

NEW APPLICATION

ENCLOSURE 4.31
ANNEX 3

APPLICATION FOR RATE RELIEF UNDER SECTIONS 43 OF THE LOCAL GOVERNMENT FINANCE ACT 1988 FOR THE FINANCIAL YEAR 2011/12 AND 2012/13

Applicant's Name: Fair Oak Academy **Account Ref:** 101152239

Property Address: Penkridge Bank Road, Etching Hill, Rugeley, Staffs, WS15 2UE

Registered Charity: No – Exempt

Occupation Date: 1 September 2011 **NEW APPLICATION**

Relief Claimed: Mandatory Only **Period:** 1/9/11 – 31/3/12
1/4/12 – 31/3/13

Use of Property: Provision of education for 11-19 year olds

Main Objectives: For public benefit in the UK, to advance education by establishing, maintaining, managing and developing a school offering a broad and balanced curriculum.

Financial Situation: NO ACCOUNTS **Surplus (Deficit)** £
Reserves N/a
Local Organisation N/a

Previous Relief Granted: **Mandatory** - 0%
Discretionary - 0%

Rates Payable:

Details of Charge	2011/12 £	2012/13 £
Full Charge	41,578.65	75,570.00
Less Mandatory Relief (80%)	33,262.92-	60,456.00-
Rates Payable	<u>8,315.73</u>	<u>15,114.00</u>

Supporting Information:

Fair Oak Academy achieved Academy status and commenced trading on 1 September 2011; it is one of three Academies forming part of the Creative Education Academies Trust. The other two Academies forming part of the Trust are Hagley Park Academy and Rugeley Sixth Form Academy.

The main objective of the Academy is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

For further information about Academy Schools, below is an extract from the Charity Commission website:

1. What are academy schools?

Academies are state-funded independent (ie non-state) schools. Academies:

- must be approved by the Department for Education (DfE)
- are funded by DfE not the local authority (LA)
- are independent of their LA
- are automatically charities
- are exempt from registration and regulation by the Charity Commission
- are limited companies with charitable objects for advancing education

Academies may be formed by:

- community (state) schools converting to academies
- foundation or voluntary schools (LA-funded charitable schools) converting to academies
- local individuals or organisations starting new schools under DfE's Free Schools programme

2. Do academies have to register with the Charity Commission?

No, academies cannot register with the Commission. Although they are charities, they have exempt charity status which means that they are not registered or directly regulated by us.

3. Why are some academy charities on the Charity Commission's register?

Before July 2010, academies had to register with the Commission. Academies became exempt charities on 1 August 2011. All academy charities must now be removed from the register. It may take us some time to identify and remove them all. Any academy that is still on the register may ask to be removed.

Any academies that were registered must stop using their charity number.

4. Who regulates the charitable operation of academies?

DfE is the 'principal regulator' of academies. It is responsible for overseeing their compliance with charity (as well as education) law. The Young People's Learning Agency (YPLA), which funds academies, will carry out this role on DfE's behalf until March 2012 (when it is replaced by the Education Funding Agency). We will work with DfE and YPLA to support them in their role.

5. Are Parent Teacher Associations (PTAs) linked to academies also exempt?

No. They are independent of the academy and so are not exempt. They must register with the Commission.

6. What about endowments and other funds held for the purpose of the academy?

Academy endowments are charitable trusts set up by the founders of some academies, supporting the academy by providing additional funding.

Any charity that:

- an academy controls, and which
- exists for one or more of the purposes of that academy,

will also be exempt. This is likely to include academy endowments where the academy company is trustee. It could also include any prize funds or scholarships.

Charities with such close administrative links must usually be included in the academy's accounts.

7. What accounts must academies produce?

Academies must prepare accounts under the Charities' Statement of Recommended Practice (SORP). This is a requirement in their Funding Agreements. Our pages on charity accounting explain these requirements.

Academies must publish their accounts, and must provide a copy to anyone who requests it (subject to any copying costs).

8. Legal background.

The Academies Act was passed on 27 July 2010. It made significant changes to the framework for academy schools.

Section 12(1) of the Act came into force on 29 July 2010. Under this provision, all academies (academy trusts or academy proprietors) approved by DfE are automatically charities. On 1 August 2011, academies became exempt charities (by virtue of section 12(4) of the 2010 Act) and the Secretary of State for Education became their principal regulator. Principal regulator appointments are made by the Office for Civil Society under the Charities Act 2006, and approved by Parliament.

Comments:

None