

**DEED OF NOVATION AND VARIATION  
OF THE  
SUPPLEMENTAL FUNDING AGREEMENT FOR THE PEAK ACADEMY**

The Parties to this Deed are:

(1) **THE SECRETARY OF STATE FOR EDUCATION** of Sanctuary Buildings, Great Smith Street, London SW1P 3BT (the "**Secretary of State**");

(2) **ACADEMIES ENTERPRISE TRUST**, a charitable company incorporated in England and Wales with registered company number 06625091 whose registered address is at Kilnfield House, Foundry Business Park, Station Approach, Hockley, Essex, SS5 4HS "**AET**"); and

(3) **THE WHITE HORSE FEDERATION** a charitable company incorporated in England and Wales with company number 08075785 whose registered office is at Plymouth Street, Swindon, Wiltshire SN1 2LB (the "**Trust**"),

together referred to as the "Parties".

## **INTRODUCTION**

- A. The Peak Academy (the "Academy") is an academy within the meaning of the Academies Act 2010 and is currently operated by AET (a multi academy trust).
- B. The Secretary of State and AET entered into a supplemental funding agreement on 31 August 2012 (the "**Funding Agreement**") for the maintenance and funding of the Academy.
- C. It is proposed that, with effect from 00.01 am on 1 April 2015 ("**Transfer Date**"), the Trust will assume responsibility for the management and operation of the Academy in succession to AET.
- D. The Parties wish to novate the Funding Agreement to the Trust, and the Secretary of State and the Trust wish to vary the terms of the Funding Agreement subject to the provisions of this Deed.

## **LEGAL AGREEMENT**

1. Any word or phrase used in this Deed shall, if that word or phrase is defined in the Funding Agreement, bear the meaning given to it in the Funding Agreement. The rules of interpretation set out in the Funding Agreement apply to this Deed.

## **NOVATION**

2. AET transfers all its rights and obligations under the Funding Agreement to the Trust with effect from the Transfer Date. With effect from the Transfer Date, the Trust shall enjoy all the rights and benefits of AET under the Funding Agreement, and all references to AET in the Funding Agreement shall be read and construed as references to the Trust.

3. The references in the Funding Agreement (as novated and varied by this Deed) to the Master Funding Agreement between AET and the Secretary of State (dated 10 July 2008 and varied by Deed on 28 August 2009 and 31 March 2012) shall be read as a reference to the Master Funding Agreement between the Trust and the Secretary of State (dated 27 March 2015).

4. The Trust agrees to perform the Funding Agreement and be bound by its terms in every way as if it were the original party to it in place of AET, with effect from the Transfer Date.

5. With effect from the Transfer Date, The Secretary of State agrees to perform the Funding Agreement and be bound by its terms in every way as if the Trust were the original party to it in place of AET.

## **OBLIGATIONS AND RESPONSIBILITIES**

6. With effect from the Transfer Date, AET and the Secretary of State release each other from all future obligations to the other under the Funding Agreement.

7. Each of AET and the Secretary of State release and discharge the other from all claims and demands under or in connection with the Funding Agreement arising after the Transfer Date, whether such claim or demand relates to the period being before or after the Transfer Date.

8. Each of the Trust and the Secretary of State will have the right to enforce the Funding Agreement and pursue any claims and demands under the Funding Agreement against the other with respect to matters arising before, on or after the date of this Deed as though the Trust were the original party to the Funding Agreement instead of AET.

## **INDEMNITIES**

9. Subject to clauses 12 to 17, where the Secretary of State makes any claim or takes any other action against the Trust as a result of AET's failure to perform or satisfy its obligations under the Funding Agreement before, or in respect of a period prior to, the Transfer Date, AET agrees to indemnify the Trust against any losses, liabilities, claims,

damages or costs (such costs to be reasonably incurred) that the Trust suffers or incurs in compensating the Secretary of State in respect of such claim or action, and in taking such actions as may be reasonably necessary to remedy the failings identified by the Secretary of State.

10. Subject to clauses 12 to 17, where the Secretary of State makes any claim or takes any other action against AET as a result of the Trust's failure to perform or satisfy its obligations under the Funding Agreement after, or in respect of a period after, the Transfer Date, the Trust agrees to indemnify AET against any losses, liabilities, claims, damages or costs (such costs to be reasonably incurred) that AET suffers or incurs in compensating the Secretary of State in respect of such claim or action, and in taking such actions as may be reasonably necessary to remedy the failings identified by the Secretary of State.

11. The Secretary of State agrees that it will make no claim against the Trust based on any breach of the Funding Agreement committed or occurring before or in respect of a period prior to the Transfer Date where:

- (i) the Secretary of State would not, acting reasonably, have taken action to enforce the breach or pursue the claim against AET in the absence of this Deed;
- (ii) the claim is notified to the Trust in excess of two years from the Transfer Date

11A. Where the Secretary of State proposes to make any claim against the Trust in relation to a breach of the Funding Agreement committed or occurring before or in respect of a period prior to the Transfer Date (whether or not the Secretary of State was aware of such breach before the Transfer Date) the Secretary of State shall first give notice to the Trust and AET and shall discuss in good faith why the Secretary of State would acting reasonably have taken action against AET in the absence of this Deed.

11B. Following such discussions referred to in clause 11A the Secretary of State's decision as to whether to make a claim against the Trust shall be final.

12. The Indemnities given pursuant to clause 9 and 10 shall only be actionable by the Trust or AET (as appropriate).

13. Before a party makes a claim against the other party under the indemnity at clause 9 or 10 (as appropriate) it shall, acting in good faith, use all reasonable endeavours to minimise and mitigate any and all losses, liabilities, claims, damages or costs that have given rise to such claim.

14. No claim shall be brought under the indemnities at clause 9 or clause 10 unless notice of such claim has been provided to the party against which the claim is made within two years and one month of the Transfer Date.

#### **VARIATION**

15. The Secretary of State and the Trust agree that with effect from the Transfer Date the Funding Agreement shall be amended and restated so as to take effect in the form set out in Schedule 1 to this Deed.

16. As varied by this Deed, the Funding Agreement shall remain in full force and effect.

17. This Deed shall be governed by and interpreted in accordance with English law.

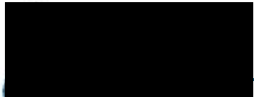
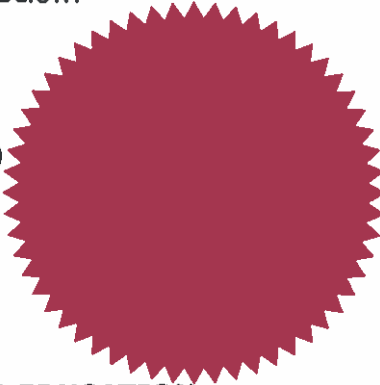
18. The Parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with, this Deed or its subject matter or formation (including non-contractual disputes or claims).

#### **COUNTERPARTS**

19. This Deed may be executed in any number of counterparts and by the parties to it on separate counterparts, each of which when so executed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument.

IN WITNESS whereof this Deed has been executed by the parties hereto and is intended to be and is hereby delivered on the last date listed below.

EXECUTED as a deed by affixing the corporate seal )  
of **THE SECRETARY OF STATE FOR EDUCATION** )  
authenticated by:- )



Duly authorised by the **SECRETARY OF STATE FOR EDUCATION**

Date 27/03/2015

EXECUTED AS A DEED by  
affixing the Common Seal of  
**Academies Enterprise Trust**  
in the presence of:

Authorised Officers Signature:.....  
Name:.....  
Job Title:.....

Authorised Officers Signature:.....  
Name:.....  
Job Title:.....

EXECUTED as a deed by **WHITE HORSE FEDERATION** acting  
by one director in the presence  
of a witness:

Director .....  
Print name .....  
Date .....

Witness .....  
Print name .....  
Address .....  
Occupation .....

IN WITNESS whereof this Deed has been executed by the parties hereto and is intended to be and is hereby delivered on the last date listed below.

EXECUTED as a deed by affixing the corporate seal )  
of **THE SECRETARY OF STATE FOR EDUCATION** )  
authenticated by:- )

.....  
Duly authorised by the **SECRETARY OF STATE FOR EDUCATION**  
Date.....

EXECUTED AS A DEED by  
affixing the Common Seal of  
**Academies Enterprise Trust**  
in the presence of:

Authorised Officers Signature:..... [Redacted] ..  
Name:.... [Redacted]  
Job Title: [Redacted] ..

Authorised Officers Signature: [Redacted]  
Name:.. [Redacted]  
Job Title [Redacted]



EXECUTED as a deed by **WHITE HORSE FEDERATION** acting  
by one director in the presence  
of a witness:

Director .....  
Print name.....  
Date .....

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**Schedule 1**  
**Amended Funding Agreement**





Department  
for Education

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

**December 2014**

# **The Peak Academy**

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## **SUMMARY SHEET**

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

<b>Name of Academy Trust</b>	The White Horse Federation
<b>Company number</b>	08075785
<b>Date of Master Funding Agreement</b>	27 February 2015
<b>Name of Academy</b>	The Peak Academy
<b>Opening date</b>	1 September 2012
<b>Transfer date</b>	1 April 2015
<b>Type of academy (indicate whether academy or free school)</b>	Special Academy
<b>Name of predecessor school (where applicable)</b>	Cam House School
<b>Planned number of places</b>	50
<b>Age range</b>	11 – 16
<b>Number of sixth form places</b>	0
<b>Number of residential places</b>	0
<b>Land arrangements (Version 1-7 or other)</b>	Version 2
<b>Address and title number of Land</b>	Drake Lane, Cam, Dursley GL11 5HD Title number GR366657

Please confirm which clause variations have been applied or marked as 'Not used'

Clause No.	Descriptor	Applied	Not used
1.J	Only applies to free schools and new provision academies		✓
2.D	Only applies to free schools admitting pupils without a statement of SEN or EHC plan		✓
2.G	Only applies where there was a predecessor independent school or non-maintained special school		✓
2.S to 2.FF	Only applies to free schools or new provision academies that admit pupils without a statement of SEN or EHC plan		✓
2.W	Does not apply to free schools (unless there was a predecessor independent school or non-maintained special school), or new provision academies	✓	
2.GG	Only applies to free schools or new provision academies that admit pupils without a statement of SEN or EHC plan		✓
3.B – 3.G	Only applies to free schools or new provision academies that admit pupils without a statement of SEN or EHC plan		✓
3.H	Clause does not apply to academy converters or new provision academies		✓
3.J	Only applies to full sponsored and intermediate sponsored academies with approved Academy Action Plans		✓
3.K	Does not apply to free schools (unless there was a predecessor independent school or non-maintained special school), or new provision academies		✓
5.G.1	Clause applies only to boarding academies/free schools		✓
5.I	Clause only applies to sponsored academies	✓	

Clause No.	Descriptor	Applied	Not used
5.K	Clause applies to free schools and may be applied to new provision academies		✓
5.L	Clause applies to free schools and may be applied to new provision academies		✓
5.M	Clause applies to free schools and may be applied to new provision academies		✓
5.N	Clause applies to free schools and may be applied to new provision academies		✓
5.O	Clause applies to free schools and may be applied to new provision academies		✓
5.P	Clause applies to free schools and may be applied to new provision academies		✓

**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
New definitions added for 'Greenfield Academy' and 'Greenfield Academy Supplemental Funding Agreement'	4	✓	
Definition for 'Property Notice' amended to refer to Greenfield Academy	4	✓	
Exercise of Option linked to Greenfield Academy Supplemental Funding Agreement	4.E	✓	
Reference to Greenfield Academy Supplemental Funding Agreement added	4.F(a)	✓	
Reference to Greenfield Academy added	4.J	✓	
Reference to Greenfield Academy Supplemental Funding Agreement added	4.L(c)	✓	

## 1. ESTABLISHING THE ACADEMY

1.A This Agreement made between the Secretary of State for Education and The White Horse Federation is supplemental to the master funding agreement made between the same parties and dated 27 February 2015 (the “**Master Agreement**”).

### Definitions and interpretation

1.B Except as expressively 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 Peak Special Academy which is specially organised to make special educational provision for pupils with SEN.

“**EHC plan**” means an Education, Health and Care plan made under sections 37(2) of the Children and Families Act 2014.

“**Pupils with a statement of SEN or EHC plan**” means those pupils, with a statement of SEN or EHC plan, admitted under clauses 2.C and 2.H to 2.P.

“**Pupils without a statement of SEN or EHC plan**” means those pupils, with SEN but without a statement of SEN or EHC plan, admitted under clauses 2.D and 2.Q to 2.DD.

“**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.

“**Statement of SEN**” means a statement made under section 324 of the Education Act 1996.

“**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 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 BESD.
- 1.I The Academy Trust may not refuse to admit a child whose statement of SEN or 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 Not used

### **Academy opening date**

- 1.K The Academy opened as a school on 1 September 2012, and the Academy Trust will maintain and carry on or provide for the carrying on of the Academy from 1 April 2015.



## **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 schools sessions.

### **Teachers and staff**

2.A Subject to clause 2.4 of the Master Agreement 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.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 is 50 places in the age range 11 – 16.
- 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

### **Admissions**

- 2.H Except as set out in clauses 2.I – 2.Q below, the Children and Families Act 2014 imposes duties directly on Academies in respect of pupils with special educational needs, 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 Secretary of State's determination will be final, subject to any right of appeal which a 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.R apply, the Academy Trust may not admit a child to the school unless a statement of SEN or EHCP plan naming the Academy, is maintained for that child.
- 2.J The Academy Trust may admit a child to the Academy if:
- a) the child is admitted for the purposes of an assessment of the child's educational needs under section 323 of the Education Act 1996 , and the child's admission to the Academy is with the agreement of the LA, the Academy trust, the child's parent and any person whose advice is to be sought in accordance with regulation 7 of the Education (Special Educational Needs) (England) (Consolidation) Regulations 2001
  - b) the child remains admitted following an assessment under section 323 of the Education Act 1996; or
  - c) the child is admitted following a change in the child's circumstances, with the agreement of the LA, the Academy Trust and the child's parents.
- 2.K Subject to clause 2.J(a), the Academy Trust may allow the child to remain at the Academy:
- a) until the expiry of ten school days after the LA has served a notice under section 325 of the Education Act 1996 that they do not propose to make a statement; or
  - b) until a statement is made.
- 2.L Where the LA intends to name the Academy in a statement of SEN, and has served a copy of the proposed statement of SEN (amended statement of SEN) upon the Academy Trust, the Academy Trust must respond, in writing, to the LA's proposal within 15 days of receipt of the notice.

- 2.M The Academy Trust must consent to being named, except where admitting the child would be incompatible with the provision of efficient education for other children; and where no reasonable steps may be made to secure compatibility. The Academy Trust must have regard to relevant guidance issued by the Secretary of State to maintained schools when making its determination.
- 2.N If the Academy Trust determines that admitting the child would be incompatible with the provision of efficient education, it must notify the LA that it does not agree that the Academy should be named in the pupil's statement of SEN. This notice must set out all the facts and matters the Academy Trust relies upon in support of its consideration that:
- a) admitting the child would be incompatible with efficiently educating other children; and
  - b) the Academy Trust cannot take reasonable steps to secure this compatibility.
- 2.O The Academy Trust must admit a child to the Academy, where an LA maintains a statement of SEN for a child under section 324 of the Education Act 1996 which names the Academy, even if they consider the Academy should not have been named in the child's statement of SEN.
- 2.P Where the Academy Trust considers that the Academy should not have been named in a child's statement of SEN, they may ask the Secretary of State to determine that the LA has acted unreasonably in naming the Academy and to make an order directing the LA to amend the child's statement of SEN by removing the name of the Academy. Where the Secretary of State makes an order to this effect, the Academy Trust will cease to be under an obligation to admit the child from the date of the Secretary of State's Order, or from such date as the Secretary of State specifies. In specifying a date the Secretary of State must take into account both the welfare of the child in questions and the degree of difficulty caused to the Academy by the child's continued admission.

- 2.Q Where the Secretary of State determines that an LA has acted reasonably in naming the Academy in a child's statement of SEN, the Academy Trust must continue to admit the child until the Academy ceases to be named in the statement of SEN
- 2.R Clauses 2.J – 2.Q only apply in so far as the relevant provisions of the Children and Families Act 2014 relating to SEN and disability do not apply to Academies and Free Schools.
- 2.S Not used
- 2.T Not used
- 2.U Not used
- 2.V Not used
- 2.W Pupils on roll in a Predecessor School which was a maintained, a non-maintained special or independent school transferred automatically to the Academy on opening. All children offered a place at that Predecessor School were admitted to the Academy.
- 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 The Academy Trust, where practical must provide for the teaching of religious education and for acts of collective worship at the Academy.

2.II Subject to clause 2.HH:

- a) 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;
- b) 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 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 section were references to religious education and religious worship provided by the Academy in accordance with clause 2.GG.

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 of the Equality Act 2010 shall not apply to the Academy.

2.LL The Academy Trust must have regard to any Guidance, further to section 403 of the Education Act 1996, on sex and relationship education to ensure that children at the Academy are protected from inappropriate teaching materials and that they learn the nature of marriage and its importance for family life and for bringing up children. The Academy Trust must also have regard to the

requirements in section 405 of the Education Act 1996, as if the Academy were a maintained school.

- 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.

### **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**

“**Land**” means the land at Drake Lane, Cam, Dursley GL11 5HD, being the land registered with title number GR366657 and demised by the Lease.

“**Lease**” means the lease or other occupational agreement between the Academy Trust and a third party (the “**Landlord**”) under which the Academy Trust derives title to the Land.

“**Greenfield Academy**” means the Greenfield Academy (URN 138428) maintained by the Academy Trust on the Land.

“**Greenfield Academy Supplemental Funding Agreement**” means the supplemental funding agreement relating to the Greenfield Academy made between the Secretary of State for Education and the Academy Trust dated the day of this Agreement.

“**Property Notice**” means any order, notice, proposal, demand or other requirement issued by any competent authority (including the Landlord) which materially affects the Academy Trust’s ability to use the Land for the purposes of the Academy and/or the Greenfield Academy.



## **Restrictions on Land transfer**

### **4.A The Academy Trust must:**

- a) within 28 days of the signing of this Agreement in circumstances where the Land is transferred to the Academy Trust prior to the date of this Agreement, or otherwise within 28 days of the transfer of the Land to the Academy Trust, apply to the Land Registry using Form RX1 for the following restriction (the "Restriction") to be entered in the proprietorship register for the Land:

*No disposition of the registered estate by the proprietor of the registered estate 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;*

- b) take any further steps reasonably required to ensure that the Restriction is entered on the proprietorship register;
- c) promptly confirm to the Secretary of State when the Restriction has been registered;
- d) if it has not registered the Restriction, permit 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 the 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.B The Academy Trust must keep the Land clean and tidy and make good any damage or deterioration to the Land. The Academy Trust must not do anything to lessen the value or marketability of the Land without the Secretary of State's consent.

- 4.C The Academy Trust must comply with the Lease and promptly enforce its rights against the Landlord.
- 4.D The Academy Trust must not, without the Secretary of State's consent:
- a) terminate, vary, surrender, renew, dispose of or agree any revised rent under the Lease;
  - b) grant any consent or licence; or
  - c) create or allow any encumbrance; or
  - d) part with or share possession or occupation; or
  - e) enter into any onerous or restrictive obligations,
- in respect of all or part of the Land.

### **Option**

- 4.E The Academy Trust grants and the Secretary of State accepts an option (the "**Option**") to acquire the Land at nil consideration. The Secretary of State may exercise the Option in writing on the later of (a) termination of this Agreement and (b) termination of the Greenfield Academy Supplemental Funding Agreement. If the Option is exercised, completion will take place 28 days after the exercise date in accordance with the Law Society's Standard Conditions of Sale for Commercial Property in force at that date.

### **Option Notice**

- 4.F The Academy Trust:
- a) must, within 14 days after acquiring the Land or, if later, after signing this Agreement, apply to the Land Registry on Form AN1 (including a copy of this Agreement and the Greenfield Academy Supplemental Funding 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 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 the 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.

### **Property Notices**

4.G 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.

### **Breach of Lease**

4.H If the Academy Trust is, or if it is reasonably foreseeable that it will be, in material breach of the Lease, the Academy Trust must immediately give written notice to the Secretary of State stating what the breach is and what

action the Academy Trust has taken or proposes to take to remedy it, including timescales where appropriate.

- 4.I After notifying the Secretary of State under clause 4.H, the Academy Trust must:
- a) promptly give the Secretary of State all the information he asks for about the breach;
  - b) allow the Secretary of State to take all necessary action, with or instead of the Academy Trust, to remedy or prevent the breach, and
  - c) use its best endeavours to help the Secretary of State to remedy or prevent the breach.

### **Sharing the Land**

- 4.J Where:
- a) the Secretary of State identifies basic or parental need for additional places in the area in which the Academy is situated and
  - b) the Secretary of State then considers that not all the Land is needed for the operation of;
    - i. the Academy at the planned number of places if the Greenfield Academy Supplemental Funding Agreement has been terminated; or
    - ii. the Academy and the Greenfield Academy at the planned number of places for both academies if the Greenfield Academy Supplemental Funding Agreement has not been terminated,

the Secretary of State must consult with the Academy Trust to determine whether part of the Land could be demised or sublet to another academy trust, as the Secretary of State considers appropriate, for the purpose of that academy trust establishing and maintaining an educational institution on the Land.

4.K To the extent the Academy Trust and the Secretary of State agree to part of the Land being demised or sublet in accordance with clause 4.J, the Academy Trust must use its best endeavours to procure either the approval of the Landlord or any necessary amendments to the Lease in order to enable it to share occupation of the Land with the incoming academy trust, and shall enter into any legal arrangements which the Secretary of State requires for this purpose. The Secretary of State shall meet the necessary and reasonable costs incurred by the Academy Trust in connection with this clause.

4.L For the purposes of clause 4.J:

- a) a **basic need** will arise when the forecast demand for pupil places in the area where the Academy is situated is greater than the existing capacity to provide them;
- b) a **parental need** will arise when the DfE is actually aware of an additional demand for pupil places in the area where the Academy is situated, following representations from parents in that area; and
- c) **planned number of places** has the meaning given in clause 2.10 in relation to the Academy, and the meaning given in clause 2.10 of the Greenfield Academy Supplemental Funding Agreement in relation to the Greenfield Academy.

## **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.

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 If the Chief Inspector gives a notice referred to in clause 5.F to the Academy Trust within two years after the Academy opened, the Secretary of State may only serve a Termination Warning Notice under clause 5.F if:

- a) the Chief Inspector has held a monitoring inspection under section 8 of the Education Act 2005 later than two years after the Academy opened; and
- b) the Chief Inspector considers that the Academy is not making enough progress towards the removal of the designation referred to in his notice.

Nothing in this clause prevents or prejudices the Secretary of State exercising any other rights arising from or under this Agreement (including, for the avoidance of doubt, any rights under clauses 5.B to 5.E).

## **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 Not used
- 5.M Not used
- 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 at the end of the then current Academy Financial 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.

This Agreement was executed as a Deed on

2015

Executed on behalf of the **Academy Trust** by:

.....

and

.....

**Director**

**Director**

or

.....

**Company Secretary**

or

.....

**Witness**

Name:

Address:

The Corporate Seal of

**THE SECRETARY OF STATE FOR EDUCATION**

affixed to this deed is authenticated by:

.....

**Duly Authorised**



Department  
for Education

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