
<b>Type of academy (indicate whether academy or free school)</b>	Special Academy
<b>Name of predecessor school (where applicable)</b>	N/A
<b>Planned number of places</b> (if the academy has a nursery provision please provide a breakdown of nursery and statutory school age places)	54

<b>Name of Academy Trust</b>	Liberty Academy Trust Ltd.
<b>Age range</b> (including nursery provision where the nursery is part of the school)	4 to 16
<b>Number of sixth form places</b>	N/A
<b>Number of residential places</b>	N/A
<b>Land arrangements</b> <b>(Version 1-8 or other)</b>	Version 6 (as amended as no Lease)
<b>Address and title number of Land</b> <b>(and Temporary Site)</b>	2 Conwy Close, Tilehurst, Reading, Berkshire, RG30 4BZ  Freehold title number: BK456700

**Please confirm which clause variations have been applied or marked as ‘Not used’**

<b>Clause No.</b>	<b>Descriptor</b>	<b>Applied</b>	<b>Not used</b>
1.J	Only applies to free schools and new provision academies	X	
2.D	Only applies to free schools admitting pupils without an education, health and care (EHC) plan		X
2.G	Only applies where there was a predecessor independent school or non-maintained special school		X
2.G.1	Only applies to Free schools with nursery provision		X
2.S to 2.EE	Only applies to free schools or new provision academies that admit pupils without an EHC plan		X
2.FF	Does not apply to free schools (unless there was a predecessor independent school or non-maintained special school), or new provision academies		X
2.GG	Only applies to free schools or new provision academies that admit pupils without an EHC plan		X
3.B – 3.G	Only applies to free schools or new provision academies that admit pupils without an EHC plan		X
3.H	Clause does not apply to academy converters or new provision academies		X
3.I.1	Only applies to Free schools with nursery provision		X
3.J	Only applies to full sponsored and intermediate sponsored academies with approved Academy Action Plans		X

Clause No.	Descriptor	Applied	Not used
3.K	Does not apply to free schools (unless there was a predecessor independent school or non-maintained special school), or new provision academies		X
5.G.1	Clause applies only to boarding academies/boarding free schools		X
5.I	Clause only applies to sponsored academies		X
5.K	Clause applies to free schools and may be applied to new provision academies		X
5.L	Clause applies to free schools and may be applied to new provision academies	X	
5.M	Clause applies to free schools and may be applied to new provision academies	X	
5.N	Clause applies to free schools and may be applied to new provision academies		X
5.O	Clause applies to free schools and may be applied to new provision academies		X
5.P	Clause applies to free schools and may be applied to new provision academies		X

**Please identify any other variations from the model that apply to this academy (e.g. clauses relating to PFI):**

**Additional clauses will be supplied by your project lead if needed.**

Descriptor	Clause No.	Applied	Not used

# 1. ESTABLISHING THE ACADEMY

1.A This Agreement made between the Secretary of State for Education and Liberty Academy Trust Ltd. is supplemental to the master funding agreement made between the same parties and dated \_\_\_\_\_ (the “**Master Agreement**”).

## Definitions and interpretation

1.B Except as expressly provided in this Agreement words and expressions defined in the Master Agreement will have those same meanings in this Agreement.

1.C The following capitalised words and expressions will have the following meanings:

“The **Academy**” means the Thames Valley School Special Academy which is specially organised to make special educational provision for pupils with SEN.

“**Coasting**” has the meaning given by regulations under subsection (3) of section 60B of the Education and Inspections Act 2006 in relation to a school to which that section applies.

“**EHC plan**” means an education, health and care plan made under section 37(2) of the Children and Families Act 2014.

“**Pupils with an EHC plan**” means those pupils, with an EHC plan, admitted under clauses 2.C and 2.H to 2.R.

“**SEN**” means special educational needs and the expressions “**special educational needs**” and “**special educational provision**” have the meaning set out in sections 20(1) and 21(2) of the Children and Families Act 2014.

“**Termination Notice**” means a notice sent by the Secretary of State to the Academy Trust, terminating this Agreement on the date specified in the notice.

“**Termination Warning Notice**” means a notice sent by the Secretary of State to the Academy Trust, stating his intention to terminate this Agreement.

- 1.D The Interpretation Act 1978 applies to this Agreement as it applies to an Act of Parliament.
- 1.E Reference in this Agreement to clauses and annexes will, unless otherwise stated, be to clauses and annexes to this Agreement.

### **The Academy**

- 1.F The Academy is a Special Academy as defined in clause 1.4 of the Master Agreement.
- 1.G The Academy Trust will establish and maintain the Academy in accordance with the Master Agreement and this Agreement.
- 1.H The Academy Trust must ensure special educational provision is made at the Academy for one or more categories of SEN. These categories may include, but are not limited to ASD and BESD.
- 1.I The Academy Trust may not refuse to admit a child whose EHC plan names the Academy on the sole basis that some, or all, of the child's SEN do not feature in the categories referred to in clause 1.H of this agreement.
- 1.J The Academy Trust must ensure that so far as is reasonably practicable and consistent with this Agreement and the Equality Act 2010, the policies and practices adopted by the Academy (in particular regarding curriculum, uniform and school food) enable pupils of all faiths and none to play a full part in the life of the Academy, and do not disadvantage pupils or Parents of any faith or none. For the avoidance of doubt, this requirement applies irrespective of the proportion of pupils of any faiths or none currently attending or predicted to join the school.

### **Academy opening date**

- 1.K The Academy opened on 2 September 2012.

## **2. RUNNING OF THE ACADEMY**

### **Length of school day and year**



2.A.1 Further to clause 2.1 of the Master Agreement, the Academy Trust is responsible for setting the dates when the school terms and holidays are to begin and end, and the times of school sessions.

### **Teachers and staff**

2.A Subject to clause 2.A.1b and 2.B of this Agreement the Academy Trust must not employ anyone under a contract of employment or for services to plan and prepare lessons and courses for pupils, teach pupils, and assess and report on pupils' development, progress and attainment ("specified work"), who is not either:

- a) a qualified teacher within the meaning of regulations made under section 132 of the Education Act 2002; or
- b) otherwise eligible to do specified work under the Education (Specified Work)(England) Regulations 2012 (SI 2012/762), which for the purpose of this clause must be construed as if the Academy were a maintained school.

2.A.1b The Academy Trust must designate a staff member at the Academy as responsible for promoting the educational achievement of registered pupils at the Academy who are being looked after by a LA, or are no longer looked after by a LA because of an adoption, special guardianship or child arrangements order, or because they have been adopted from 'state care' outside England and Wales, and in doing so must comply with the law, regulations and guidance that apply to maintained schools. The Academy Trust must ensure the designated person undertakes appropriate training and has regard to any guidance issued by the Secretary of State.

2.B Clause 2.A will not apply to anyone who:

- a) transferred to the employment of the Academy Trust by virtue of the Transfer of Undertakings (Protection of Employment) Regulations 2006;

- b) immediately prior to the transfer, was employed to do specified work;  
and
- c) immediately before transferring, was not:
  - i. a qualified teacher within the meaning of regulations made under section 132 of the Education Act 2002 and fully registered with the appropriate body, or
  - ii. eligible to do specified work under the Education (Specified Work)(England) Regulations 2012 (SE 2012/762)

("transferred staff member"). The Academy Trust must ensure that any transferred staff member that carries out specified work and does not meet the requirements of clause 2.A(a) or 2.A(b), meets those requirements as soon as possible.

## **Places and Pupils**

- 2.C The planned number of places at the Academy for pupils with a EHC plan is 54 places in the age range 4 to 16. For the avoidance of doubt, where the specified age range would be a child's normal age group, the Academy is not prevented from considering applications made by the child's Parents under the relevant paragraph of the Schools Admissions Code ('Admission of children outside their normal age group'), to request that the child be admitted outside of their normal age group.
- 2.D Not used
- 2.E The Academy Trust must ensure that the Academy meets the needs of individual pupils.
- 2.F The Academy Trust must seek approval from the Secretary of State where they consider there is a need to increase the planned number of places stated in clause 2.C. The requirements of this Agreement may then be amended by agreement between the Secretary of State and the Academy Trust.

## **Charging**

2.G Not used

2.G.1 Not used

## **Admissions**

2.H The Children and Families Act 2014 imposes duties directly on Academies in respect of pupils with SEN, including the admission of pupils with EHC plans. If an Academy Trust considers that a LA should not have named the Academy in an EHC plan, it may ask the Secretary of State to determine whether the LA has acted unreasonably, and to make an order directing the LA to reconsider. The Academy Trust must admit the pupil if such a determination is pending. The Secretary of State's determination will be final, subject to any right of appeal which a pupil (if over compulsory school age) or parent of the child may have to the First-tier Tribunal (Special Educational Needs and Disability) or the Upper Tribunal Administrative Appeals Chamber.

2.I Except where clauses 2.D and 2.T apply and any relevant provisions of the Children and Families Act 2014 apply, the Academy Trust may not admit a child to the school unless an EHC plan naming the Academy, is maintained for that child.

2.J Not used

2.K Not used

2.L Not used

2.M Not used

2.N Not used

2.O Not used

2.P Not used

2.Q Not used

2.R Not used

2.S Not used

2.T Not used

2.U Not used

2.V Not used

2.W Not used

2.X Not used

2.Y Not used

2.Z Not used

2.AA Not used

2.BB Not used

2.CC Not used

2.DD Not used

2.EE Not used

2.FF Not used

### **Exclusions**

2.GG Not used

### **Curriculum**

2.HH Subject to clauses 2.II and 2.JJ the Academy Trust, must provide for the teaching of religious education and for a daily act of collective worship at the Academy.

2.II Subject to clause 2.JJ provision must be made for religious education to be given to all pupils at the Academy in accordance with the requirements for

agreed syllabuses in section 375(3) of the Education Act 1996 and paragraph 2(5) of Schedule 19 to the School Standards and Framework Act 1998, the Academy must comply with the requirements of regulation 5A of the Education (Special Educational Needs)(England)(Consolidation) Regulations 2001 as if it were a maintained school.

- 2.JJ The Academy Trust must comply with requirements of regulation 5A of the Education (Special Educational Needs)(England)(Consolidation) Regulations 2001 as if it were a maintained school. The Academy Trust must comply with regulation 5A of the Education (Special Educational Needs) (England) (Consolidation) Regulations 2001 as if the Academy were a community or foundation special school, and as if references to “Religious Education” and to “Religious Worship” in that regulation were references to religious education and religious worship provided by the Academy in accordance with clause 2.II.
- 2.KK The Academy Trust agrees that, where the Academy is listed in the register of Independent Schools as having a religious ethos, paragraph 5(b) of Schedule 11 to the Equality Act 2010 shall not apply to the Academy.
- 2.LL The Academy Trust must comply with paragraph 2A of the Schedule to The Education (Independent School Standards) Regulations 2014 in relation to the provision of Relationships Education, Relationships and Sex Education and Health Education.
- 2.MM The Academy Trust must prevent political indoctrination, and secure the balanced treatment of political issues, in line with the requirements for maintained schools set out in the Education Act 1996, and have regard to any Guidance.

### **3. GRANT FUNDING**

#### **Calculation of GAG**

- 3.A The Secretary of State will determine GAG for the Academy for each Academy Financial Year, taking into account relevant factors.

3.B Not used

3.C Not used

3.D Not used

3.E Not used

3.F Not used

3.G Not used

3.H Not used

3.I The Secretary of State recognises that if he serves a Termination Notice or a Termination Warning Notice, or otherwise terminates the Master Agreement, the intake of new pupils during the notice period may decline and therefore payments based on the number of places related to the number of pupils attending the Academy may be insufficient to meet the Academy's needs. In these circumstances the Secretary of State may pay a larger GAG in the notice period, to enable the Academy to operate effectively.

3.I.1. Not used

### **Other relevant funding**

3.J Not used

3.K Not used

### **Carrying forward of funds**

3.L Any additional grant made in accordance with clause 3.I, for a period after the Secretary of State has served a Termination Notice or a Termination Warning Notice under this Agreement, or otherwise terminates the Master Agreement, may be carried forward without limitation or deduction until the circumstances set out in clause 3.I cease to apply or the Academy closes.

## 4. LAND

“**Debt**” means an amount equal to 100% of the Land Value;

“**Discharge Process**” means the removal of:

- i. the Legal Charge registered with Companies House against the Academy Trust;
- ii. the Legal Charge from the charges register at the Land Registry against the title for the Permanent Land;
- iii. the restriction in the proprietorship register referred to in clause 4.C(a);  
and
- iv. the notice in the proprietorship register referred to in clause 4.M(a).

“**Permanent Land**” means the freehold land at Thames Valley School, 2 Conwy Close, Tilehurst, Reading, Berkshire, RG30 4BZ, being the land registered with title number BK456700 .

“**Land Value**” means, at any time:

- i. where the Permanent Land has been disposed of as a result of the enforcement of the Legal Charge by the Secretary of State, the proceeds of that disposal after payment of the seller’s necessary and reasonable costs in connection with the disposal; or
- ii. in any other case, the Market Value.

“**Legal Charge**” means the legal charge over the Permanent Land to be entered into by the Academy Trust in favour of the Secretary of State, in a form and substance satisfactory to the Secretary of State.

“**Market Value**” means the market value (as defined in the current edition of the RICS Valuation Standards) of the relevant part of the Permanent Land as determined by a professionally qualified independent valuer.

“**Property Notice**” means any order, notice, proposal, demand or other requirement issued by any competent authority which materially affects the Academy Trust’s ability to use the Permanent Land for the purposes of the Academy or any correspondence that affects the extent of the Permanent Land.

### **Debt**

4.A The Academy Trust must pay the Debt to the Secretary of State on termination of this Agreement or in accordance with clauses 4.O(b) or 4.V(b)(i) or on a sale of all or part of the Permanent Land with or without the Secretary of State's consent.

4.B The Debt is secured by the Legal Charge.

#### **Restrictions on Permanent Land transfer**

4.C The Academy Trust must:

a) apply to the Land Registry using form RX1 for the following restrictions (each a "**Restriction**") to be entered in the proprietorship register for the Permanent Land by the following deadlines:

i. within 28 days after acquiring the Permanent Land:

*"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the Secretary of State for Education of Sanctuary Buildings, Great Smith Street, London SW1P 3BT"; and*

ii. within 28 days after entering into the Legal Charge: *"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated 11 December 2013 in favour of The Secretary of State for Education referred to in the charges register or by its conveyancer";*

b) take any further steps required to ensure that each Restriction is entered on the proprietorship register of the Academy Trust's title;

c) promptly confirm to the Secretary of State when each Restriction has been registered;



- d) if it has not registered each Restriction, allow the Secretary of State to do so in its place; and
- e) not, without the Secretary of State's consent, apply to disapply, modify, cancel or remove a Restriction, whether by itself, a holding company, a subsidiary company, or a receiver, administrator or liquidator acting in the name of the Academy Trust.

### **Obligations of the Academy Trust**

- 4.D The Academy Trust must keep the Permanent Land clean and tidy and make good any damage or deterioration to the Permanent Land. The Academy Trust must not do anything to lessen the value or marketability of the Permanent Land without the Secretary of State's consent.
- 4.E The Academy Trust must not, without the Secretary of State's consent:
  - a) grant any consent or licence; or
  - b) create or allow any encumbrance; or
  - c) part with or share possession or occupation; or
  - d) enter into any onerous or restrictive obligations,in respect of all or part of the Permanent Land Provided that the Academy Trust may grant a licence or share occupation of part of the Permanent Land with a proprietor or proposed proprietor of an academy or a body or individual providing services or facilities which are within the uses permitted and where no relationship of landlord and tenant arises as a result of such occupation.
- 4.F The Academy Trust must obtain the Secretary of State's consent before taking any action, including the service of any notice or waiver of any condition, under any contract relating to the acquisition of the Permanent Land.
- 4.G If any part of the property situated on the Permanent Land is damaged or destroyed by an insured risk and the Academy Trust receives the proceeds of insurance but it cannot apply those proceeds to rebuild or reinstate the

property because it is impossible or impractical to do so, then the Academy Trust shall pay the insurance proceeds to the Secretary of State in full.

### **Property notices**

4.H If the Academy Trust receives a Property Notice, it must:

- a) send a copy of it to the Secretary of State within 14 days, stating how the Academy Trust intends to respond to it;
- b) promptly give the Secretary of State all the information he asks for about it;
- c) allow the Secretary of State to take all necessary action, with or instead of the Academy Trust, to comply with it, and
- d) use its best endeavours to help the Secretary of State in connection with it.

### **Option**

4.I The Academy Trust grants and the Secretary of State accepts an option (the “**Option**”) to acquire the Permanent Land at nil consideration. The Secretary of State may exercise the Option in writing:

- a) if this Funding Agreement is terminated for any reason;
- b) at any time on or after the issue of a Termination Notice; or
- c) if any of the conditions (a) to (c) in clause 4.P applies; or
- d) if the Academy Trust cannot use all or part of the Permanent Land as the permanent site of the Academy under clause 4.O.

4.L.1 If the Option is exercised, completion will take place–

- a) 28 days after the exercise date where a Termination Notice has not been issued; or,
- b) where a Termination Notice has been issued, the date specified in the Termination Notice as to when this Agreement shall terminate;

and in either case in accordance with the Law Society's Standard Conditions of Sale for Commercial Property in force at that date.

### **Option notice**

4.J The Academy Trust:

- a) must, within 14 days after acquiring the Permanent Land or, if later, after signing this Agreement, apply to the Land Registry on Form AN1 (including a copy of this Agreement) for a notice of the Option (the "**Option Notice**") to be entered in the register, taking any further steps required to have the Option Notice registered and promptly confirming to the Secretary of State when this has been done;
- b) if it has not registered the Option Notice, agrees that the Secretary of State may apply to register it using Form UN1;
- c) must not, without the Secretary of State's consent, apply to disapply, modify or remove the Option Notice, whether by itself, a holding company, a subsidiary company, or a receiver, administrator or liquidator acting in the name of the Academy Trust, and
- d) must, in the case of previously unregistered land, within 14 days after acquiring the Permanent Land or, if later, after signing this Agreement, apply to register a Class C(iv) land charge in the Land Charges Registry, and send the Secretary of State a copy of the relevant entry within 7 days after registration has been completed. If the Secretary of State considers that the Academy Trust has not complied with this clause, he may apply to secure the registration.

### **Legal Charge**

4.K The Academy Trust must

- a) enter into the Legal Charge:
  - i. on completion of the acquisition of the Permanent Land, if at that time the Academy Trust is an exempt charity for the purposes of the Charities Act 2011, or

- ii. within two weeks after the Academy opens, if the Academy Trust is not an exempt charity for the purposes of the Charities Act 2011 when it acquires the Permanent Land;
- b) within 21 days from the date of the Legal Charge, register it with Companies House or, if required by the Secretary of State, use all reasonable endeavours to assist the Secretary of State in doing so, including signing and executing any necessary documents;
- c) within 28 days from the date of the Legal Charge, apply to the Land Registry for the Legal Charge to be entered on the charges register, taking any other steps required to have the Legal Charge registered and promptly confirming to the Secretary of State when this has been done; and
- d) if it has not registered the Legal Charge, allow the Secretary of State to register it, and use all reasonable endeavours to help register the Legal Charge, including signing and executing any necessary documents and dealing with requisitions from the Land Registry.

### **Permanent Land not used for the purposes of the academy**

4.L If the Academy Trust cannot use all or part of the Permanent Land as the permanent site of the Academy but the Secretary of State agrees not to terminate this Agreement on that basis, the Secretary of State may notify the Academy Trust that:

- a) he intends to exercise the Option to transfer the Permanent Land for nil consideration to himself or his nominee;
- b) the Academy Trust must pay the Debt or the Market Value; and/or
- c) the Academy Trust must sell the Permanent Land keeping some or all of the sale proceeds to fulfil its charitable purposes by funding the purchase of an alternative permanent site for the Academy, and accounting to the Secretary of State for any proceeds not so used.

### **Sharing the Permanent Land**

- 4.M If:
- a) the Academy Trust or the Secretary of State serves notice to terminate this Agreement under clause 5.A; or
  - b) the Secretary of State considers that not all the Permanent Land is needed for the operation of the Academy at planned capacity,

then:

- i. the Academy Trust must share occupation of the Permanent Land with such other academy trust as the Secretary of State considers appropriate and enter into any legal arrangements which the Secretary of State requires for this purpose provided that the Secretary of State shall meet the necessary and reasonable legal costs incurred by the Academy Trust in connection with entering into any such arrangements under this clause; or
- ii. the Academy Trust must sell the Permanent Land as required by the Secretary of State and account for the sale proceeds to the Secretary of State in payment of the Debt, after which the Secretary of State will carry out the Discharge Process over the Permanent Land.

### **Exercise of Rights**

4.N On termination of this Agreement, the Secretary of State may give notice that he intends to exercise his rights under clauses 4.L, 5.EE or 5.FF or under the Legal Charge. Any such notice must state which clause of this Agreement the Secretary of State intends to exercise, and is without prejudice to his right to exercise any other rights available to him.

4.O If the Secretary of State exercises the Option on termination of this Agreement, then:

- a) the Academy Trust will be deemed to have paid the Debt to the Secretary of State;
- b) the Academy Trust will be deemed to have paid to the Secretary of

State a proportion of the proceeds from the sale of the Permanent Land under clause 5.EE b); and

c) the Secretary of State will carry out the Discharge Process;

4.P If the Secretary of State enforces the Legal Charge on the termination of this Agreement, then:

a) the Academy Trust will be deemed to have paid the Debt to the Secretary of State after the Debt has been realised by a receiver;

b) the Academy Trust will be deemed to have paid to the Secretary of State a proportion of the proceeds from the sale of the Permanent Land as required under clause 4.29 of the Master Agreement; and

c) the Secretary of State will carry out the Discharge Process.

4.Q If, on termination of this Agreement, the Secretary of State exercises his rights under clause 5.EE, then:

a) the Academy Trust will be deemed to have paid the Debt to the Secretary of State; and

b) the Secretary of State will carry out the Discharge Process.

4.R If, on termination of this Agreement, the Secretary of State agrees under clause 5.FF that the Academy Trust may invest the proceeds from the sale of the Permanent Land for its charitable objects, or directs the Academy Trust to pay all or part of the sale proceeds to the relevant LA, then:

a) the Academy Trust will be deemed to have paid the Debt to the Secretary of State; and

b) the Secretary of State will carry out the Discharge Process.

4.S If the Academy Trust applies to the Secretary of State for consent to sell all or part of the Permanent Land, and if the Secretary of State agrees that the Permanent Land is no longer needed or cannot be used for the purposes of the Academy, he may:

- a) exercise the Option; or
- b) consent to the sale subject to one or more of the following conditions:
  - i. that (notwithstanding clause 4.29 of the Master Agreement) the Academy Trust pays the Debt (or, if it proposes to sell only part of the Permanent Land, pays the Market Value of the part sold) to the Secretary of State;
  - ii. that pursuant to clause 4.29 of the Master Agreement, the Academy Trust keeps some or all of the sale proceeds for its charitable purposes, accounting to the Secretary of State for the remainder; or
  - iii. that pursuant to clause 4.30 of the Master Agreement, the Academy Trust pays all or some of the sale proceeds to the relevant LA and may reinvest all or some of the sale proceeds for its charitable purposes.

4.T If the Secretary of State consents to the sale of the Permanent Land, subject to any of the conditions in clause 4.V(b):

- a) if the Secretary of State enforces the Legal Charge, then:
  - i. the Academy Trust will be deemed to have paid the Debt to the Secretary of State after the Debt has been realised by a receiver;
  - ii. the Academy Trust will be deemed to have paid a proportion of the sale proceeds to the Secretary of State as required under clause 4.29 of the Master Agreement; and
  - iii. the Secretary of State will carry out the Discharge Process;
- b) if all of the Permanent Land is sold and the Secretary of State agrees that the Academy Trust may keep some or all of the sale proceeds for its charitable purposes, accounting to the Secretary of State for the remainder, then:
  - i. the Academy Trust will be deemed to have paid the Debt to the Secretary of State;

- ii. the Academy Trust will be deemed to have paid a proportion of the sale proceeds to the Secretary of State as required under clause 4.29 of the Master Agreement; and
    - iii. the Secretary of State will carry out the Discharge Process;
  - c) if part of the Permanent Land is sold, and the Secretary of State agrees that the Academy Trust may keep some or all of the sale proceeds for its charitable purposes, accounting to the Secretary of State for the remainder, then:
    - i. the Academy Trust will be deemed to have paid the Debt to the Secretary of State to the extent of the Market Value;
    - ii. the Academy Trust will be deemed to have paid a proportion of the sale proceeds to the Secretary of State, as required under clause 4.29 of the Master Agreement, in relation to the relevant part of the Permanent Land; and
    - iii. the Secretary of State will carry out the Discharge Process in relation to the part of the Permanent Land which has been sold;
- c) if the Secretary of State directs the Academy Trust to pay some or all of the proceeds from the sale of the Permanent Land to the relevant LA under clause 4.30 of the Master Agreement, or agrees that the Academy Trust may reinvest the sale proceeds for its charitable purposes, the Secretary of State will carry out the Discharge Process in relation to the part of the Permanent Land which has been sold.

4.U If the Secretary of State exercises the Option over all of the Permanent Land and the Academy Trust transfers all of the Permanent Land to the Secretary of State for nil consideration, then:

- a) the Academy Trust will be deemed to have paid the Debt to the Secretary of State;
- b) the Academy Trust will be deemed to have paid a proportion of the sale proceeds to the Secretary of State as required under clause 4.29 of the



Master Agreement; and

c) the Secretary of State will carry out the Discharge Process.

4.V Not used.

### **Payment of Debt**

4.W If the Academy Trust pays the Debt to the Secretary of State, the Secretary of State will carry out the Discharge Process.

4.X If the Academy Trust:

a) sells some or all of the Permanent Land in accordance with clause 4.V,  
or

b) pays the Debt to the Secretary of State,

it will negotiate in good faith with the Secretary of State to agree a deed of variation for this Agreement.

## **5. TERMINATION**

### **Termination by either party**

5.A Either party may give at least seven Academy Financial Years' notice to terminate this Agreement. Such termination would take effect on 31 August of the relevant year.

### **Termination Warning Notice**

5.B The Secretary of State may serve a Termination Warning Notice where he considers that:

a) the Academy Trust has breached the provisions of this Agreement or the Master Agreement; or

b) the standards of performance of pupils at the Academy are unacceptably low; or

c) there has been a serious breakdown in the way the Academy is managed or governed; or

- d) the safety of pupils or staff is threatened, including due to breakdown of discipline.
- e) the Academy is Coasting provided he has notified the Academy Trust that it is Coasting.

5.C A Termination Warning Notice served under clause 5.B will specify:

- a) the action the Academy Trust must take;
- b) the date by which the action must be completed; and
- c) the date by which the Academy Trust must make any representations, or confirm that it agrees to undertake the specified action.

5.D The Secretary of State will consider any representations from the Academy Trust which he receives by the date specified in the Termination Warning Notice. The Secretary of State may amend the Termination Warning Notice to specify further action which the Academy Trust must take, and the date by which it must be completed.

5.E If the Secretary of State considers that the Academy Trust has not responded to the Termination Warning Notice as specified under clause 5.C(c), or has not completed the action required in the Termination Warning Notice as specified under clauses 5.C(a) and (b) (and any further action specified under clause 5.D) he may serve a Termination Notice.

### **Termination by the Secretary of State after inspection**

5.F If the Chief Inspector gives notice to the Academy Trust that:

- a) special measures are required to be taken in relation to the Academy;  
or
- b) the Academy requires significant improvement

the Secretary of State may serve a Termination Warning Notice, specifying the date by which the Academy Trust must make any representations.

5.G In deciding whether to give notice of his intention to terminate under clause 5.F, the Secretary of State will have due regard to the overall performance of the Academy Trust.

5.G.1 Not used

5.H If the Secretary of State has served a Termination Warning Notice under clause 5.F and:

- a) has not received any representations from the Academy Trust by the date specified in the notice; or
- b) having considered the representations made by the Academy Trust remains satisfied that this Agreement should be terminated;

he may serve a Termination Notice.

5.I Not used

### **Termination by the Secretary of State**

5.J If the Secretary of State has determined that the Academy will be removed from the Register of Independent Schools and no appeal against that determination is pending, he may serve a Termination Notice.

5.K Not used

5.L If at any time after the Academy has opened, the Secretary of State considers that the Academy is not financially viable because of low pupil numbers, then he may:

- a) serve a Termination Warning Notice; or
- b) serve a Termination Notice.

5.M If both parties agree that the Academy is not financially viable because of low pupil numbers, they may jointly terminate this Agreement after agreeing the precise terms of termination.

5.N Not used

5.O Not used

5.P Not used

### **Funding and admission during notice period**

5.Q If the Secretary of State serves a Termination Notice under clause 5.A, the Academy Trust may continue during the notice period to admit pupils to the Academy, and to receive GAG and EAG, in accordance with this Agreement.

5.R If the Secretary of State serves a Termination Warning Notice or a Termination Notice otherwise than under clause 5.A, the Academy Trust may continue during the notice period to admit pupils to the Academy (unless the Secretary of State specifies otherwise), and to receive GAG and EAG, in accordance with this Agreement.

### **Notice of intention to terminate by Academy Trust**

5.S The Secretary of State will, before the start of each Academy Financial Year, provide the Academy Trust with a final funding allocation indicating the level of GAG and EAG to be provided in the next Academy Financial Year (the **“Funding Allocation”**).

5.T If the Academy Trust is of the opinion that, after receipt of the Funding Allocation for the next Academy Financial Year (the **“Critical Year”**) and after taking into account all other resources likely to be available to the Academy, including other funds that are likely to be available to the Academy from other academies operated by the Academy Trust (**“All Other Resources”**), it is likely that the cost of running the Academy during the Critical Year would cause the Academy Trust to become insolvent (and for this reason only) then the Academy Trust may give written notice of its intention to terminate this Agreement on 31 August before the Critical Year.

5.U Any notice given by the Academy Trust under clause 5.T must be provided to the Secretary of State within six weeks of the Secretary of State issuing the Funding Allocation. The notice given by the Academy Trust under clause 5.T must specify:

- a) the grounds upon which the Academy Trust's opinion is based, including:
  - i. evidence of those grounds;
  - ii. any professional accounting advice the Academy Trust has received;
  - iii. a detailed statement of steps which the Academy Trust proposes to take to ensure that the running costs of the Academy are reduced such that costs are less than the Funding Allocation and All Other Resources, and the period of time within which such steps will be taken; and
- b) the shortfall in the Critical Year between the Funding Allocation and All Other Resources expected to be available to the Academy Trust to run the Academy and the projected expenditure on the Academy; and
- c) a detailed budget of income and expenditure for the Academy during the Critical Year (the "**Projected Budget**").

5.V Both parties will use their best endeavours to agree whether or not the cost of running the Academy during the Critical Year would cause the Academy Trust to become insolvent. Both parties recognise that they will need to engage in a constructive dialogue at the time about how best to provide education for the pupils at the Academy and use their best endeavours to agree a practical solution to the problem.

5.W If no agreement is reached by 30 April (or another date if agreed between the parties) as to whether the cost of running the Academy during the Critical Year would cause the Academy Trust to become insolvent, then that question will be referred to an independent expert (the "**Expert**") for resolution. The Expert's determination will be final and binding on both parties. The Expert will be requested to specify in his determination the amount of the shortfall in funding (the "**Shortfall**").

- 5.X The Expert will be an insolvency practitioner with significant professional experience of educational institutions or academies. If the parties fail to agree upon the appointment of the Expert then the Expert will be appointed by the President of the Institute of Chartered Accountants in England and Wales. The Expert's fees will be borne equally between the parties.
- 5.Y The Expert will be required in reaching his determination to take account of advice from an educational specialist who is professionally familiar with the issues arising from the budget management of schools. If the parties fail to agree upon the appointment of the educational specialist then the educational specialist will be appointed by the Chairman of the Specialist Schools and Academies Trust (or any successor or equivalent body). The educational specialist's fees will be borne equally between the parties.
- 5.Z If the Expert determines that the cost of running the Academy during the Critical Year would cause the Academy Trust to become insolvent, and the Secretary of State will not have agreed to provide sufficient additional funding to cover the Shortfall, then the Academy Trust will be entitled to terminate this Agreement, by notice expiring on 31 August before the Critical Year. Any such notice will be given within 21 days after (a) the Expert's determination will have been given to the parties or (b), if later, the Secretary of State will have given written notice of his refusal to provide sufficient additional funding for the Academy to cover the Shortfall.

### **Effect of termination**

- 5.AA If this Agreement is terminated, the Academy will cease to be an Academy within the meaning of sections 1 and 1A of the Academies Act 2010.
- 5.BB Subject to clauses 5.CC and 5.DD, if the Secretary of State terminates this Agreement under clause 5.A, he will indemnify the Academy Trust. If the Secretary of State terminates this Agreement otherwise than under clause 5.A, he may at his discretion indemnify or compensate the Academy Trust.
- 5.CC The amount of any such indemnity or compensation will be determined by the Secretary of State, having regard to representations made to him by the

Academy Trust, and will be paid as and when the Secretary of State considers appropriate.

5.DD The categories of expenditure incurred by the Academy Trust in consequence of termination, for which the Secretary of State may indemnify the Academy Trust under clauses 5.BB, may include:

- a) staff compensation and redundancy payments;
- b) compensation payments in respect of broken contracts;
- c) expenses of disposing of assets or adapting them for other purposes;
- d) legal and other professional fees; and
- e) dissolution expenses.

5.EE If this Agreement is terminated, and the Academy Trust owns capital assets which have been partly or wholly funded by HM Government, the Academy Trust must, as soon as possible after the termination date:

- a) transfer a proportion of those capital assets, equal to the proportion of the original financial contribution made by HM Government, to a nominee of the Secretary of State to use for educational purposes; or
- b) if the Secretary of State directs that a transfer under clause 5.EE(a) is not required, pay to the Secretary of State at the termination date (or, by agreement with the Secretary of State, at the date of their subsequent disposal) a sum equivalent to the proportion of the original financial contribution made by HM Government.

5.FF The Secretary of State may:

- a) waive all or part of the repayment due under sub-clause 5.EE(b) if the Academy Trust obtains his permission to invest the sale proceeds for its charitable purposes; or
- b) direct the Academy Trust to pay all or part of the sale proceeds to the relevant LA.

## **6. OTHER CONTRACTUAL ARRANGEMENTS**

### **Annexes**

6.A Any annexes to this Agreement form part of and are incorporated into this Agreement.

### **The Master Agreement**

6.B Except as expressly provided in this Agreement, all provisions of the Master Agreement have full force and effect.

### **General**

6.C The Academy Trust cannot assign this Agreement.

6.D Failure to exercise, or a delay in exercising, any right or remedy of the Secretary of State under this Agreement (including the right to terminate this Agreement), or a single or partial exercise of such a right or remedy, is not a waiver of, and does not prevent or restrict any initial or further exercise of, that or any other right or remedy.

6.E Termination of this Agreement will not affect the accrued rights, remedies, obligations or liabilities of the parties existing at termination.

6.F This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all of which will together constitute the same agreement.

6.G This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales, and submitted to the exclusive jurisdiction of the courts of England and Wales.

### **Information Sharing with Local Authorities – Statutory Responsibilities**

6.H The Academy Trust must provide:

- a) the name, address and date of birth of the pupil or student;



- b) the name and address of a parent of the pupil or student;
- c) information in the institution's possession about the pupil or student (except if the pupil or student concerned (in the case of a pupil or student who has attained the age of 16) or a Parent of the pupil or student concerned (in the case of a pupil or student who has not attained the age of 16) has instructed the Academy Trust not to provide information of that kind);

upon request under section 14 of the Education and Skills Act 2008 from a local authority (for the purpose of enabling or assisting it to exercise its functions under Part 1 of that Act); or

upon request under section 72 of that Act from a body providing services under sections 68 or 70(1)(b) of the Act (for the purposes of providing such services).



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