To the Principals and Sponsors
of Academies

March 2011

Dear principals and sponsors,

I am writing to let you know that I have today announced proposals for the Secretary of State for Education to become the Principal Regulator under the Charities Act 2006 to promote compliance with charity law by the governing bodies of foundation and voluntary schools, academy trusts and sixth form college corporations. The intention is that day to day oversight for foundation and voluntary schools will be undertaken centrally in the Department. In the case of Academies and sixth form colleges oversight will be undertaken by the Young People’s Learning Agency (YPLA) and in due course by its proposed successor, the Education Funding Agency (EFA), reporting to and advising the Secretary of State in his role as Principal Regulator.

It was originally proposed that the YPLA be appointed as the Principal Regulator of Academies. However, following the review of public bodies, the YPLA will, subject to Parliamentary agreement, be succeeded next year by an Education Funding Agency, an executive agency of the Department for Education. The Minister for the Cabinet Office has agreed to appoint the Secretary of State for Education as the Principal Regulator. The Secretary of State already has a role in funding and regulating academy trusts. There are safeguards which will be put in place to avoid any potential conflicts of interest and also ensure that the Secretary of State, as the Principal Regulator, will be able to maintain the integrity of charitable status.

The YPLA has an existing role in funding and regulating Academies and sixth form colleges, which dovetails with the role of Principal Regulator. There will be no additional bureaucratic burden for Academies or for YPLA. Academy Trusts will also no longer be required to register with the Charity Commission on an individual basis.

Draft secondary legislation to make these changes will be laid before Parliament. The aim, subject to Parliamentary scrutiny and approval, is for the changes to take effect later this year. At the same time academy trusts will become exempt charities and those academy trusts which are registered with the Charity Commission will be removed from its register.

Yours sincerely,

JONATHAN HILL

Department for Education