

Knowledge ■ Action ■ Results



Gloucestershire SkillsFest

Gloucester Rugby Club – Thursday 9 February 2012 - 8am till 7pm

This is an exciting event organised by local businesses and providers, including Randall & Payne LLP, with the following aims:

- encouraging students to think about their careers
- encouraging employers to think about recruiting young people
- allowing employers to demonstrate the opportunities available to people in the community



Please pass this link onto careers advisors and mention in newsletters to parents if possible as there will be an opportunity for parents to attend with their children later in the day.

For further information please follow the link below:

www.GlosSkillsFest.co.uk

Michael Gove Speech – 4 January 2012

It has been our opinion since the early days of academies that the Government envisaged chains of academies, and in a speech by Michael Gove on 4 January 2012 he is obviously encouraging smaller primary schools to become academies through the use of chains.

“Chains offer the answer to many small primary schools thinking about how best to benefit from academy status. Take the 11 rural Devon primary schools who came together in November as the Primary Academies Trust. Church schools and community schools joining to share expertise and resources to serve the villages of north Devon with the inspiring leadership of two executive principals.”

It is also obvious from that speech that the Government intends to continue driving school conversion to academy status. He quoted that as of 4 January;

- there are now 1,529 academies open in England, 1,194 Convertors and 335 sponsored.
- 45% of all maintained secondary schools are either open or in the pipeline to become academies.
- over 1,250,000 pupils now attend academies. This means around one in seven pupils in state schools now attends an academy - one in three pupils in state secondaries.
- in an average week, the Department for Education processes 20 applications from schools to convert to academy status, and brokers another five schools to become sponsored academies.

For the full speech please follow the link below:

<http://www.education.gov.uk/inthenews/inthenews/a00201425/michael-gove-speech-on-academies>

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VAT Grants issued to Academies after April 2011 to be clawed back

Not applicable to academies converted on or after 1 April 2011, who did not receive a VAT grant.

Academies that converted before September 2011 may have received a VAT grant to cover the VAT element of purchases that was previously reclaimed through the Local Authority; the aim being that an Academy would be no worse off, from a VAT perspective, after it converted. This grant was always subject to claw-back as and when the Finance Act was amended to allow Academies to reclaim non-business VAT. In September 2011 the Finance Act 2011 was amended appropriately and Academies can reclaim VAT from 1st September 2011, backdated to transactions from 1st April 2011.

Now that Academies can reclaim VAT themselves, the YPLA will be recovering the VAT grant before 31st March 2012 for the 5 month period covering April to August 2011. This claw-back will likely be taken from future GAG payments.

The YPLA are willing to look into cases where Academies will fall into financial difficulties as a result of the VAT grant being insufficient for the period September 2010 to March 2011 (which is NOT being clawed back). In these cases the YPLA will consider refunding VAT.

From September 2011 there has been no VAT grants issued as all input VAT should be recoverable.

Randall & Payne have produced a VAT guidance document specifically for Academies and is available for free on request. If you would like a copy of this then please contact James Barker on the details on the next page.

For further information please follow the link below:

http://readingroom.ypla.gov.uk/ypla/ypla-vat_recovery_treatment-gn-dec11-v3.pdf

Regularity Audit

The DfE are currently working through the implications of Whole of Government Accounting (WGA) and Clear Line of Sight (CLOS) for the year end March 2012. It currently appears unlikely that there will be a requirement for academies to undertake a regularity audit for this period. This is still under consultation however, watch this space.

Company Fraud

There have been numerous reports issued detailing attempts to change the registered details at Companies House of various Academies. This is a well-known and common fraud technique. This can be eliminated by signing up to the PROOF scheme operated by Companies House. This scheme operates by creating a secure online login so that all company forms have to be processed through it. Any paper based forms are automatically rejected by Companies House.

For further information please follow the link below:

<http://www.companieshouse.gov.uk/infoAndGuide/proof.shtml>

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Company law to disclose company details on letterheads etc.

It is Company Law to disclose the full company name, registered number, registered office address and place of registration (e.g. registered in England and Wales) on all business letters, order forms and websites.

For further information please follow the link below:

<http://www.companieshouse.gov.uk/infoAndGuide/faq/companyAOD.shtml>

Academies pension pot pooled within the local authority LGPS

The secretary of State has notified local authorities of their preferred approach for Academies that wish to be pooled with the local authority for the LGPS pension, as opposed to being treated as a stand-alone employer. This will mean that the Academy will continue to pay the same employer contributions as it did as a local authority maintained school. Detailed guidance from the DfE should be available shortly.

LGPS Regulation 42 technical consultation

There is a technical consultation on changes proposed that would mean Academies belonging to a multi-Academy arrangement but situated within different local authority areas should fall within the LGPS fund relevant to their geographic location. This is still only in consultation, however if this may affect your academy then you should voice your concerns through the online portal below:

http://www.clg.heywood.co.uk/system/files/Consultation_Draft_LGPS_%28Misc%29_Regs_2012+.doc

http://www.clg.heywood.co.uk/system/files/consultation_letter.doc

Exchange teachers and the Benefit In Kind, Tax and NI issues

For schools that operate a teacher exchange program, care needs to be taken for how subsistence payments are made to teachers. Reimbursement of expenses for meals out or other activities need to be carefully considered as they are likely to be classified as a Benefit In Kind. Other fixed payments to cover lodging costs may not be a BIK but may well need the appropriate Tax and NI paid on them. Dispensations can potentially be claimed from HMRC for these payments, but this usually needs to be awarded to the Academy in advance (although they may possibly be backdated).

Education Funding Agency (EFA)

The Education Funding Agency (EFA) is due to replace the YPLA on 1st April 2012. At present there is no information available on the contact details for the EFA, or whether the same staff will be working in the department with the same schools.

For further information please follow the link below:

<http://www.education.gov.uk/aboutdfe/executiveagencies/b00199952/the-education-funding-agency>

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Upcoming deadlines

FMGE due at YPLA (converted by 30th September 2011)

FMGE due at YPLA (converted by 30th November 2011)

FMGE due at YPLA (converted by 31st December 2011)

Annual Accounts due to be filed at Companies House

FMGE due at YPLA (converted 1st January 2012 onwards)

31st January 2012

29th February 2012

31st March 2012

31st May 2012

Within 4 months of conversion / opening



For further details, please contact either:

Ian Selwood on E: is@randall-payne.co.uk T: 01242 548600

or James Barker on E: jpb@randall-payne.co.uk T: 01242 548600

This newsletter has been prepared for general interest and it is important to obtain professional advice on specific issues. We believe the information contained in it to be correct. While all possible care is taken in the preparation of this newsletter, no responsibility for loss occasioned by any person acting or refraining from acting as a result of the material contained herein can be accepted by Randall & Payne.

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