



Transforming your school into an academy is an exciting time for staff, governors and pupils. As you shape your own future there will be fresh challenges and new responsibilities ahead – from making sure your teachers get paid on time to completing VAT returns.

That's why Hallidays' Academy Focus will prove invaluable. Over the coming issues we'll be guiding you through the complexities, opportunities and potential pitfalls of your transition to an academy.

With 168 years of accountancy experience behind us we are well placed

to guide your new school through the changes ahead.

As Anna Bennett, Hallidays' charity specialist, explains: "Academies create independence and open up a world of opportunities for the entire school community. Becoming an academy is very like setting up a new business with all of the paperwork, regulation and legal obligations that go with it."

"Hallidays can help academies navigate the red tape and clear the financial and commercial hurdles that are ahead and that's why we've set up 'Hallidays' Academy Focus' to help academies through those changes."



Anna Bennett - Partner, Hallidays Ltd
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WHAT YOU NEED TO KNOW ABOUT ACADEMIES

Running an academy is very different from running a school. These are some of the issues you need to be planning for whether you've become an academy or are in the process of making the transition:

- Academies are both charities and a limited company with **legal, financial and regulatory** responsibilities. Commissioning an independent audit and producing regular accounts are some of the new obligations that you need to think about, as well as cash flow, financial planning and budgeting;
- Making sure that staff are paid correctly and on time is part of your **payroll** function. PAYE tax becomes your responsibility also;
- You will need to decide if VAT registration is the appropriate way forward for you;
- Drawing up new employment contracts for new teachers and support staff, **pensions** (including any deficits known as 'pension black holes') and disciplinary policies will be part of your **HR** remit.

Hallidays has been helping schools and other educational establishments run smoothly for some time but our association with Manchester High School for Girls is a record-breaker. Bursar John Moran explains:

"Hallidays' association with Manchester High School for Girls spans back over 100 years, a remarkable partnership built on trust. During this long business relationship the running of schools has changed dramatically.

Hallidays has helped us educate teachers to become more commercially aware and improve their budgeting skills. When we took on large projects, such as the extensive changes we made to the front entrance of the school, Hallidays provided cash flow forecasts to ensure the smooth running of these projects.

Hallidays was able to bring its commercial knowledge to the charity when we looked at the changes to the assisted places scheme and the financial impact this would have on the school.

What I find refreshing is that Hallidays work closely with our own team resolving issues and bring solutions to me which releases my time. I have a great relationship with my accountant and I'm not sure how many people can say that."

John Moran - Bursar,
Manchester High School for Girls

ACADEMY FACTFILE

- Almost 40% of all secondary schools in England are now academies or applying for academy status;
- Academies were the brainchild of Lord Adonis who served as an education advisor to the Blair government;
- The government has ambitious expansion plans for academies with primary and special schools now eligible to apply for academy status;
- Academies have the freedom to set their own curriculum, own their own buildings and land, change the timings of the school day and set their own admission policies;
- Eddie Stobart boss Andrew Tinkler and education charity United Learning Trust are just two of the private individuals and charitable organisations involved in academies;
- The GCSE results of academies are increasing twice as fast as the national average according to the Department for Education. However, not every academy is thriving. Several have been put in special measures, or closed, because of poor performance.

FOCUS ON HR

HR is one of the biggest worries for academies. Falling foul of employment law or dealing with HR crises such as breach of contract are the nightmare scenarios academies want to avoid.

Here, Deborah Cox, Hallidays' HR expert, explains the issues academies need to have in mind when navigating the HR minefield:

Looking after your HR

Academies have three choices when it comes to who looks after their HR requirements: to continue with the HR support they get from their local authority, establish an in-house HR team or ask a third party to handle it.

Complexities of employment

Schools already have a two-tier workforce with teaching and support staff being employed on different contracts and with different pensions. They are represented by different unions and governed by different national and collective agreements.

How things stay the same once your school is an academy

Academies inherit all of the employment terms and conditions of their current staff which includes continuity of service, salary and pension provision because of Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE).

How things change once your school is an academy

Academies are entitled to recruit new staff on different contracts. For example, they may want to amend sick pay, introduce performance-related pay to reward high quality and track underperforming staff or include flexible hours such as weekend working. But having two sets of employees – teachers and support staff – on two different contracts – pre and post-academy – is complex and potentially divisive.

For an expanded article please email janeb@hallidays.co.uk

"Looking after your own HR is one of the freedoms that academies enjoy, says Deborah. But you should not underestimate how enormously complex this area is – it includes everything from pay bargaining to setting terms and conditions of employment.

Hallidays can help academies with HR by acting as a sounding board. Because we work in the commercial sector we can share best practice so academies can manage and improve their performance by benchmarking things like absence and employee engagement.

HR is one of those areas that nobody notices when it's running well and everyone's up in arms over when it goes wrong."



HOW HALLIDAYS CAN HELP YOUR ACADEMY

With 168 years of accountancy experience, over 20 charity clients and a team of business experts at your disposal, Hallidays could be the extra pair of hands your academy needs.

Our wide-ranging skills and expertise, our track record in working with the not-for-profit sector and the fact that many of our team are parents themselves means we work with academies to free up their time so they can focus on academic excellence.

Our time saving and value for money services to academies include:

- Preparing or reviewing accounts in line with charity and company law and managing internal budgeting and cash flow;
- VAT and PAYE health checks to help you maximize claims and minimize costs;
- Handling all HM Revenue & Customs requirements and enquiries;
- Acting as the 'responsible officer' who oversees the academy's financial arrangements or training and advising the individual appointed;

- Our cost effective and efficient payroll team can process weekly or monthly payrolls using the BACS system;
- Training for your management and financial teams to ensure they have the skills they need to do their job well;
- Troubleshooting your internal processes to make sure they are in good shape before your mandatory audit;
- Regular snapshots of how your academy is performing using our 'One Page Plan' which identifies where you are succeeding and failing, sets targets in key pre-performance areas and outlines an action plan;
- An IT audit of all your computer systems with network, hardware and software support if you need it;
- HR Advice including benchmarking your people policies against other organisations.

Have you got a question for Hallidays' Academy Focus?

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"Hallidays payroll team has lifted a heavy weight from our workload leaving us more core time to undertake running the business and keep cash flowing"

Doreen Law
Barnes Walker Ltd



HALLIDAYS
MORE THAN JUST ACCOUNTANTS

For a free no-obligation chat about your school or academy contact:

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