



Liverpool
City Council

Guidance for governing bodies of LA maintained schools regarding academisation

Directorate of Children's and Young People Services

March 2023



Contents

1. Introduction from Lead Member for Education & Skills	2
2. DfE Position	3
3. The Council Position	5
4. Schools Expectations	6
5. The Academisation Process	7
5.1 Background	7
5.2 Convertor Academies	7
5.3 Sponsored Academies	7
6. Converting to an Academy	9
6.5 Consultation	14
6.6 Timing	15
6.7 Transfer of Undertakings (TUPE)	16
6.8 Surplus & Deficit Budgets	16
6.9 Convertor Academies	16
6.10 Sponsored Academies	17
6.11 Due Diligence	17
6.12 Due Diligence Stage 1	18
6.13 Due Diligence Stage 2	19
7. Additional Costs Incurred	21
8. Other Considerations	24
9. Frequently Asked Questions	26

1. Introduction from Lead Member for Education and Skills

The continued academisation of schools remains one of the biggest political discussion points in education in this country. Liverpool has maintained a comparatively low proportion of academies – despite repeated government targets for conversions. I have been keen to make the writing and distribution of this document a priority, so that boards of governors are fully aware of the rights and powers they hold, and of the responsibilities that come with this. This is particularly important right now, as we are aware that many school leaders are currently questioning what is right for their school.

The government's continued renewal of its academisation intentions is driven by a political ideology that wants to see the private sector benefitting from education, weakening of local democratic accountability for education, and lessening of the involvement of staff, pupils, and teachers in the running of schools. The government has used forced academisations to advance this – as well as making it increasingly financially difficult for schools which have not converted to academies.

There is no evidence to show that academies 'perform' better than other types of school – or that joining a 'strong trust' improves outcomes. The process of academisation distracts from focussing on school improvement and from addressing the genuine issues schools up and down the country are faced with.

As a local authority we have outlined our expectations for new academies in an attempt to ensure that new MATs in the city:

- maintain terms and conditions for staff;
- have an inclusive ethos with regards to SEND;
- maintain community links.

Whilst the local authority has no power to enforce these expectations – we are hopeful of influencing new academies. The fact that this is necessary speaks for itself, and it is widely understood that terms and conditions of school staff are always at risk of being negatively impacted by the academisation of a school. Teachers' working conditions are pupil learning conditions.

Academisation is not inevitable. Whilst the government has announced a new target for full academisation – it has done this before and failed. If the Labour Party wins the next general election (likely to be Autumn 2024) it has stated that focus for schools will be on quality and not structures.

Many of you will have recently discussed academisation in your school's context. I would urge you to involve staff and parents (parents are often forgotten) in these discussions as early as possible. I would urge you to value and respect the opinions of staff and parents when discussing academisation – and hold in the forefront of your minds that academisation is irreversible.

Councillor Tomas Logan

Cabinet Member for Education, Employment and Skills

2. DfE Position

2.1 To raise education standards in Liverpool, the DfE welcomes growth proposals from trusts already operating in Liverpool and across the North West region, as well as proposals to create a number of new, high-quality MATs with the aim of driving system-wide improvement and addressing the needs of local communities.

2.2 The Archdiocese MAT academisation strategy proposes a MAT solution for all its schools. The Diocese of Liverpool's revised academy strategy sets out the vision for primary schools to join one of the existing Diocese of Liverpool Church of England MATs. It also sets out the potential for the Diocese of Liverpool secondary schools/academies to come together in a new secondary diocesan MAT. The Diocese of Liverpool is actively working with schools to support them with decision-making.

2.3 In secondary, the DfE would welcome proposals that bring greater coherence to the system, this will include the mergers of smaller trusts into larger high-quality trusts. All proposals will demonstrate capacity to improve attendance and inclusion, reducing rates of exclusion and suspension as well as increase attainment and progress in all key stage 4 areas, and particularly outcomes for disadvantaged pupils and those with special educational needs and disability (SEND) support.

2.4 In primary, the DfE welcomes proposals from high-quality MATs or new trusts that are keen to develop a significant primary footprint. All proposals should demonstrate a strong record in increasing attendance and inclusion, reducing rates of exclusion, and working with English as an additional language (EAL), SEND and the most vulnerable disadvantaged pupils to improve outcomes.

2.5 The DfE welcomes proposals from MATs with special/AP expertise that demonstrate appropriate support and a willingness to work with mainstream providers across the area and wider region. The DfE will work closely with all relevant stakeholders to improve outcomes, raise aspirations, and improve attendance in the area, including as part of the priority area programme. DfE are keen to hear from sector colleagues with successful methods of addressing these issues to develop long-term strategies for improvement that can operate across the entire system, as an intrinsic part of the journey to a fully trust-led system for Liverpool.

3. The Council Position

3.1 Liverpool City Council continues to be opposed to forced academisation but acknowledges that schools have the right to choose the governance structure that works best for them.

3.2 The Council will be providing information to school governors to ensure all boards of governors are aware of the authority they have regarding academisation, and to ensure they are aware of the potential implications of academisation.

Governors need to be clear that once a school has converted to academy status it is irreversible.

3.3 For schools considering academisation or MATs seeking to grow or develop in the city, the council would expect to see, as a minimum:

- Full adherence to national and local terms and conditions **for all staff**, including facility time for trade union representatives.
- Clarity and commitment on the positive impact they will bring to the city and how this will be based on an inclusive approach to education, for example: increasing attendance, reducing rates of exclusion, serving the needs of children with SEND, and adopting the Council's recommended school admissions policy.
- Building, and/or maintaining existing, links with important local organisations, such as: community and voluntary groups, parents and resident's groups, existing school networks, and local suppliers.
- Demonstrate how they have established a strong commitment to equity and equality through co-operation and collaboration elsewhere.
- Adopt the living wage figure as deemed by the Living Wage Foundation.
- Demonstrate how their work in the city would be tailored to meet the city and the region's economic needs and support future prosperity.

3.4 The Council reiterates that high performance can be found across all diverse types of school, and that there is no clear evidence to suggest that the performance of academies is inherently better than maintained schools.

3.5 In light of recent statements from Government regarding its intent for academisation, the council reiterates the importance of the local authority working closely with maintained schools and welcomes any decision by boards of governors for their school to remain as a maintained school.

4. Schools' expectations

4.1 A working group made up of headteachers has set out what they would expect a to see from new trust in the city. This is provided to governors to aide them in any discussions they may have.

Does the trust:

- clearly explain the positive impact they will bring to the city and how this will be based on an inclusive approach to education?
- demonstrate how they have established a strong commitment to equity and equality through co-operation and collaboration elsewhere?
- explain how the voice of senior leaders and staff will be heard by trustees and members of the trust (preference is for there to be two posts on the Trust Board)?
- adhere fully to national and local terms of condition as a minimum for all staff including Facility Time for Union Reps?
- adopt the living wage figure as deemed by the Living Wage Foundation?
- value the work of governing bodies giving them authority to appoint staff and to have oversight of their budget, pupil outcomes and school improvement approaches within the Trust's agreed approaches?
- gather and share openly annual surveys that include all staff, parents/carers and pupils (from Year 6 upwards)?
- make clear how their work in the city would be tailored to meet the city and the region's economic needs and support future prosperity?
- ensure that there is a transparent mechanism for capping the salary of the CEO against that of the lowest full-time member of staff?
- enable each academy to manage their reserves (if any) within a clearly understood formula for the trust?
- be able to add additional value to the pupils/students/parents/carers and the local community?
- enable each academy, with a good or outstanding Ofsted judgement to determine the content of their curriculum?

5. The Academisation Process

5.1 Background

The purpose of this guide is to provide governing bodies and school leaders of maintained schools with information about the academy conversion process.

It is important that you fully explore all the options open to you and that you have an in-depth understanding of the implications of academy status for your school.

There are currently two types of academy. Both involve similar processes around conversion but have different management and governance arrangements:

5.2 Converter Academies

This is the route for schools defined as ‘performing well’ (good or outstanding schools). An academy trust is set up which is funded by the Department for Education (DfE) to manage the academy. The conversion process is usually managed between the converting school and the local authority, overseen by a DfE-appointed Project Manager.

5.3 Sponsored Academies

The Education and Adoption Act 2016 introduced a requirement for all schools in an Ofsted category of concern (*i.e.*, a Section 5 Ofsted inspection outcome of Grade 4) to become a sponsored academy.

Further, the Coasting Schools (England) Regulations 2022, granted the Secretary of State new powers, effective from 01 September 2022, that allows the DfE to intervene in schools and academies that are coasting (not making necessary improvements). The Secretary of State’s policy is that such schools become part of a multi-academy trust with the capacity to drive sustained improvements. The definition of a school that is coasting is where:

- The school’s overall effectiveness at its most recent Section 5 Ofsted inspection was ‘Requires Improvement’ (RI), and

- The school's overall effectiveness was also below Good at the inspection immediately before the most recent inspection.

In these circumstances, a project board involving all parties and led by the DfE oversees the process. The academy sponsor will be assigned by the DfE's Regional Director for the North West Regions Group (RD).

5.4 The majority of maintained schools in Liverpool are currently good or better and therefore eligible to become convertor academies. In Liverpool, the number of schools that have converted to academy status remains relatively low. Due to changes within the national education landscape, more schools are likely to begin to consider academy conversion in the future.

5.6 Conversion under either route can take a few months. DfE estimates a minimum of six months for schools with a private finance initiative (PFI) contract.

6. Converting to an academy

6.1 It is important to devote sufficient time to explore the academy conversion process to ensure that you have developed a clear vision and rationale which you can share with all key stakeholders as part of the academy conversion consultation process. In order to fully examine the pros and cons of academy status best practice suggests that governing bodies and school leadership teams should begin the preparation phase at least 12 months before the planned date of conversion.

6.2 A thorough preparation phase will ensure that you have all the information you need to make the decision about the future of your school.

Important questions for you to ask during the preparation phase are:

- **Why** do we want to become an academy?
- **Who** is it that wants the conversion? This is a crucial element to test as part of your consultation process.
- **When** will be the best time for us to convert? This will be an important consideration for you in preparing for and submitting your application.

6.3 Throughout your exploratory thinking it is important to be clear about why you believe the change of status will benefit the children and community you serve. During the preparation and conversion phases it is important to remain focused on the core business of your school which is to provide the best possible education for all children. Governors are encouraged to engage staff in discussion as early as possible.

6.4 The table below provides an overview of the conversion process, with indicative timescales for each stage of the process. These timescales are subject to change dependent on the circumstances of your school and the complexity of the conversion process, particularly related to the ownership of land. The conversion process is likely to be longer for PFI schools due to the additional legal work that needs to take place.

<p>Step 1:</p> <p>Before you apply</p> <p>12 to 6 months before you plan to convert. NB in the case of PFI schools it is important to begin the preparation phase as early as possible</p>	<ul style="list-style-type: none"> • Do as much research as possible! • Read the DfE's Academy Trust Handbook • Read the DfE's Building Strong Academy Trusts • Establish your rationale about why you want to convert and discuss this at a governing body meeting to agree a way forward. Fully explore your options for structural partnerships. Develop your understanding of the implications of joining an existing multi-academy trust. Ensure that due diligence works both ways – how will this affect your school? (<i>See Due Diligence below</i>). • Register your interest on the DfE website to let them know you are interested in becoming an academy. You will then be allocated a DfE Project Lead who will work with you throughout the process. • Notify LCC of your intentions. There may be internal processes or timescales that you need to bear in mind, particularly if your school has: <ul style="list-style-type: none"> – a private finance initiative (PFI) contract – a deficit with a recovery plan agreed with the local authority – major building works financed by the local authority • To create a new MAT, you can either: <ul style="list-style-type: none"> – convert with schools you already work with, or – start a relationship with a new school <p>Each school must submit a separate application, and you will need to provide evidence of how the stronger schools will help the weaker schools improve.</p> <ul style="list-style-type: none"> • Prepare for your application • Initiate informal discussion with staff, parents and pupils
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

	<ul style="list-style-type: none"> • Obtain an actuarial assessment to help understand how much money your academy trust will have to spend on pension contributions for any staff members who are part of the Local Government Pension Scheme. • Compile a list of assets, contracts, SLAs, licenses, etc. • Get consent: <ul style="list-style-type: none"> – Your board must meet to pass a resolution to convert before you apply. Keep a record of this resolution safe - the DfE might ask to see it later in the process. – If you are joining an existing MAT, the trust has to confirm that it's happy for you to join - you'll need to send the DfE a copy of the trust's consent letter later in the process. – If you are a foundation school or voluntary school with a foundation, you must get written consent from the trust or foundation before you can apply to become an academy. Keep a copy of the approval safe - you will need to send the DfE a copy later. – If your school has a religious character, you must get written approval from the relevant religious body (for example, the local diocese for a church school) before you can apply. Again, you will need to send the DfE a copy of the approval letter later. – If you are part of a federation, you must have the support of at least 50% of your 'prescribed governors' before applying. These governors are: <ul style="list-style-type: none"> ▪ The headteacher ▪ Parent governors ▪ Staff governors ▪ Foundation governors.
--	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>Step 2:</p> <p>Application</p> <p>At least 5 months before you plan to convert</p>	<ul style="list-style-type: none"> • Discuss the Transfer of Undertakings (Protection of Employment) Employment (TUPE) process with staff and their Trade Union representatives. • Submit your application to convert to the DfE: <ul style="list-style-type: none"> – Mainstream schools: the DfE will only accept applications made via this online form. – Special schools: should use the paper application form available here. – Pupil Referral Units: should use the designated application form available here. • Notify LCC of your application. • Your DfE Project Lead will be able to offer advice and guidance on each step in the process.
<p>Step 3:</p> <p>Establish or Join a Trust</p>	<ul style="list-style-type: none"> • It can take between two and six weeks for the application to be assessed. • Once the academy order is approved your school will receive a £25,000 support grant to be spent on the conversion process. • The Education and Skills Funding Agency (ESFA) will send the funding allocation pack which will include how much funding your academy is likely to get after conversion. • <u>After</u> approval of your application has been received and the academy order is granted, you may wish to appoint a solicitor to oversee the legal requirements relating to memorandum and articles of association, land questionnaire, draft funding agreement, etc. • Your governing body must consult formally about your school's plans to convert to an academy with anyone who would have an interest in your school changing its status. This will include staff members and parents, but you should also involve pupils and the wider local community.

	<p>The law does not specify how long the consultation should last, but it is important that you can show that interested groups, individuals and organisations have had a reasonable opportunity to respond.</p> <ul style="list-style-type: none"> • Ensure banking arrangements are in place for the new academy. • Consider governance arrangements for the new academy: <ul style="list-style-type: none"> – If joining an existing MAT, your governors and the trustees of the MAT should have agreed this during the due diligence process. – If establishing a new trust, your memorandum and articles of association will set out the governance arrangements. • If establishing a new trust, register with Companies House. • The employer of your school's staff must now begin the TUPE process for staff. • The trust must ensure that pension arrangements are in place.
<p>Step 4:</p> <p>Prepare to open as an academy</p>	<ul style="list-style-type: none"> • The governing body should review the responses to the formal consultation process and decide what action to take as a result. • Liaise with you Project Lead regarding the final sign-off of the funding agreement. • Let ESFA have details of the new bank account. • If establishing a new trust, ensure that an Accounting Officer, a Chief Finance Officer and External Auditors have been appointed. • Register the new academy with the Information Commissioner's Office. Appoint a data Protection Officer. • Ensure that insurance arrangements are in place.

	<ul style="list-style-type: none"> • Ensure all members of staff, local governors and trustees have a current DBS check. • Contact Get Information About Schools to receive your new unique reference number.
Step 5: Open as an Academy	<ul style="list-style-type: none"> • The opening date of the new academy will be agreed during meetings with your Project Lead. • Your Project Lead will also confirm the date of your first payment from ESFA. • The final funding agreement should be posted on the academy's website. • Submit financial returns to the ESFA - find out more about them here • Complete your academy's land and buildings valuation within six weeks of converting.

6.5 Consultation

The Academies Act 2010 requires the governing body to consult with “such persons as they think appropriate” about whether the school should convert to an academy.

The process is generally flexible and schools have broad discretion as to how it is carried out. However, a formal consultation process is recommended, which provides key stakeholders with all necessary information as to why conversion is being proposed and the changes that will occur due to conversion. There is no statutory requirement to consult with any specific party, however the government recommends that this should include staff members, parents and carers and involve pupils and the wider community.

The governing board may also consider the following to be relevant:

- The LA
- Community groups
- Any feeder primary school and nurseries
- Further and higher education institutions
- Local schools and education providers
- If the school is joining a MAT, the DfE will need confirmation the MAT is happy for the school to join them and will require evidence of their consent later in the conversion process
- Existing Trust/Foundation (evidence of consent will be required later in the process)
- Schools with a religious designation must consult the diocesan board/religious authority (evidence of consent will be required later in the process)
- Children's Centre/SEN unit
- Trade unions

6.6 Timing

Consultation may take place before an application is made for academy status but must be completed before a funding agreement is entered into with the Secretary of State. The consultation is about listening to the views of interested parties and ensuring their questions are answered. There is no specific time for how long consultation should last, but this should be long enough to allow interested groups to have a fair chance to respond and ask questions.

In order for the consultation to be meaningful, it would be prudent for the consultation to take place before the governors decide whether or not to convert, as the feedback from the consultation should inform the governor's decision making. In light of this, governing boards may wish to consider consulting before an application for academy status is made to the DfE.

6.7 Transfer of Undertakings (Protection of Employment) or TUPE

If an academy order is granted, the staff will transfer to the employment of the academy trust upon conversion under TUPE. There will need to be a separate consultation for this part of the process, which will take place after the governing board has formally approved the decision to convert to academy status.

6.8 Surplus and Deficit Budgets

DfE [guidance](#) sets out what happens to a surplus or deficit balance when a school ceases to be maintained by the local authority (LA) and becomes an academy:

6.9 Converter Academies

The guidance defines converter academies as those that convert following an application by the governing body of the school.

Surplus balance	If a school has a surplus balance when it converts to academy status the LA must agree the amount of the surplus with the Trust within four months and, if agreed by the Trust, pay it to the trust within one month. If agreement is not reached on the balance, the Trust can apply to the DfE for a review.
Deficit balance	If a school has a deficit balance when it converts to academy status the DfE reimburses the LA and recovers the money back from the academy. Again, if there is disagreement on the amount of deficit balance, the Trust can apply to the DfE for a review. NB The LA will not 'clear' any deficit budgets.

6.10 Sponsored Academies

Schools which are eligible for intervention, and schools that have applied to become an academy, but the Regional Director does not consider the school strong enough to convert without the additional support of a sponsor are treated as sponsored academies, even where their route to becoming an academy is through an application by the governing body.

Surplus balance	<p>Where a school is to open as a sponsored academy, there will be a difference in the treatment of a surplus balance on conversion, depending on the route taken:</p> <ul style="list-style-type: none"> • where an Academy Order is issued following an application from the governing body, the surplus will transfer to the Trust. • where an Academy Order is issued in respect of a school eligible for intervention, the surplus remains with the LA (though the surplus can be transferred to the Trust and, in practice, some LAs have agreed to this).
Deficit balance	<p>Where a school with a deficit is to open as a sponsored academy, the deficit remains with the LA, to be funded from its core budget.</p> <p>The guidance states that LAs should work closely with schools becoming an academy to ensure that they manage the risk of an increasing deficit, and if a school is not managing its expenditure in a satisfactory manner, the LA may withdraw delegation of the school's budget share in order to limit the potential cost to the LA's budget.</p>

6.11 Due Diligence

Due diligence can be defined as the process of ensuring that all stakeholders understand the relevant information, including costs, risks, benefits, assets and liabilities, enabling them to make fully informed decisions about transferring a school into a new academy trust.

The due diligence process is an essential element of the risk management of any conversion or transfer, with the findings of the work informing the decision-making process of respective stakeholders - the incoming school, the trust and the DfE. Due diligence is usually undertaken in advance of a formal decision to sponsor or allow a school to become part of a multi-academy trust (MAT). It is also part of the process to successfully negotiate a commercial transfer agreement (CTA) between both parties. The CTA is the legally binding document that enables the transfer of school level assets and liabilities.

Due diligence should identify key risks and issues and assist in enhancing each stakeholder's understanding of:

- critical success requirements
- the legal and operational frameworks coming together
- the current financial performance and prospects of the organisations, identifying key risks and sensitivities and how each stakeholder will deal with these
- any post-transfer integration required to support the delivery of planned benefits.

Any trust considering taking a school into the trust will complete its own due diligence to provide assurance that the school and the trust are a suitable match.

6.12 Stage 1 Due Diligence

The Trust should complete an initial desk-based assessment of the readily available information relating to the school. Factors for Stage 1 due diligence can include, but are not limited to:

- educational performance
- Ofsted reports
- financial information
- admissions
- capacity, pupil numbers and school demographics, pupil premium.

6.13 Stage 2 Due Diligence

Stage 2 due diligence is an opportunity to gather more detailed information about the issues facing the school and to develop plans to address these issues. Stage 2 due diligence should identify solutions to issues and any associated risks, enabling a fully informed decision as to whether to take the school into the trust.

Factors for Stage 2 due diligence can include, but are not limited to:

- leadership and governance – skills, experience and abilities, including board meeting minutes
- staffing – structure, job descriptions to understand roles, comparison with similar schools, HR contracts, local agreements and policies
- educational provision – detailed information including analysis of trends and analysis of effectiveness of school improvement strategies
- curriculum design and staffing of classes.
- staff-pupil ratios and efficient deployment of staff
- room usage analysis
- numbers in different year groups and future pupil number expectations
- key management software
- any specialist provision sited within the school
- audit and management letter information to include financial, governance, health and safety audits and ‘near miss’ reports
- safeguarding, fraud or financial irregularity and complaints information
- pupil number forecasts and historical trends
- finances and historic and future budget forecasts including:
 - income and expenditure
 - metrics such as staff expenditure as a percentage of total income and contact ratio
 - basis of funding and comparisons with similar schools

- LGPS pension
- staffing information, to include rates of staff absenteeism (including those on long term sick, and those who have put in a claim to retire early on ill health), how much is spent on agency staff, details of dismissals, disciplinaries and grievances
- current contracts and end dates; including suppliers, leases, consultants, insurance and potential contingent liabilities.
- land and buildings – historic and forecast costs, condition survey data and health and safety, any PFI or other contracts
- understanding the current insurance policy or risk protection cover for known or as yet unknown claims such as public liability, employers' liability, governors' and officers' liability, professional indemnity, fidelity guarantee.

6.14 Through this process it should be possible to build up a picture of the issues that the school faces, outline solutions and identify resource needs. This will allow the trustees to understand how the school will fit into their trust; the strengths it will bring, the support it will need, how this will be provided and the potential impact on other schools in the trust.

6.15 At the end of Stage 2 due diligence there is a decision point, where the trust board will consider all information and analysis presented in the due diligence report and decide whether the school should join the trust. This decision will take account of all the information gathered and the costs and risks associated with solutions to any issues that have been identified.

7. Additional Costs Incurred

7.1 The academy conversion process requires extra resource, for which the school is given an allocation towards transfer costs by DfE, to mitigate some of the additional costs incurred.

7.2 Between 2017 and 2022 academic years the LA incurred legal costs of approximately £209,199.80 to facilitate the conversion process. The LA secures a contribution of up to £5,000 for each primary school conversion. For secondary schools the costs would be negotiated to take account of any specific legal issues that have to be considered such as PFI cost, BSF lifecycle costs etc. It is intended that a proportion of the initial legal fees quoted will be requested. This would be no lower than 50% of the costs incurred. The contributions will support the following increased workload:

7.3 School Organisation: To act on behalf of the LA during the academy transfer process in order to finalise the CTA and the lease. This will involve purchasing external legal advice where insufficient internal capacity exists to manage the transfer workloads.

7.4 Project Management and co-ordination of the conversion process which includes initial DfE response, version agreements of the CTA and final sign off. Attendance at school meetings, liaising with the DfE, external solicitors, other LA officers and any other stakeholders involved in the process are all to be expected as part of any conversion.

7.5 The work and costs involved are significant for a standard transfer but much increased in transfers involving PFI and BSF agreements or where there are complex land use issues.

7.6 Charges levied vary considerably, models included: fixed charges with differentiated increases for complex/protracted cases charges made based on actual costs case by case fixed charges to cover majority of LA costs scales of charges varied based on a range of factors

7.8 The LA levies a flat contribution based on the category of the school converting. The amounts by school type are set out in the tables below. These rates are a reasonable call on the £25,000 each school receives. At this value we believe there will be no deterrent or detriment to a school's planning or decision-making to convert and sufficient funding available to a school to meet the school's own costs associated with conversion.

7.9 As a fixed contribution it is also a figure schools can plan for in undertaking their conversion. Furthermore, the grant to a converting school is not scaled or differentiated so a consistent approach that avoids additional bureaucracy is recommended to members for decision. **Primary / Special Schools (non PFI)**

School Status	Estimated Cost	Contribution	Comment
Voluntary Aided with land transfer	£ 4,250	£ 4,250	Full charge of estimated cost as there is an additional land transfer fee of between £2-3,000 LA pays to school's solicitor
Voluntary Aided without land transfer	£3,000	£3,000	
Voluntary Controlled	£ 8,500	£ 5,000	
Community	£ 8,500	£ 5,000	
Foundation	£ 4,250	£ 4,250	Full charge of estimated cost as there is an additional land transfer fee of between £2-3,000 LA pays to school's solicitor
PFI			Contribution to be agreed with school based on legal quotes.

1 Secondary Schools (non BSF/PFI)

School Status	Estimated Cost	Contribution
Voluntary Aided	£ 8,500	£ 5,000
Community	£ 12,000	£ 8,000
Foundation	£ 8,500	£ 5,000

PFI School Conversion Charges.

7.10 The LA will not approve any work on the conversion and Deed of Variation (DoV) of the PFI Contract, until the school agrees in writing to meet the legal costs arising from the change in school status. The extra legal costs above the standard are for the increased time for the LA's legal and specialist advisers as well as the Special Purpose Vehicle (SPV) legal teams, including the Lender's costs. This cost historically is higher than a normal conversion and can be between £12-22k.

Standard Conversion elements	£19,000
PFI legal costs	£26,000

BSF School Conversion Charges

Standard Conversion elements	£19,000
------------------------------	---------

8. Other Considerations

8.1 It is important to remember that due diligence is a two-way process and that the governing board should gather information about any multi-academy trust it is considering joining.

The questions below, whilst not exhaustive, should enable your school to explore and better understand any established MATs you may consider joining.

1. How does your ethos and culture align with ours?
2. How well do you know the community our school serves?
3. What is the vision for your MAT in the next 3 to 5 years, including growth?
4. What will be the benefits of us joining your MAT in terms of pupil outcomes, finances, staff recruitment and retention and staff development?
5. How do the terms and conditions of your staff differ from ours?
6. Who will appoint the staff in our academy?
7. What will be the benefits to your MAT of us joining?
8. What will be the benefits to us?
9. Will our school's name change?
10. Will our school uniform change?
11. In terms of the partnership, what are your non-negotiables?
12. What changes will be required to ensure your MAT is suitably prepared to accommodate the increased number of children and staff?
13. What knowledge, skills, and expertise do your trustees have to effectively govern a MAT?
14. What will be the governance arrangements below trust board level, including central control and delegated decision-making?
15. What evidence is there that being part of your MAT has had a beneficial impact on the academic performance of your schools?
16. What evidence is there that being part of your MAT has had a beneficial impact on the finances of your schools?

17. How will you calculate an equitable share of central service costs?
18. What assurances will be given in terms of ensuring equitable decision-making regarding finance for all elements of the MAT?

9. FAQs

9.1 Will the governors and Headteacher still run the school?

The MAT is responsible for running the academies within the trust and is ultimately accountable to the Secretary of State. The MAT will have a Scheme of Delegation for the individual academies within the Trust, based on the individual context of each academy, which will devolve identified responsibilities to the Headteacher (or Principal) and Local Governing Body.

9.2 Will the current Governing Body continue?

The MAT directors are the governors of the trust. They will often delegate certain responsibilities to a Local Governing Board (LGB), depending on the individual context of each academy. The LGB may reflect the current make up of the governing body. LGBs have a smaller constitution than maintained school governing bodies, expertise and local knowledge being key factors when appointments are being considered by the trust.

9.3 Where will the local community representation be?

At LGB level and may be at member or trustee level if they have the relevant skills and experience.

9.4 Will we still have parent and staff governors?

On conversion the governing body ceases to exist. The MAT may create an LGB, depending on the local context. If an LGB is created membership is based on skills, expertise and knowledge of the local community context. This could include parents and staff. NB It is not uncommon for MATs not to have parents and staff as trustees.

9.5 Who gets the funding- the MAT or the Academy?

The MAT receives the funding for each of the academies within the trust directly from the ESFA. They also receive a note of the individual academies budget share for information.

9.6 Do academies follow the national curriculum?

They do not have to, but most do. Academies are legally bound to provide a ‘wide and balanced curriculum’.

9.7 Will the term dates stay the same?

Each MAT can set the term dates for its academies within the MAT however most keep their term dates in line with the local authority.

9.8 Will the length of the school day change?

Each MAT can set the length of each school day however most keep the school day the same as the local authority.

9.9 Will the academy still have an Ofsted inspection?

Yes, in line with the Ofsted framework.

9.10 Will the Local Authority still be involved with the school?

MATs can buy services from LAs if they choose to do so.

9.11 If we join a MAT, can we leave if it does not work out?

Once a school converts to academy status it cannot return to Local Authority maintained status. If a school is unhappy then it is also quite hard to leave a multi academy trust once a school has joined, as it requires the consent of the Secretary of State for Education and the identification and consent of another multi academy trust. That makes it all the more important that the schools joining or forming a MAT share vision, values and ethos and spend time planning the detail of the Trust governance, leadership, finance and operation.