



## FAQ about academy finances

### **1. Are schools better off financially as a VA or Academy school?**

Academy and VA schools are funded at the same level. There is no overall financial advantage for any one type of school.

### **2. Who is responsible for financial management in an academy trust?**

The CEO has legal responsibility and is the accounting officer. The trustees are responsible for approving the budget. Day-to-day decision making is done by headteachers in line with the scheme of delegation. Each trust appoints a CFO (Chief Financial Officer), who could be a finance director or business manager. They are responsible for technical financial leadership (From the government [guidance on academy roles and responsibilities](#))

### **3. What does it mean for a school to be financially viable?**

A financially viable school provides a good quality of education in a way that is financially stable and sustainable. A financially stable trust is one where the schools are financially viable and there are sufficient reserves to cover unexpected situations. When a school joins a trust it goes through a due diligence process to make sure that it will be financially viable once it joins the trust.

### **4. What happens to a school's assets when it joins a trust?**

When a school joins a trust, it usually takes its assets (and liabilities) with it into the trust. If a school has a financial deficit, this needs to be addressed before the school joins a trust.

### **5. What is a financial top-slice?**

An academy trust will provide some support and services for all the schools in the trust, for the benefit of the schools. The range of services varies from trust to trust, and they are paid for by the schools in the trust. Some academy trusts recharge the costs to schools, and others set a fixed amount (a 'top-slice'). Schools should expect clarity about this issue before joining (or forming) a trust.

### **6. How do academies fund major school maintenance projects?**

At the moment, small academy trusts need to apply to the ESFA CIF fund (Education and Skills Funding Agency Conditions Improvement Fund) for grants for major maintenance projects. Large academy trusts can apply to receive an annual allocation. This would be in line with the amount that would have been paid to the LDBS under the capital maintenance scheme for VA schools. Trusts are responsible for managing and allocating the funds themselves. The LDBS is keen to work with trusts to continue to provide this service for as long as schools welcome it.

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