Emerson Park Academy

Post audit management report

Year ended 31 August 2013

Buzzacott

Contents

Introduction

The purpose of this report is to bring to the attention of the directors the findings from our recent audit of the financial statements of Emerson Park Academy for the year ended 31 August 2013. We appreciate that you will already be aware of some of the matters contained in this letter. However, in accordance with the Education Funding Agency (EFA) requirements and International Standards on Auditing (UK and Ireland) (ISAs) we are communicating them to you formally.

This letter is for your private use only. It has been prepared on the understanding that it will not be disclosed to any third party, or quoted or referred to, without our prior written consent and we can therefore assume no responsibility to any other party.

We would like to take this opportunity to thank all those with whom we dealt during the audit for their assistance and co-operation, in particular Peter Wells and Karen Smith.

Purpose of the audit

Our work during the audit was performed with a view to expressing an opinion on the financial statements for the year ended 31 August 2013.

Our audit work included consideration of the internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

This report brings to your attention certain matters which arose during the course of our work, and to make recommendations which we believe could improve the control of the financial aspect of the Academy's activities. The matters being reported are limited to those weaknesses that were identified during the audit.

This report and its contents were submitted in draft form to Peter Wells, Business Manager, for comment prior to finalisation.

Letter of representation

We also take this opportunity to enclose the final draft letter of representation which we will request management and the directors to approve and sign at the same time as the financial statements.

Results, financial statements' presentation and accounting policies

Results for the year

We have included at Appendix 1 to this report a comparison of the Academy's key financial ratios against the prior year and an Academy sector average for 2012.

Financial Reporting Standard 17 – Retirement Benefits (FRS17)

As in 2012, the financial statements for the year ended 31 August 2013 have, as required, complied in full with the UK accounting standard FRS17 – Retirement Benefits. We have included details of this in Appendix 3.

Results, financial statements' presentation and accounting policies (continued)

Format of the financial statements

The financial statements follow the presentation required by the Education Funding Agency (EFA) in the Academies' Accounts Direction 2013. The Accounts Direction incorporates the requirements of the charity Statement of Recommended Practice (SORP 2005) issued by the Charity Commission.

Key points introduced by the Accounts Direction 2013 are summarised below:

Reduced disclosure for the GAG carry over	Previously, there was a requirement to disclose a specific calculation of the amount of current year General Annual Grant (GAG) funds carried forward. Under new or amended funding agreements, the carry forward requirements have been removed. Therefore, this disclosure requirement has been removed for some academies. Academies that still have a GAG carry forward limit must disclose whether a breach of carry forward limits occurred. Academies without a GAG carry forward limit must disclose this fact.
Explanation of deficit funds within the reserves policy statement	In line with Charity Commission guidance, there is a requirement to explain fund deficits in the governors' report and actions taken to remedy the deficit. This will apply to the Local Government Pension Scheme for most Academies. The most significant point for the Academy to highlight within its reserves policy is that any cash outflows as a result of the deficit will occur over a number of years.
Trustee governors' remuneration disclosure – no changes	There are no changes to the trustee governors' remuneration disclosure requirements that were clarified in the 2011/12 accounts direction and subsequent communications by the EFA. Academies are still required to disclose the names of those trustee governors who are employed by the academy and the £5,000 band in which their total remuneration falls.

Results, financial statements' presentation and accounting policies (continued)

Format of the financial statements (continued)

Land and buildings	The EFA is completing a valuation process for the land and buildings for new Academies only. Academies that already have their buildings on the balance sheet will not have their buildings valued by the EFA in 2013.
Introduction of a deadline for publishing the accounts on the website	Requirements for publishing the financial statements on Academy websites have increased progressively in recent years. The 2010/11 accounts direction confirmed that Academies are encouraged to publish the accounts on their website, which became a firm requirement in 2011/12. There is now a time limit for publishing the 2012/13 financial statements on the website by 31 May 2014.

Accounting policies, accounting estimates and disclosures

The accounting policies used in preparing the financial statements are unchanged from the previous year.

Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies and estimation techniques adopted by the Academy. We found the disclosed accounting policies, significant accounting estimates and the overall disclosure and presentation to be appropriate for the Academy.

Audit findings and risks

Audit progress

We are pleased to report the audit, from our perspective, ran smoothly and that the timetable for the overall completion of the audit has been met.

Auditor’s reports

Auditor’s report on the financial statements

We intend to issue an unqualified opinion in our auditor’s report. We expect to express our judgement that the financial statements give a true and fair view and have been properly prepared in accordance with the Academies’ Accounts Direction 2013 issued by the EFA, Companies Act 2006 and that the information in the directors’ report is consistent with the financial statements.

Auditor’s report on regularity

We intend to state that in the course of our work, nothing has come to our attention which suggests that in all material aspects the expenditure disbursed and income received during the year ended 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Audit findings and risks (continued)

Audit risks and results

As part of our pre-audit planning process, we identified those areas where we believe there is a higher possibility that a material error may appear in the financial statements and in the table below we have provided a brief summary of the outcome of our audit work in relation to those higher risk areas and the results of our testing.

Key audit risks	Audit approach	Results
Capital projects There is a risk that capital projects may not be correctly accounted for at year end including treatment of ongoing work in progress and potential revenue items that may require capitalisation. There also may be undisclosed capital commitments at the year end.	We will review the additions to fixed assets and the amounts written off as repairs and maintenance to ensure that the amounts have been capitalised appropriately. We will also review the cut-off procedures to ensure grant income received, capital expenditure and related depreciation relating to the year ended 31 August 2013 are correctly accounted for and any capital commitments are disclosed in the financial statements.	Our review of fixed assets and repairs and maintenance ledgers show that the capitalisation process has been performed appropriately. Costs relating to the year ended 31 August 2013 have been correctly included in the 2012/13 financial statements and depreciation has been applied in line with accounting policies. There are no capital commitments as at 31 August 2013 and thus no disclosure is required in respect of this.

Audit findings and risks (continued)

Audit risks and results (continued)

Key audit risks	Audit approach	Results
Related party transactions In all organisations, there is an inherent risk that transactions with related parties could be undertaken on terms that benefit those who control the entity at the expense of other stakeholders or the entity itself. For this reason, UK GAAP requires transparent disclosure of any significant transactions and balances arising between the Group and its related parties. There is a risk that related party transactions may not be identified or disclosed adequately in the financial statements.	We will review the Academy's procedures for identifying related parties, potential conflicts of interest and the associated transactions.	The Academy's procedures for identifying related parties and associated transactions were reviewed. This includes the requirement for each member to update their declaration annually. Related parties identified within the trustees and senior management have been provided by the charity and have been reviewed during the audit.

Audit findings and risks (continued)

Audit risks and results (continued)

Key audit risks	Audit approach	Results
Accounting estimates There is a greater risk of misstatement in financial statements, where the value of items is estimated by management. The assumptions and methods chosen in making significant estimates for example, the useful lives of fixed assets for depreciation purposes, have a potentially material impact on the reported results and financial position of the Academy.	We will assess the depreciation charged to fixed assets and whether it reflects their useful economic lives.	Testing of depreciation was satisfactory with all items tested being depreciated in line with the accounting policy and the relevant accounting standards.

Key audit risks	Audit approach	Results
Internal control framework The Academies Financial Handbook was updated in September 2012 and applies for the year ended 31 August 2013. The 2013 Academies Financial Handbook is now available and will apply from September 2013. Until September 2012, the Academies Financial Handbook included a requirement to appoint a Responsible Officer to monitor internal controls. The September 2012 Handbook increased the amount of flexibility available to academies for monitoring internal controls. The governors are responsible for establishing a system of internal control, reviewing the key risks to which the academy is exposed and establishing a framework for monitoring these risks. These areas are reported in the Governance Statement within the financial statements.	We will review evidence available in connection with monitoring internal control including the regularity self-assessment checklist (see above), the risk register and minutes of governors' meetings.	The Academy has established s system of internal control for reviewing the key risks to which the academy is exposed and establishing a framework for monitoring these risks.

Key audit risks	Audit approach	Results
Regularity The profile of regularity and required level of compliance has continued to increase following the introduction of regularity audit for academies in autumn 2012. As with the prior year, the financial statements include a statement from the academy and a conclusion from its auditor regarding regularity. On 17 June 2013, the EFA wrote to all academies sharing some lessons and pointers from their reviews of cases of concern. These cases included a number of high profile instances of irregularity or non-compliance in the sector as well as issues arising from the 2011/12 audit cycle. Ensuring regularity within the academy is the responsibility of the governors and all of the current focus on regularity in the academy sector has only increased the level of responsibility for governors to monitor and document management of risk including risk of irregularity.	As with the prior year, we have requested that the academy completes the regularity self-assessment checklist in order to document the processes in place to ensure regularity. This will assist the governors and the Accounting Officer in considering their statement on regularity within the financial statements as well as providing evidence for our audit work.	We have reviewed the answers provided in the self-assessment checklist and plan to issue an unqualified audit opinion on regularity.

Audit findings and risks (continued)

Audit risks and results (continued)

Key audit risks	Audit approach	Results
Management override of controls There is an inherent risk in all organisations that management may be in a position to override any controls in place to manipulate results or conceal unauthorised or inappropriate transactions. In organisations with fewer opportunities for formal segregation of duties and review activities, this risk is heightened. However, this risk is partly offset by the relative transparency of financial information and management and governor scrutiny.	Our audit approach is designed for us to have a reasonable expectation of identifying material misstatements as a result of fraud or error. We carry our specific procedures over journal entries, suspense accounts and accounting estimates. We consider the potential for management override of controls and any overt or implied incentives for management to influence the reported results.	Journal entries were reviewed, particularly those surrounding the year end and explanations were sought for any large or unusual items. All items tested and discussed with management during the course of the audit fieldwork were deemed to be appropriate. No suspense accounts were noted as being used during the year.

Adjustments made during the audit

Under Auditing Standards, we are required to provide you with details of any adjustments identified during the course of our audit work which have been made to the figures presented to us for audit.

A list of the adjustments which have been made to the figures presented to us for audit are attached as Appendix 2. These have all been discussed and agreed with Peter Wells.

We will obtain written representations from you, as directors, that you concur with these adjustments.

Audit findings and risks (continued)

Unadjusted misstatements

Other than clearly trivial misstatements, no misstatements identified during our audit for the period, remain unadjusted.

Significant deficiencies in the accounting and internal control systems

Our work during the audit included an examination of some of the Academy's transactions, procedures and controls with a view to expressing an opinion on the financial statements for the year ended 31 August 2013.

We found no significant deficiencies in the accounting and internal control systems during our audit.

Follow up on previous year's post audit management letter

As part of our audit work we have reviewed the post audit management letter in relation to the financial statements for the year ended 31 August 2012.

We are pleased to report that action has been taken to address the points raised in last year's letter.

Professional ethics

In accordance with our profession's ethical guidance and further to our planning letter to you dated 2 September 2013 there are no further matters to bring to your attention in relation to Integrity, Objectivity and Independence.

cc Education Funding Agency

Appendix 1: Ratio analysis

This appendix presents a comparison of the Academy's key financial ratios against the prior period and an Academy sector average for 2012.

Ratio		Formula	Emerson Park Academy		Sector
			2013	2012	Average* 2012
1.	**Current Ratio**	Current Assets ÷ Current Liabilities	1.73	2.10	3.10
2.	**Payroll / Total Income**	Total payroll (including FRS17 adjustment) ÷ Total incoming resources (excluding capital grants, conversion balances, sponsorship and start up grants)	79.51%	71.14%	74.6%
3.	**Diversity of income**	Total income less EFA grants, conversion balances and capital funding ÷ Total income (excluding capital grants, sponsorship and start up grants)	7.39%	10.30%	10.4%
4.	**Margin: Surplus (Deficit) as a percentage of recurrent income**	Surplus (deficit) for the year before transfers excluding fixed asset fund ÷ Total income excluding fixed asset fund	(0.64)%	2.92%	4.1%

*Figures taken from academies based in the South East of England and Greater London. Although the sector average figures provide a guide to how the Academy compares to the sector, there is a substantial amount of diversity across the sector depending on the individual circumstances of each Academy.

Appendix 1: Ratio analysis (continued)

Explanatory notes on the above ratios

Current Ratio

The current ratio is a measure of the Academy's solvency. It compares the amount of cash and other assets with the level of current liabilities. A higher ratio will provide a greater margin of security to an Academy in meeting liabilities as they fall due. However, a very high ratio may mean funds are being set aside unnecessarily rather than being used to further the work of the Academy.

Payroll / Total Income

This ratio measures the proportion of income which is expended on staff costs. The higher the percentage, the lower the 'staff cost margin' and the fewer funds available for spending on other items e.g. teaching expenses, improving facilities and saving for major projects.

Diversity of Income

This measures the Academy's ability to generate income from sources other than the EFA. The lower the percentage, the higher the degree of reliance on EFA income.

Margin: Surplus (Deficit) as a percentage of recurrent income

This ratio compares the Academy's result for the year to its total income. Unlike commercial organisations, the aim of an Academy is not to generate profits on trading or capital gains but to provide quality education and fully utilise its resources in doing so. This ratio will therefore approximate to zero unless specific reasons exist for significant deficits or surpluses occurring (e.g. building up reserves after a period of deficits or utilising resources on a new project). Reasons behind an unusual ratio should therefore be fully understood.

Appendix 2: Adjusted and unadjusted misstatements

Adjusted misstatements

	Description	Statement of financial activities Debit £	Statement of financial activities Credit £	Balance Sheet Debit £	Balance Sheet Credit £
1	Dr Staff costs Cr Creditors *Being inclusion of Vice Principal's severance payment.*	49,475			49,475

The above adjustment increased the Academy's deficit for the year by £49,475.

Appendix 3: Retirement benefits (FRS17)

The Academy is a member of two defined benefit pension schemes – the Teachers' Pension Scheme and a Local Government Pension Scheme (LGPS) - both of which are multi-employer schemes.

Teachers' Pension Scheme

In the case of the Teachers' Pension Scheme (TPS), individual employers are not able to identify their share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Therefore all employers, including the Academy, are required to account for the contributions to the scheme as if it were a defined contribution scheme with some additional disclosures. The expenditure within the financial statements represents contributions made to the Scheme.

Local Government Pension Scheme

The Academy is one of several employing bodies included within the London Borough of Havering Pension Fund. The scheme's actuaries, Hymans Robertson, have prepared a valuation of the assets and liabilities which are specific to Emerson Park Academy.

The pension deficit has been included on the balance sheet in order to comply with FRS17 and is consistent with the treatment adopted in last year's financial statements. The pension scheme deficit is shown separately on the balance sheet as a 'pension liability' and is represented by a separate 'pension reserve' which forms part of restricted funds.

The pension liability at 31 August 2013 stands at £575,000 (2012 - £597,000) and the restricted fund has reduced by this amount due to the inclusion of the pension reserve. The impact on the Academy's income and expenditure for the year is as follows:

	£'000
2012/13 net outgoing resources before transfers (excluding fixed asset fund)	
– per statutory financial statements	(36)
Increase in staff costs	10
Increase in interest payable	19
Operational deficit for the year – excluding FRS 17 adjustments	**(7)**

The value of the scheme liabilities has increased from the previous year by £292,000 (21.8%) mainly due to the additional year of service of the employees.

On the assets side, the value increased by £314,000 (42.1%) from the previous year end principally due to the additional contributions paid in to the scheme together with favourable stock market movements.

Therefore, the total net decrease in the pension fund liability was £22,000 (3.7%) from the previous year end. A significant number of other educational organisations have also noticed a similar trend in that their FRS17 liability has decreased from the previous year.

Appendix 3: Retirement benefits (FRS17) (continued)

In addition, the LGPS actuarial gain for the year of £51,000 has been reflected in the Academy's statement of total recognised gains and losses, which is incorporated within the Statement of Financial Activities. The lengthy disclosures regarding the defined benefit pension scheme are included within note 24 to the financial statements, as in the previous year.

Benchmarking

We have set out below a comparison of the Academy's LGPS FRS 17 assumptions and results against those of other educational organisations

Assumptions	Sector average*	Emerson Park Academy
Price increases	2.8%	2.8%
Salary increases	4.9%	4.6%
Pension increases	2.8%	2.8%
Discount rate	4.6%	4.6%
Total expected rate of return as at 31 August 2013	**5.9%**	**6.0%**
% Decrease in pension liability	**4.2%**	**3.7%**
Liability as a % of GAG at 31 August 2013	**12.5%**	**12.2%**

(Based on approximately 70 Academies based in the South East of England and Greater London.)

Appendix 4 – Recent academy sector developments

Audit

Financial reporting

Academies Financial Handbook 2013

The EFA has now issued an updated version of the Academies Financial Handbook which applies to all Academies from 1 September 2013. The most significant changes in the new handbook are discussed below:

- ***Leases and disposal of assets***
  The new handbook relaxes the requirements around the disposal of assets and the granting of leases. In particular, academies no longer need to seek Secretary of State approval for disposal of assets other than land and buildings or heritage assets. Secretary of State approval is also no longer required for an Academy to take out or grant operating leases other than those which relate to land and buildings (although approval will still be required for finance leases for any duration or leasehold or tenancy agreements on land and buildings for terms of more than 5 years). Note that an academy's Funding Agreement overrides the handbook, so academies will not be able to benefit from these increased freedoms if they are prohibited in their Funding Agreement. The EFA requires the new model Funding Agreement to be signed to benefit from these changes.

- ***Audit committees***
  The new handbook clarifies when a dedicated audit committee is required, and that this is now based on the size rather than the type of the academy trust. This means that multi-academy trusts will not automatically require an audit committee. However any academy trust where income exceeds £10m or assets exceed £30m will be expected to have a dedicated audit committee. Where an audit committee is not required this role should be included within the remit of the finance (or equivalent) committee.

- ***Responsible Officers***
  The new handbook has also confirmed that the appointment of a Responsible Officer is not mandatory. However the audit committee (or the finance committee, if no audit committee is required) is responsible for reviewing the risks relating to financial control and agreeing work to address those risks, and if no Responsible Officer is appointed then this assurance would need to be obtained in another way, for example by employing an internal auditor or agreeing an additional programme of work with the external auditor.

- ***Financial Notice to Improve***
  The new handbook provides guidance as to the circumstances in which a Financial Notice to Improve might be issued, as well as the consequences of such a Notice. A Notice will be issued when the EFA has concerns over the financial management or governance of an academy, for example when an academy is experiencing cash flow difficulties, or significant deficits have been incurred or are forecast. If such a Notice is issued then most of the freedoms afforded to the academy trust will be revoked and most transactions will need to be approved by the EFA. Failure to comply with the Financial Notice to Improve will constitute a breach of the academy's funding agreement and could result in the funding agreement being terminated.

- ***Pooling of funds within a multi-academy trust***
  The new financial handbook allows multi-academy trusts to pool a proportion of GAG funding from all of its academies to cover the costs of any of the academies within the trust. However, the trust is required to have a process in place whereby individual academies can appeal to the trust if they believe that the pooling arrangements are unfair.

Appendix 4 – Recent academy sector developments (continued)

Value for money statement

Value for money statements were originally announced in the Academies Financial Handbook 2012, and will need to be issued for the first time for the year ended 31 August 2013. The purpose of the statement is for the academy to self-assess how they have secured value for money and maximised their impact. It was originally anticipated that this statement would form part of the audited annual accounts, but the 2013 handbook has clarified that this will now form a separate unaudited statement which will need to be signed by the academy trust's accounting officer (Head/Principal) and submitted to the EFA by 31 December 2013. It will also need to be published on the academy trust's website within one month of submission. A template value for money statement is available at: media.education.gov.uk/assets/files/docx/v/vfm statement.docx

A New Accounting Standard and a revised SORP

On 14 March 2013 the Financial Reporting Council (FRC) issued FRS 102 The Financial Reporting Standard applicable in the UK and the Republic of Ireland. FRS 102 sets out the accounting and reporting requirements for unlisted entities including charities to come into effect from 1 January 2015. The 350 pages of FRS 102 will replace close to 3000 pages of UK GAAP.

Now that FRS 102 has been issued, the Charity SORP committee has finished drafting the revised Statement of Recommended Practice (SORP) which will reflect the new accounting framework. The new SORP will take the form of modules rather than be a single published book. The new SORP was approved by the Accounting Council in May 2013 and a four-month consultation was launched on 8 July 2013. A charities SORP mini-site has been set up and can be found here http://www.charitysorp.org/

After the consultation has ended and any subsequent changes have been made to the SORP it will need to receive final approval from the FRC board. This means that the final version will probably not be issued before summer 2014. Once the SORP has been finalised, the EFA will consider the implications for academy accounts and will make the relevant changes to the Accounts Direction. Consideration may still be given to a specific Academies SORP however no decision has been arrived at on this at present.

The first period the revised SORP will need to be applied to the financial statements of academies will be 2015/16. Comparative information will be needed for 2014/15 and opening balances at 1 September 2014 will also need to be reviewed.

The most significant proposed changes in the new SORP, as affects the academy sector, are as follows:

- ***Fair and balanced report***
  An increased requirement for the governors' report to be fair and balanced, noting both positive and negative factors affecting the achievement of the academy's objectives.

- ***Accounting policies***
  Additional disclosures on significant judgements, key assumptions concerning the future and other key sources of estimation uncertainty are to be included within the accounting policies statement.

- ***Tangible fixed assets***
  There is an opportunity for a once only transitional revaluation on adoption of the new SORP, and subsequently for the assets to be depreciated as normal with no requirement for further revaluations in the future.

  The principle of component accounting is now explicit in the new SORP; where an asset comprises two or more major components which have substantially different useful economic lives, each component must be depreciated separately over its useful economic life. This may have an impact on the depreciation of academy buildings which include substantial fit out and IT infrastructure.

- ***Disclosure of SMT remuneration***
  In addition to current disclosure requirements around higher paid staff, the new SORP also requires disclosure of the total remuneration paid to members of the SMT, this follow a requirement in FRS 102 to disclose the total compensation paid to 'key management personnel'.

- ***Untaken annual leave***
  FRS 102 requires any untaken annual leave at the balance sheet date to be recorded as a liability on the balance sheet, with any movements in the liability being recognised in the statement of financial activities; however the draft SORP is silent on this point.

Regulation

Auto-Enrolment

Workplace pension provision will be revolutionised by key reforms introduced in the Pension Act 2008 that took effect from October 2012. All employers in the UK will be affected whether they are companies or not-for-profit organisations. The date by which employers have to comply with the new legislation will depend upon the number of individuals within the organisation's PAYE scheme as at 1 April 2012 and all employers will be affected by 2017. For some academies, the cost of enrolling all eligible staff onto the Local Government Pension Scheme (LGPS) or Teachers' Pension Scheme (TPS) may be significant and this will need to be taken into account when preparing future budgets and forecasts. We have prepared an Insight detailing some of the key reforms and the steps that employers will need to take in relation to Auto-Enrolment and this is available at: http://www.buzzacott.co.uk/insights/auto-enrolment---are-you-prepared-/57

Criminal record checks

There have been a number of changes to the criminal records checking regime recently including the merger of Criminal Records Bureau (CRB) and the Independent Safeguarding Authority in December 2012 resulting in the newly formed Disclosure and Barring Service (DBS). Updated guidance was published by the DBS at the end of March 2013 in relation to criminal records checks, much of it being similar to the guidance previously issued by CRB.

From 29 May 2013 the DBS has removed certain minor offences from their disclosure checks, if they are the person's only offence and sufficient time has elapsed. More serious offences will still be included in the disclosures regardless of the length of time that has elapsed.

From 17 June 2013, the DBS introduced automatic updating service for DBS checks which will remove the need for separate checks to be undertaken for individuals applying to different organisations, although this system requires the applicant to subscribe to the updating service by paying a fee to the DBS.

LGPS

The majority of academy trusts are assessed as a 'stand-alone' employer by the administrator of the LGPS, meaning that the contributions they are required to make are assessed separately. Many academies have found that this has led to contribution rates increasing significantly on conversion, in spite of the DfE's statement in 2011 that academies should not be treated less favourably than maintained schools.

In July 2013 Michael Gove set out details of a guarantee that any outstanding LGPS liability would be covered by the DfE in the event of the academy closing, and it is hoped that this will lead to academies being treated equitably. The DfE is encouraging academies to contact the administering authority for their LGPS scheme to ensure that their risk assessment and contribution rate is reviewed in light of this guarantee.

Appendix 4 – Recent academy sector developments (continued)

In addition a consultation is being launched, which proposes that the LGPS administering authorities should be required to allow academies to pool their contributions should they wish to do so. This would spread the risk associated with the pension scheme, and would keep the contribution rates at a more stable level.

Provision of education

Funding for 2014/15

The EFA will be running a number of online presentations and webinars from October 2013 to explain how funding allocations will be calculated for 2014/15. There is an expectation that funding will increasingly be based on pupil-led factors, however the minimum funding guarantee will remain in place, meaning that most academies will not lose more than 1.5% of funding per pupil. More information can be found on the dedicated website set up by the EFA: https://registration.livegroup.co.uk/academyfunding/

Academies Capital Maintenance Fund

The first round of Academies Capital Maintenance Fund (ACMF) payments were made in September 2013. In total over 200 bids amounting to almost £50m were received, and only £20m of funding was made available. The second round was open to those academies that converted between January and July 2013, in total bids from 206 academies totalling over £47m were received, and only £19.2m was made available to 89 academies. Further rounds of funding for 2014/15 are expected to be announced in the new year.

Top-up insurance and rates costs funding for 2013/14

From 2013/14 onwards the process for reclaiming insurance top-up funding and rates costs is changing. Academies will now need to submit an online form to the EFA to reclaim these costs. These forms can be accessed via the EFA website.