

Schedule 4

THE BRIT SCHOOL

NEW FUNDING AGREEMENT

November 2008

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1. This Agreement is made under section 105 of the Education Reform Act 1988 ("ERA") between the Secretary of State for Education and Science and The BRIT School (hereafter "the CCTA") on 8 August 1991. It has been amended by an amending agreement made under section 482 of The Education Act 1996 ("the EA") (prior to its amendment under section 65 of the Education Act 2002) between the Secretary of State for Education and Employment and the CCTA dated 18 April 1997 and a further amending agreement between the Secretary of State for Children, Schools and Families ("the Secretary of State") and the CCTA dated November 2008. The CCTA is a charitable company incorporated in England and Wales, limited by guarantee with registered no 2369239.

2. (a) The following expressions used in this Agreement have the respective meanings assigned to them by the numbered paragraphs of this Agreement referred to immediately after the reference to the expressions -

"admissions number" - paragraph 37;
"annual letter of funding" - paragraph 16A;
"GAG" - paragraphs 10 - 11B;
"capital expenditure" - paragraph 7a;
"the College" - paragraph 4;
"current expenditure" - paragraph 7b;
"EAG" - paragraphs 10 and 14;
"EA" - paragraph 1; and
"financial year" - paragraph 17.

(b) "LA" means the local authority of the CCTA.

(c) A reference in the Agreement to a numbered paragraph or Annex is a reference to the paragraph or Annex of this Agreement bearing that number.

3. Section 482 (1) of EA, prior to its amendment by section 65 of the Education Act 2002, stated that -

"(1) The Secretary of State may enter into an agreement with any person under which -

(a) that person undertakes to establish and maintain, and to carry on or provide for the carrying on of, an independent school with such characteristics as are specified in the agreement and in subsection (2), and

(b) the Secretary of State agrees to make payments to that person in consideration of those undertakings."

4. In consideration of the CCTA undertaking to establish and maintain, and to carry on or provide for the carrying on, of an independent school to be known as The London School for the Performing Arts and Technology College ("the College") and having such characteristics as are referred to in paragraph 5, the Secretary of State agrees to make payments to the CCTA in accordance with the conditions and requirements set out in this Agreement.

CHARACTERISTICS OF A CCTA

5. The characteristics of a CCTA including those set down in section 482 (2) of the EA, prior to its amendment by section 65 of the Education Act 2002, are that the school:

- (a) is situated in an urban area;
- (b) provides education for pupils of different abilities who have attained the age of eleven years at the start of the academic year their course commences and who are wholly or mainly drawn from the area in which the school is situated;
- (c) has a broad curriculum with an emphasis -
 - (i) in the case of a school to be known as a city technology college, on science and technology; or
 - (ii) in the case of a school to be known as a city college for the technology of the arts, on technology in its application to the performing and creative arts;
- (d) does not charge fees except as permitted by paragraphs 21 and 22;
and
- (e) is funded by the Secretary of State under sections 482 and 483 of EA.

GRANTS TO BE PAID BY THE SECRETARY OF STATE

6. The Secretary of State shall pay grant under this Agreement towards capital and current expenditure.

7. In this Agreement -

- a) "capital expenditure" means expenditure on:
 - i. the acquisition of land and buildings;
 - ii. the erection, enlargement, improvement or demolition of any building including any fixed plant, installation, wall, fence or other structure, or any playground or hard standing;
 - iii. the installation of electrical, mechanical and other services;
 - iv. the purchase of vehicles and other self-propelled mechanical equipment;
 - v. the provision of equipment and furnishings including computers, networking for computers and equipment for information technology, other than where these are provided in the course of periodic maintenance;
 - vi. the provision and equipping of premises, including playing fields and other facilities for social activities and physical recreation;

- vii. works of a permanent character other than the purchase or replacement of minor day-to-day items of capital equipment of any class or description referred to in Annex 1;
- viii. major repairs or replacements as described in the annual letter of funding;
- ix. such other items (whether of a like or dissimilar nature to any of the foregoing) of a substantial or enduring nature as the Secretary of State may agree shall constitute capital expenditure for the purposes of this Agreement;
- x. all professional fees properly and reasonably incurred in connection with the provision of the above; and
- xi. VAT payable on any of the above.

and "capital grant" means grant paid under this Agreement in respect of such expenditure. Where the CCTA has acquired assets for a nil consideration or at an under-value, it shall be treated for the purpose of this Agreement as having incurred expenditure equal to the market value of that asset at the time that it was acquired.

b) "Current expenditure" means any expenditure on the administration, conduct and maintenance of the College which does not fall within the categories of capital expenditure as defined in paragraph 7a.

Capital Expenditure

8. The Secretary of State and the CCTA hereby agree that:
- i. Any capital expenditure made by the Secretary of State or by or on behalf of the CCTA (whether before or after its incorporation) prior to the date of this Agreement for the purposes of or in connection with the establishment or maintenance of the College shall be deemed for all purposes to have been made under this Agreement.
 - ii. the amount of the capital expenditure necessary to establish the College shall not exceed £10m at outturn prices ("the cash limit"). This includes the capitalised cost of acquiring the leasehold or the capital cost of acquiring the freehold interest in the site, the erection of any new buildings, any renovations required to existing buildings, including repairs, the provision of an initial stock of furniture and equipment, including equipment for the purposes of information technology, professional fees and VAT;
 - iii. up to the sum of £10m the Secretary of State will bear 80% of these costs and the CCTA 20%.
 - iv. the arrangements (including timing) for payments of the costs shall be as provided in Annex 2.
 - v. if the costs finally incurred for the purposes set out in paragraph 8ii above are less than £10m the share of the actual costs will be divided

between the Secretary of State and the CCTA in the same proportions as indicated in paragraph 8iii;

vi. if the costs incurred for the purposes set out in paragraph 8ii exceed £10m, these additional costs shall be the responsibility of the CCTA, except that the Secretary of State shall contribute:

- (a) up to 80% but not less than 50% of any necessary additional costs the need for which could not reasonably have been foreseen at the time the cash limit was set;
- (b) such percentage as may be agreed between the parties of any other additional costs which the parties agree should be incurred.

8(A). The CCTA agrees to use its best endeavours to make, or procure the making of, capital expenditure beyond the cash limit referred to in 8(ii) amounting to not less than £1 million, in cash or equivalent, such expenditure to be made not later than four years after the date on which the College opens and to be met from resources other than those of the Secretary of State.

9. Any capital expenditure (other than expenditure by the CCTA under paragraph 8vi) during the life of this Agreement beyond the cash limit referred to in paragraph 8ii on which grant payments are sought from the Secretary of State will require the specific approval of the Secretary of State not to be unreasonably withheld. Unless the CCTA undertakes to meet such capital costs entirely itself such approved costs as are incurred will be shared in a proportion to be agreed between the Secretary of State and the CCTA in relation to, and having regard to the nature of, each such capital project. Notwithstanding the preceding sentence, the proportion contributed by the Secretary of State will not be expected to exceed 90% save that any capital expenditure required in order to meet the requirements of legislation enacted or made after the date of this Agreement shall be funded at least to 90% by the Secretary of State.

ARRANGEMENTS FOR PAYMENT OF CAPITAL GRANT

9A Capital Grant will be paid by the Secretary of State to the CCTA on the basis of claims for grant submitted to the Secretary of State in the notified format with supporting invoices and certificates as required by the Secretary of State. Capital grant will be paid within 21 days from the day on which a claim for grant is received if the claim is in the proper format, supported by the appropriate documentation and the conditions on its payment set out at paragraph 24(A) are complied with. If a dispute arises as to whether a grant claim is acceptable or not both parties undertake to attempt to resolve it in good faith.

Current Expenditure

10. Payments by the Secretary of State under this Agreement towards current expenditure will be in two separate and distinct grants: General Annual Grant (GAG) and Earmarked Annual Grant (EAG).

General Annual Grant

11 General Annual Grant will be paid by the Secretary of State to the CCTA in order to cover normal running costs of the College. These costs will include, but are not limited to:

- a) teachers' salaries and related costs (including full and part time teaching staff and seconded teachers);
- b) non-teaching staff salaries and related costs (including educational support staff, administrative and clerical staff and manual and premises related staff);
- c) employees' expenses;
- d) the purchase, maintenance, repair and replacement of teaching and learning materials and other educational equipment including books, stationery, ICT equipment and software, sports and laboratory equipment and materials, other supplies and services;
- e) examination fees;
- f) repairs, servicing and maintenance of buildings (including redecoration, heating, plumbing, lighting etc); maintenance of grounds (including boundary fences and walls); cleaning materials and contract cleaning; water and sewage; fuel and light (including fuel oil, solid and other fuel, electricity and gas); rents; rates; purchase, maintenance, repairs and replacement of furniture and fittings;
- g) insurance;
- h) medical equipment and supplies;
- i) staff development (including in-service training);
- j) curriculum development;
- k) the costs of providing school meals for pupils (including the cost of providing free school meals to pupils who are eligible to receive them) and discretionary grants to pupils to meet the cost of pupil support, including support for pupils with special educational needs or disabilities (taking account of the fact that separate additional money will be available for pupils with statements of special educational needs);
- l) administration;
- m) establishment expenses and other institutional costs.

11A GAG for each financial year of the CCTA will be the total of the following areas of funding:

- a) Formula Funding: Funding equivalent to the level of funding which would be provided through the funding formula of the LA in whose area the College is situated, to a maintained school which had all of the College's relevant characteristics, including its number of pupils;

b) Local Authority Central Spend Equivalent: Funding representing a proportion of the LA Education Budget money which the LA would be able to retain, from the non-delegated elements of the Schools Block and the relevant items in the LA Block, if the College were a maintained school. The proportion which this funding will represent will be based on the elements of the LA's Section 52 Budget Return which are relevant to the College.

c) Specialist Schools Allowance: Funding equivalent to that which a maintained school with the College's characteristics would receive in respect of their participation in the specialist schools programme;

11B. The GAG for the College will also include, payable on a basis equivalent to that applied to maintained schools:

- a) funding for matters for which it is necessary for the College to incur extra costs, for as long as those costs are deemed necessary by the Secretary of State; and
- b) payments in respect of further, specific grants made available to maintained schools, where the College meets the requisite conditions and criteria necessary for a maintained school to receive these grants.

11C The basis of the pupil number count for the purposes of determining GAG will initially be the Governing Body's estimate each November for numbers on roll in the following September. However, the basis of the pupil number count will be the Schools Census for the January preceding the academic year in question (preceding September Pupil Count or autumn term Schools Census for pupils in Year 12 and above), once the following conditions have been satisfied for the academic year for which funding is being calculated;

- a) all planned year-groups will be present (that is, all the pupil cohorts relevant to the age-range of the College will have some pupils present); and
- b) the total number of pupils as measured in the Schools Census for the preceding January is 90% or more of the planned final size of the College, that is 920 pupils.

and this basis will continue in all subsequent years.

12. For any academic year in which GAG has been based on the Governing Body's estimate, an adjustment will be made to the following year's formula funding element of GAG to recognise any variation from that estimate greater than 2.5%, the additional or clawed-back grant being only that amount relevant to the number of pupils beyond the 2.5% variation. For any academic year in which GAG is based on the Schools Census (or the September Pupil Count for sixth form pupils), no adjustment will be made to the formula funding element for actual pupil numbers which are below those used to calculate GAG. Neither will an adjustment normally be made to the formula funding element for actual pupil numbers higher than those used; but an adjustment may be made by the Secretary of State if the CCTA demonstrates that there has been a significant impact on costs (e.g. an extra class had been added). For any other element of GAG the Secretary of State may make adjustments to recognise a variation in pupil numbers from that used to calculate the

element of grant in question; the basis of these will be set out in the annual letter of funding.

13. The Secretary of State recognises that if he serves notice of intention to terminate this Agreement under paragraph 50 the intake of new pupils during the 7 year notice period is likely to decline and that in such circumstances payments based simply upon the number of pupils attending the College are unlikely to be sufficient to meet the College's needs during the notice period. The Secretary of State undertakes to pay a reasonable and appropriately larger GAG in the notice period than would be justified solely on the basis of the methods set out in paragraphs 11A and 11B, in order to enable the College to operate effectively.

Earmarked Annual Grant

14. Earmarked Annual Grant shall be paid by the Secretary of State to the CCTA in respect of either recurrent or capital expenditure for such specific purposes as may from time to time be agreed between the Secretary of State and the CCTA and as described in the relevant funding letter. The College is free to determine how best to use each of its EAGs within the scope, terms and conditions of the grant set out in the relevant funding letter.

14A The Secretary of State agrees that EAG shall include grant payment to meet the rental liabilities of the CCTA from time to time arising under or by virtue of a Lease dated 23 July 2008 made between (1) Croydon Further and Higher Education Corporation and (2) the CCTA and granted for a term commencing on 29 September 2005 and expiring on 24 December 2117 in relation to land and buildings comprising East Wing, at the CCTA's premises at 60 The Crescent, Croydon, Surrey ("the Lease"). The current annual exclusive rent payable by the CCTA under the Lease amounts to £190,000.00 which is subject to upwards only review by reference to increase in the "All Items" Retail Prices Index on 29 September 2010 and every five years thereafter. The CCTA must obtain the consent of the Secretary of State before agreeing any amendments to the Lease.

14B For the avoidance of doubt, an application under clause 14C may include or solely comprise an application for specific EAG to assist the CCTA in meeting rent payable pursuant to a Lease dated 24 September 2008 made between (1) The Mayor and Burgesses of the London Borough of Croydon and (2) the CCTA and granted for a term commencing on 29 September 2007 and expiring on 24 December 2117 in relation to land and buildings comprising the East Gym Block Croydon College The Crescent Selhurst Croydon Surrey. Payment of any specific EAG requested pursuant to an application made under clause 14C is subject to the Secretary of State's discretion and the terms of this Agreement.

14C Where the CCTA is seeking a specific EAG in relation to any financial year, it shall submit a letter outlining its proposals and the reasons for its request to the Academies Group, Sanctuary Buildings, Great Smith Street, London SW1P3BT, by 15th February preceding the financial year in question.

Arrangements for payment of GAG and EAG

15. The Secretary of State shall notify the CCTA in December preceding the start of each financial year of the GAG and EAG figures which, subject to Parliamentary

approval, the Secretary of State plans for that year and of the assumptions and figures on which these are based.

16 If an error in the calculation of GAG or EAG occurs for any year, whether in the calculation or because of erroneous data supplied to the Secretary of State, the Secretary of State reserves the right to correct the calculation and, if appropriate, amend the baseline calculations for GAG in subsequent years. If an underpayment or overpayment has occurred as a consequence of the error, the Secretary of State will consider paying additional grant, and reserves the right to recover overpaid grant, as appropriate, having considered all the relevant circumstances.

16A The amount of GAG for a College financial year will be determined annually by the Secretary of State. The amount of GAG will be notified to the CCTA in a funding letter not later than 1 April preceding that financial year ("the annual letter of funding"). The annual letter of funding will not include the amount that the CCTA will receive in respect of grants for which information to enable timely calculation is not available or is incomplete, such grants will be notified as soon as practicable later in the year. Amounts of EAG will be notified to the CCTA wherever possible in the annual letter of funding or as soon as practicable thereafter.

17. For the purposes of this Agreement, the College's financial year shall be deemed to run from September to August, in order to align it to the school academic year. The Secretary of State undertakes to pay GAG in monthly instalments on or before the twenty fifth day of each month, each such instalment to fund the salaries and other payroll costs for the relevant month of all monthly paid employees and all other costs payable during the next following month. The detailed arrangements for payment will be set out in the annual letter of funding.

Other relevant funding

18 The Secretary of State shall meet a proportion of the costs arising from the inclusion of City Colleges for the Technology of the Arts in the Schedules to the Redundancy Payments (Continuity of Employment in Local Government) (Modification) Order 1999. The Secretary of State shall meet the costs of the employee's prior eligible service and the CCTA shall meet the costs of service in the College. The College shall seek the Secretary of State's consent for these redundancies, such consent not to be unreasonably withheld, before committing to the redundancies.

18A The CCTA may also receive funding from LAs in respect of the provision detailed in statements of special educational needs for pupils attending the College in accordance with the provisions of Section 483A of the Education Act 1996 and regulations made under that section. The College shall ensure that all provision detailed in statements of SEN is provided for such pupils.

18B The CCTA should also receive funding from the LA, calculated in accordance with the LAs formula for distributing Standards Fund grants. The LA will be reimbursed by the Secretary of State. If the Secretary of State in future pays Standards Fund grants direct to Academies, the CCTA will receive such grant on the same basis.

CONDITIONS OF GRANT

19. Section 482 (4) of EA states -

"(4) An agreement under this section shall make any payments by the Secretary of State dependent on the fulfilment of:

(a) conditions and requirements imposed for the purpose of securing that no charge is made in respect of admission to the school or, subject to such exceptions as may be specified in the agreement, in respect of education provided at the school; and

(b) such other conditions and requirements with respect to the school as are specified in the agreement."

20. Conditions and requirements relating to charges are contained in paragraphs 21 and 22. Other conditions and requirements of grant are set out in paragraphs 23 onwards.

Charges

General

21. Sections 402, 449 - 457, 459 and 460 - 462 of EA shall be deemed to apply to the College with the following modifications:

i. references to any maintained school shall be treated as references to the College;

ii. references to registered pupils shall be treated as references to registered pupils at the College;

iii. references to the governing body or the local education authority shall, in each case, be treated as references to the governing body of the College;

iv. the charging and remissions policies required to be determined under section 457, and any amendment thereto, shall require the approval of the Secretary of State; and

v. references to education provided at grant-maintained schools in pursuance of arrangements made under section 231(8), being irrelevant, shall be disregarded.

22. The CCTA may charge persons who are not registered pupils at the College for education provided or for facilities used by them at the College.

23. The College shall be conducted in accordance with:

i. the Scheme of Government agreed with the Secretary of State;

ii. any relevant legal requirement including, in particular, section 22 of the Sex Discrimination Act 1975, section 17 of the Race Relations Act 1976, the Health and Safety at Work etc Act 1974, and section 548 - 550 of EA.

The CCTA shall have due regard to the need to promote equality of opportunity and good relations between persons of different racial groups.

24A. Any payment of capital grant expressed to be made for the purpose of defraying the capital expenditure set out in paragraphs 6, 7, 8 and 9 is subject to the fulfilment by the CCTA of the following conditions namely:

- i. That such grants are used to provide the accommodation, specified in the Schedule to Annex 2 to standards set by the Secretary of State; or to defray other capital expenditure approved by the Secretary of State.
- ii. The sale, or disposal by other means, or reinvestment of proceeds from the disposal, of an asset for which capital grant in excess of £20,000, or such higher figure as may from time to time be agreed, was paid shall require the approval of the Secretary of State such approval not to be unreasonably withheld or delayed. Furthermore, reinvestment exceeding £1m or with other special features will be subject to Parliamentary approval.
- iii. In the event, during the period of this Agreement, of the sale, or disposal by other means, of any asset for which capital grant of whatever amount was paid, the CCTA shall, if it does not reinvest as aforesaid, repay to the Secretary of State the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State; and
- iv. Subject to paragraph 24B below, upon the termination of this Agreement whether as a result of the Secretary of State serving notice of termination under paragraph 50, 57 or 59, or of the CCTA serving notice of termination under paragraph 60, the CCTA shall repay to the Secretary of State sums determined by reference to:
 - (a) the value at that time of the College's site and premises and other assets held for the purposes of the College; and
 - (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under this Agreement.
- v. the payment of such grants is subject to the CCTA certifying and providing evidence that all planning and other consents necessary for the development and all related infrastructure to be completed have been obtained or put in place.

24B. i. In so far as it is necessary for the CCTA, in order to meet all or part of its obligation to the Secretary of State under subparagraph (24A)iv above, to dispose of any of its assets, it shall use its best endeavours to effect such disposal as soon as may be after the termination of this Agreement.

24B.ii. Any such assets not sold within 6 months after the termination of this Agreement may be transferred to the Secretary of State, if he so consents in writing, and on such transfer the Secretary of State shall pay to the CCTA sums determined by reference to the matters set out in subparagraphs 24(A)iv(a) and 24(A)iv (b) above.

24B.iii. To the extent that the CCTA is able to meet any part of its obligation to the Secretary of State under subparagraph 24(A)iv above without disposing of assets, this subparagraph shall not operate to extend the period of time for payment in respect of that part.

25. In determining the value of the College's site and premises and other assets held for the purposes of the College, the Secretary of State shall have regard to the advice of the District Valuer regarding their market value provided always that if on or within 6 months of termination:

- (a) any assets are sold on the open market their value for the purpose of paragraph 24 (A)iv (a) shall be deemed to be the price at which they are sold;
- (b) arrangements are made for all or any of the assets of the CCTA to be acquired by one or more LAs, the value of any such asset shall be deemed to be the value at which it is acquired from the CCTA by the LA or LAs;
- (c) any assets are compulsorily acquired or appropriated for less than market value, the compensation paid for such assets shall be deemed to be their market value.

Financial and Accounting Requirements

26. Any payment of grant by the Secretary of State is subject to his being satisfied as to the fulfilment by the CCTA of the following conditions:

- i. that the financial and other controls applied by the CCTA in conducting the College conform with the requirements both of propriety and of good financial management;
- ii. that arrangements have been made to maintain proper accounting records and that statements of income and expenditure and balance sheets may be produced in such form and frequency as the Secretary of State may from time to time reasonably direct;
- iii. that such financial statements are published at the end of each financial year (as defined in paragraph 17) in such form and manner as the Secretary of State may reasonably direct and a copy sent to him by 31 December each year. These should carry an audit report stating that, in the opinion of the auditors, the statements show a true and fair view of the CCTA affairs and that the grants were used in accordance with the terms and conditions laid down in this Agreement;
- iv. that the CCTA prepares and files with the Companies Registry such annual accounts as are required by the Companies Act 1985; and
- v. that a statement of the accounting policies used is sent to the Secretary of State with the financial statements.
- vi. that the CCTA insures or procures insurance by another person of its assets in accordance with normal commercial practice or under

the terms of any subsisting leases in respect of the leasehold interest of the site upon which the College is situated.

27. The CCTA shall secure that its accounts are audited annually by independent auditors appointed under arrangements approved by the Secretary of State. In addition, and at his expense, the Secretary of State may instruct auditors to report to him on the adequacy and effectiveness of the accounting systems and internal controls to standards determined by the Secretary of State and to make recommendations for improving the financial management of the College.

28. The books and accounts and all relevant records, files and reports of the CCTA including those relating to financial controls, shall be open to officials of the Department for Children, Schools and Families and the National Audit Office for inspection or the carrying out of value for money studies; and the CCTA shall secure that those officials are given reasonable assistance with their enquiries. For the purposes of this paragraph, relevant means in any way relevant to the provision and use of grants provided by the Secretary of State under this Agreement.

29. The Governing Body shall submit indicative budgets to the Secretary of State not later than by 15 February before the start of each College financial year. Such budgets shall set out clearly the prospective income and expenditure of the CCTA and shall differentiate, and give adequate details of:

- a) a statement of expected income for that year including cash donations and gifts in kind from sources other than GAG, EAG and grants from the Secretary of State towards capital and revenue expenditure, distinguishing between income from public funds including the national lottery and income from other sources;
- b) a statement of proposed recurrent expenditure for that financial year;
- c) a statement of proposed capital expenditure for that financial year.

The Governing Body may also accumulate funds from private sources or public sources other than grant from the Secretary of State for application to the benefit of the College as it sees fit. Any surplus arising from private sources or public sources other than grant from the Secretary of State shall be separately identified in the balance sheet.

30 At the beginning of any year the CCTA may hold unspent GAG from previous years amounting to 12% of the total GAG payable in the year just ended or such higher amount figure as may from time to time be agreed. This carried forward amount may be used as follows:

- a) equivalent to 2% of the total GAG payable in the year just ended, may be used for any of the purposes for which GAG is paid
- (b) equivalent to 12% of the total GAG payable in the year just ended, or such higher amount figure as may from time to time be agreed, minus any amount used under clause (a), may be used on the upkeep and improvement of premises, including the cost of equipment and routine repairs and maintenance, and on capital expenditure

31. The CCTA shall not, without the prior written consent of the Secretary of State, not to be unreasonably withheld or delayed:

- i. give any guarantees, indemnities or letters of comfort;
- ii. write off any debts or liabilities owed to it above a value to be set out in the annual funding letter, nor offer to make any ex gratia payments;
- iii. make any freehold sale or purchase; or
- iv. grant or take up any leasehold or tenancy agreement for a term exceeding three years.

32. Each discovered loss of an amount exceeding the amount set out in the annual letter of funding, and arising from suspected theft or fraud, shall be reported by the CCTA to the Secretary of State at the earliest opportunity.

Borrowing Powers

33. It is the responsibility of the CCTA to ensure that it balances its budget from year to year. The CCTA shall not run an overdraft beyond such amount (to cover irregularities in cash flow) as may from time to time be approved by the Primary Members (as defined in the CTC's Memorandum of Association) and with the written consent of the Secretary of State, not to be unreasonably delayed or withheld, and subject to any conditions he may reasonably impose. The CCTA shall not borrow except with the written consent of the Secretary of State against future years' current grant, or by using as collateral assets purchased wholly or partly out of monies provided by the Secretary of State. Provided always that nothing in this paragraph shall prevent the CCTA from borrowing (whether by way of overdraft or otherwise) prior to the opening of the College nor from borrowing where such borrowing is made necessary by the failure of the Secretary of State to make in a timely fashion payments (whether of GAG or EAG or otherwise) agreed to be made by him under this Agreement.

Pupils

34. The area for admissions ("the catchment area") to the CCTA is indicated on the plan at Annex 4. Any variations to the catchment area require the approval of the Secretary of State; and such approval shall be sought at least 6 months before a public announcement by the CCTA of the admissions procedure for any year. Unless the number of suitable applicants from addresses within the catchment area falls short of the number of places available in any one year (the admissions number as defined in paragraph 37), pupils living outside the catchment area shall not be admitted unless the Secretary of State gives his approval. If the number of suitable applicants is more than 5 per cent short of the number of places available the CCTA shall approach the Secretary of State at least 6 months before the beginning of the next year's admissions procedures with a view to seeking his agreement to amending temporarily or permanently the catchment area for those admissions, which agreement shall not be unreasonably withheld.

Admissions policy

35. The arrangements for admission of pupils to the College shall be determined by the Governing Body in accordance with the CCTA's Scheme of Government and the characteristics of a CCTA mentioned in paragraph 5 above, so as to secure as far as possible that the intake of pupils is representative of the full range of ability among pupils in the catchment area; and broadly representative of the community in the catchment area.

36. The CCTA shall secure, subject to the overriding requirements set out in paragraph 35, that from among applicants of different abilities students are selected who, in the judgement of the Principal are most likely to benefit from what the College has to offer, have the strongest motivation to succeed and intend to continue in full time education or training up to the age of 18. It is recognised that the support of parents or guardians is vital if pupils are to benefit fully from the education offered at the College. The procedures for selection, and the information given to parents in the course of local publicity for the admission arrangements, shall be organised and presented with these factors in mind: the outcomes shall be monitored and evaluated by the CCTA. Information on the criteria used to select applicants shall be made available free of charge by the College on request, regardless of whether or not it is made by a parent or guardian living within the catchment area.

37. The number of pupils to be admitted to any year group or post-16 group in any year (the admissions number) has initially been determined by the Secretary of State in Annex 5 and subsequently may be varied by agreement between him and the CCTA.

38. Records of applications and admissions shall be kept by the College for a minimum period of ten years and shall be open for inspection by the Secretary of State.

Teachers

39. The CCTA shall normally employ as teachers persons who are qualified teachers within the meaning of the Education (Teachers) Regulations 1993 (S. I. 1993/543) as amended from time to time. It shall be open to the CCTA to employ persons (whether as teachers or otherwise) with other qualifications and experience.

Pay and Conditions of Service

40. It shall be the responsibility of the CCTA to agree levels of pay and conditions of service with its employees, and to employ such numbers of staff as may be appropriate. The Secretary of State shall, however, pay grant only in accordance with paragraphs 6-9 and 10-18B, and as set out in the annual letter of funding.

41 .Not used

Curriculum and Assessment

42. The curriculum provided by the CCTA to pupils up to the age of 16 shall be broad and balanced with an emphasis on science and technology, [in the case of a CCTA: with an emphasis on the application of technology to the creative and performing Arts] and in particular on the application of information technology in the curriculum. All the core and other foundation subjects of the National Curriculum

must be taught to all pupils in years 1 - 5 and their progress measured against the statutory attainment targets and using the statutory arrangements for assessment at the ages of 14 and 16 as these are introduced nationally. In addition the CCTA must make provision for the teaching of Religious Education and for a daily act of collective worship. That provision is subject to the conditions and requirements set out in Annex 6.

43. The Secretary of State may specify in the annual letter of funding performance indicators which he intends to use in order to assess the performance of the College relative to schools in the maintained sector and against the objectives of the CTC Programme, as well as value for money generally. The CCTA shall make information available to the Secretary of State in connection with such indicators in such form and manner and at such times as may be required.

Information

44. Without prejudice to any other provision of this Agreement, the Secretary of State may from time to time call for information on, inter alia, the College's:

- i. curriculum;
- ii. arrangements for the assessment of pupils;
- iii. teaching staff including numbers, qualifications, experience, salaries, and teaching loads;
- iv. class size;
- v. procedures for selecting between applicants;
- vi. number of applications for places and the number and characteristics of pupils accepted for admission;
- vii. organisation, operation and building management; and
- viii. financial controls.

45. The CCTA shall make such information available to the Secretary of State, in such form and manner and at such times as may reasonably be required. The Secretary of State shall provide the CCTA with such information as they may reasonably require of him for the running of the College.

46. Details of the curriculum offered, of assessment arrangements and of the results of attainment tests and public examinations shall be made available annually to parents of pupils at the College. Summary information about such matters shall be made available for inspection at the College to any other person on reasonable request, but this shall not include details of individual pupils' attainment and examination results.

Access by the Secretary of State's Officers

47. The CCTA shall allow access to the premises of the College at any reasonable time to DCSF officials. All records, files and reports relating to the

running of the College shall be available to them at any reasonable time. The CCTA shall provide the Department in advance with papers relating to all meetings of the Board of Governors of the College and of Directors of the CCTA. Two DCSF officials shall be entitled to attend and to speak at all such meetings. The CCTA shall take any steps (whether by way of amendment to its Articles of Association or otherwise) which are requisite to secure its compliance with the obligations imposed by the previous two sentences.

Notices

48. Any notice or other communication concerning this Agreement shall be sent, in the case of a notice or communication from the Secretary of State to the CCTA to the Chairman of Trustees, The BRIT School, 60 The Crescent, Croydon, CR0 2HN or such other addressee/address as may be notified in writing from time to time by the CCTA and, in the case of a notice or communication from the CCTA to the Secretary of State to Head of Academies Group, Department for Children, Schools and Families, Sanctuary Buildings, Great Smith Street, London, SW1P 3BT; or such other address as may be notified from time to time by the Secretary of State and where any such notice or communication is sent by post, unless the contrary is proved, it shall be deemed, subject to satisfactory proof of posting, to be effected at the time at which the letter would be received in the ordinary course of post.

TERMINATION OF THE AGREEMENT

Termination of the Agreement by the Secretary of State

49. Sections 483 (1) and (2) of EA state that:

"(1) Payments under an agreement under section 482 may be in respect of capital or current expenditure.

(2) In so far as such payments relate to current expenditure, the agreement shall provide for their continuance (subject to the fulfilment of the conditions and requirements falling within section 482(4)) -

(a) for a period of not less than seven years, or

(b) for an indefinite period terminable by the Secretary of State by not less than seven years' written notice."

50. Subject to prior termination of this Agreement under paragraphs 55-59, the Secretary of State shall continue payments in respect of current expenditure for a period of not less than seven years. The Secretary of State shall give seven years written notice of his intention to terminate this Agreement, such notice to expire on 31 August in any year.

51. Section 483 (4) of the EA states that:

"(4) Without prejudice to subsection (1), an agreement under section 482 may provide for indemnifying a person, in the event of the agreement being terminated by the Secretary of State, for expenditure

(a) incurred by that person in carrying out the undertakings mentioned in section 482(1), or

(b) incurred by that person (otherwise than by virtue of subsection (3)) in consequence of the termination of the agreement.”

52. If the Secretary of State terminates this Agreement for reasons other than that the CCTA no longer has the characteristics set out in paragraph 5(a)-(d), or is no longer meeting the conditions and requirements set out in paragraphs 19-46 or is otherwise in breach of the provisions of this Agreement, the Secretary of State shall indemnify the CCTA in accordance with paragraphs 53 and 54. The amount of any such indemnity shall be paid at such times and in such manner as the Secretary of State may reasonably think fit.

53 (A). The amounts and categories of expenditure incurred by the CCTA in consequence of the termination of the Agreement in respect of which the Secretary of State shall indemnify the CCTA include (but not by way of limitation), staff compensation and redundancy payments, compensation payments in respect of broken contracts, expenses of disposing of assets or adapting them for other purposes, legal and other professional fees, and dissolution expenses. The Secretary of State shall also indemnify the CCTA in respect of capital expenditure on any asset incurred by the CCTA under paragraph 8 or with his approval under paragraph 9, other than expenditure funded by capital grants made by the Secretary of State, which cannot be recouped:

(a) as a result of an asset being compulsorily acquired or appropriated in connection with or following termination for less than its market value; or

(b) as a result of its market value at termination being less than its depreciated cost value;

and for these purposes the cost of land and buildings shall be depreciated on a straight line basis over 60 years and the cost of any other asset shall be depreciated on a straight line basis over such reasonable period as shall be recommended by the CCTA's auditors.

53 (B). In determining the value of an asset, the Secretary of State shall have regard to the advice of the District Valuer provided always that if on or within 6 months of termination any assets are sold on the open market their value shall be deemed to be the price at which they are sold.

54. In determining the amount of indemnity, the Secretary of State shall have regard to, inter alia, the following matters:

- i. any representations made to him by the CCTA; and
- ii. any plans by the CCTA for the future of the premises including, in particular, any plans for their use for educational purposes.

Termination of the Agreement by the Secretary of State because its conditions and requirements are no longer being met

55. If the Secretary of State determines that the CCTA no longer has the characteristics set out in paragraph 5 (a)-(d) or that the conditions and requirements set out in paragraphs 19-46 are not being met, or is otherwise in breach of the provisions of this Agreement, the Secretary of State may give notice of his provisional intention to terminate this Agreement.

56. Any such notice shall be in writing and shall:

- i. state the grounds on which he considers the CCTA no longer has the characteristics set out in paragraph 5 (a)-(d) or is not meeting the conditions and requirements of paragraphs 19-46 or is otherwise in breach of the provisions of this Agreement;
- ii. specify the measures needed to remedy the situation;
- iii. specify the date by which these measures are to be implemented; and
- iv. state the form in which the CCTA is to provide its response and the date by which it must be provided.

57. If no response is received by the date specified in paragraph 56 iv, the Secretary of State may give the CCTA 12 months, or such lesser period as he considers appropriate in the circumstances, written notice of his intention to terminate this Agreement. He shall also give notice that the provisions of section 483(3) of EA (as described in paragraph 24 (1)iv) shall apply and set out how the CCTA is to comply with them.

58. If a response is received by the date specified in paragraph 56 iv, the Secretary of State shall consider it, and any representations made by the CCTA, and shall, within 3 months of its receipt, indicate that:

- i. he is content with the response and that the measures which he specified are being implemented; or
- ii. he is content, subject to any further measures he specifies being implemented by a specified date or any evidence he requires that implementation of such measures have been successfully completed; or
- iii. he is not satisfied, that he does not believe that he can be satisfied, and that he will proceed to terminate the Agreement.

59. In the circumstances of paragraph 58 iii the Secretary of State shall notify the CCTA why he believes that he cannot be satisfied and, if so requested by the CCTA within thirty days from such notification, he shall meet a deputation from the members and governors of the CCTA to discuss his concerns. If following such meeting he has good reasons for remaining satisfied that the CCTA does not and will not have the characteristics set out in paragraph 5(a)-(d) or does not and will not meet the conditions and requirements set out in paragraphs 19-46, or does not and will not otherwise comply with the provisions of this Agreement, he shall give the CCTA twelve months, or, where he has served a notice of complaint on the CCTA under section 469 of EA, such lesser period as he considers appropriate in the

circumstances, written notice of his termination of this Agreement. He shall also give notice that the provisions of section 483(3) (as described in paragraph 24 (A)iv) shall apply and set out how the CCTA is to comply with them.

60. The CCTA may terminate this Agreement at any time by giving to the Secretary of State not less than seven years notice in writing expiring on 31 August in any year in which event the provisions of paragraph 24 (A)iv) of this Agreement shall apply on the expiry of the seven year notice.

61. In the event of the termination of this Agreement howsoever occurring the Secretary of State shall procure that his nominee shall resign as a member of the CCTA and co-operate in making any associated amendments to the CCTA Articles of Association.

General

62. (a) This Agreement may be amended in writing at any time by agreement between the Secretary of State and the CCTA.

63. The service by the Secretary of State of a notice of termination under any paragraph of this Agreement shall not prejudice the ability of the CCTA (if it wishes to do so) during the notice period to admit pupils in accordance with the provisions of paragraph 37 and to receive GAG and EAG in respect of them.

64. The Secretary of State and the CCTA recognise the difficulties in catering in this Agreement for all the circumstances which may arise in relation to the College and undertake to conduct such consultations as may from time to time be desirable in order to promote the interests of the College throughout the period of this Agreement.

ITEMS TO BE PURCHASED OR REPAIRED FROM CURRENT EXPENDITURE/INCLUDE INTER ALIA:

Servicing of all systems - heating, plumbing, lighting etc
Replacement /repair of furniture
Classroom consumables
Laboratory consumables and equipment replacement
Medical equipment
Fencing repair
Sports Equipment/maintenance
Administration consumables
Redecoration
Grounds maintenance
Repairing all minor damage

Minor repairs (as defined in the annual letter of funding) and maintenance of building fabric and services including maintenance contracts of equipment - mechanical and engineering services, fire alarm, telephone, kitchen equipment etc.

Date: April 1997

PROJECT BUDGET AND CASH FLOW FORECAST/RECORD: Capital

PROJECT: BRITschool

1. Cost Plan Total
All figures in £k

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New Build	6,848
Refurbishment	117
Fees	1,287
F&E	998
Site Purchase	500
Other	250

.....

TOTAL CAPITAL	10,000
of which: DfEE	8,000
Sponsors	2,000

2. CASH FLOW All figures in £k

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	GRAND
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ANNUAL PER CAPITA GRANT: DESCRIPTION OF ITEMS OF LA EXPENDITURE ON WHICH GAG IS BASED.

Teacher salaries including full and part time teaching staff and seconded teachers.

Non-teaching staff including educational support; administrative and clerical; manual and premises related; other.

Employee expenses

Premises and Fixed Plant including repair and maintenance of buildings; maintenance of grounds; cleaning materials and contract cleaning; water and sewage; fuel and light (fuel oil, solid and other fuel, electricity, gas); rents; rates; furniture and fittings.

Supplies and Services including text and library books; educational equipment, stationery and materials; examination fees; other equipment, supplies services and materials.

Establishment expenses and other institutional costs.

Catchment Area for BRIT School CCTA (revised on 25/07/00)

- a) The school's catchment area is all of Greater London **except** postal districts CM 13 & 14; EN4-8; HA1-8; RM1-7,11,12,14,15; UB8-10; WD2,3 and 6 and **includes** postal districts BR6, 8; CRO, 2, 3, 5, 6; DA1, 2, 4, 5, 9, 10, 14; KT4, 6, 9, 17-21; RH1, 2, 6-11; SM2, 3 and 7; TN13, 14 and 16,
- b) Students from the London Borough of Croydon are guaranteed a minimum of 10% pre-16 and 15% post-16 places.
- c) In addition, special consideration can be given to applicants of unusual merit who are out of the catchment area, up to a maximum of 10% of the intake.

Date Feb 2008

PUPIL NUMBERS BUILD UP

PROJECT: The BRIT School

Academic Years	1991 /92	1992 /93	1993 /94	1994 /95	1995 /96	1996 /97	1997 /98	1998 /99	1999 /00	2000 /01
USLA pupils	120	240	240	240	240	240	247	254	254	*232
OSLA pupils	180	396	446	463	480	480	#495	510	510	*532
Capacity	720	720	720	720	720	720	742	764	764	764

Academic Years	2001 /02	2002 /03	2003 /04	2004 05	2005 /06	2006 /07	2007 /08	2008 /09	2009 /10	2010 /11
USLA pupils	232	254	254	254	254	280	280	280	280	280
OSLA pupils	532	510	510	510	510	640	640	640	640	640
Capacity	764	764	764	764	764	920	920	920	920	920

* College exceptionally allowed to under recruit in year 10 and over recruit in year 12 for 1 year only by 22 students. This will feed through for one year.

Should shortfall fall below 18 funding will be reduced by all shortfall not just those below the 18 cushion.

COLLEGE TRUST

Signature 1..... Date.....

Name in block capitals.....

Signature 2..... Date.....

Name in block capitals.....

DEPARTMENT FOR EDUCATION AND SKILLS

Signature..... Date.....

Name in block capitals.....

This annex supersedes the original annex 5 and those of March 1997 and April 2000

RE AND COLLECTIVE WORSHIP

1. Paragraph 42 requires that the CTC/CCTA must make provision for the teaching of RE and for a daily act of collective worship.
2. RE shall be provided for all pupils at the College. All pupils shall take part in a daily act of collective worship. The CTC/CCTA may choose to provide a single act of worship for all the pupils or separate acts for pupils in different age groups or different college groups. Parents shall have the right to withdraw their children from RE and collective worship. Teachers, including the Principal, have the right not to take part in RE and collective worship. However it shall be the Principal's responsibility to ensure that the provisions of this paragraph and paragraph 3 are put into effect.
3. The content of RE and collective worship will be for the College to determine, depending on its character. Generally speaking, however, this should reflect the arrangements established by ERA for maintained county schools.