

Frequently asked questions about joining the Trust

What is a multi-academy Trust?

An academy trust is a charitable company limited by guarantee. Like all companies, an academy trust will have a memorandum and articles of association. This document sets out the governance structure for the Trust, the company objectives and the rules which govern the running of the company.

A multi academy trust (MAT) is one legal entity which contains a number of schools.

How does the governance structure change within a MAT?

The Instrument of Governance which sets out the constitution of governing bodies in the maintained sector does not apply to academies.

A MAT will have a number of *Members* who will have certain powers reserved to them, including in most cases, the power to appoint directors and to amend the memorandum and articles of association. Members of a company limited by guarantee are similar to the shareholders in a company limited by shares. They are the 'guarantors' of the Academy Trust and promise to pay £10 towards its debts should the Academy Trust be wound up without enough assets to satisfy its creditors. All academy trusts must have at least three members.

The board of *Directors (Trust Board)* has responsibility for all of the academies operated by the MAT and is ultimately accountable for academic standards, the appointment of staff, academy finance and controls and the school estates. A Trust Board **may** appoint a *Local Governing Board*, to oversee the work of an individual academy, in effect creating a sub-committee of the Trust. Alternatively, for larger Trusts, governance 'hubs' may be more appropriate, where one Local Governing Board oversees the work of a number of academies. However, in all instances, ultimate accountability for decisions rests with the Trust Board, who will delegate responsibility through a scheme of delegation, as appropriate. Effective schemes of delegation will match skills and expertise with specific governance functions, ensuring those who are best-placed to exercise accountability do so.

Who employs the staff within a MAT?

All staff are employed by the Trust. At the point a school joins a multi-academy trust, staff transfer into the MAT. Therefore the employment of staff will transfer from the local authority (for community and voluntary controlled schools) or the governing body (for voluntary aided schools) to the Academy Trust. The Transfer of Undertakings (Protection of Employment) Regulations (commonly known as 'TUPE') protects staffs' terms and conditions of employment, so all staff will transfer to the Academy Trust on their existing terms and conditions.

Does the school have to hold a consultation with staff?

The current employer of school staff (either the local authority or governing body) will need to conduct a TUPE consultation with all staff (teaching and support/associate staff). Union representatives should also be invited to the meeting. Further advice is available from the Diocese and LA, as appropriate.

Do teaching staff remain in the Teachers' Pension Scheme?

Teachers working in an academy fall within the scope of the Teachers' Pension Scheme (TPS), in the same way as colleagues working in the maintained sector. Staff will therefore simply continue their membership of the Scheme. However, as the employer, the Academy Trust will be responsible for making contributions to the TPS and for all other administrative responsibilities that fall to employers under the pension regulations.

What about pension arrangements for associate and support staff? Who is responsible for the employer liability?

It is a requirement of the Academy Funding Agreement that all support staff are offered membership of the Local Government Pension Scheme (LGPS). As the Trust is obliged to offer LGPS membership, staff transferring from a maintained school will simply continue scheme membership, or be enrolled in the LGPS as new members. If staff want to make alternative pension provision, they must notify the Academy Trust that they wish to be withdrawn from the scheme and complete an opt-out form from the Employees Portal or from the Pensions Section at GCC, as this cannot be undertaken by the Trust.

The Trust will be responsible for meeting the employer contributions associated with this scheme and for all administrative functions. The employer contribution rate will be different from that payable by the Local Authority. Each school joining the Trust will need to apply for an actuarial valuation for the pension scheme. This figure will be based on the *actual* staff employed by the school; at present, all schools contribute to a 'pooled' LA scheme. If a pension fund is managing a deficit, then this liability transfers from the LA to the Academy Trust. However, the Charity Commission has advised that this liability does not mean the academy is trading while insolvent, because the deficit is being reduced by the contributions made.

How is academy funding calculated and who receives the funding?

Academies receive the same level of per-pupil funding as they would receive from the LA as a maintained school.

The general annual grant (GAG), also known as School Budget Share, funding will therefore be based on the level of Local Authority funding already calculated for the school. The Government is clear that becoming an academy should not bring about a financial advantage or disadvantage to a school. However, academies have greater freedom on how they use their budgets.

The GAG is received by the MAT, as the Funding Agreement has been signed by the company Directors. It is common practice for the MAT to deduct any central costs associated with membership of the MAT before delegating the funds to each academy. For schools joining DGAT, each academy will then have its own bank account and monies will be delegated for the purposes of running the academy.

When will we find out how much funding we will receive from the DfE?

The Funding Agreement itself does not include details of the amount of grant that the Trust will receive for running the academy. This information is provided in an annual letter of funding. The Department for Education will send the Trust an 'indicative letter of funding' detailing the amount of grant that the Trust will receive to cover the period from the conversion date to the end of August.

Can schools convert with a budget deficit or surplus?

If a school has a significant deficit, applications may be postponed until it has been managed down to a reasonable level. Schools with surplus balances can carry these forward when they become an academy.

What support is available to academies if they get into financial difficulty?

Academies, like all schools, are expected to maintain strict budgetary controls and are required by their Supplementary Funding Agreement to balance their budgets. The Education and Skills Funding Agency (ESFA) monitors academies' financial position on behalf of the Secretary of State, and the ESFA has intervention powers if a Trust is not managing its budget. The Trust must submit an annually approved budget to the ESFA.

Who controls the school budget?

The annual budget for the Trust must be ratified by the company Directors, who ultimately have responsibility for the financial health of the company. However, Local Governing Bodies (LGB) work with the Trust to set the budget for the individual academies. Once the budget has been ratified by the Trust, the school and its Governors are responsible for monitoring and authorising expenditure within budget and in accordance with the Trust's Finance Policy.

Can we still use our Local Authority services after conversion?

As a recipient of public monies, the Trust must ensure that it can demonstrate 'value for money' in the use of its funds, as defined in the Academies Financial Handbook. Academies must also comply with procurement law for large contracts. However, where a Local Authority is deemed to offer a good service, then schools can continue to buy-back relevant traded services. In Gloucestershire, academies select their traded services in the Summer Term and Traded Service run in line with the academic year.

Do we have to follow the National Curriculum and will becoming an academy affect Ofsted or SIAMS inspections?

Academies do not need to follow the National Curriculum, although all academies have to offer a '*broad and balanced curriculum*' and ensure that pupils achieve the requisite skills in reading, writing and maths. Academies are all subject to national testing, such as SATS, and will also be inspected by Ofsted. Church schools will also be inspected by SIAMs.

Does becoming part of a MAT preclude the school from continuing with local cluster arrangements?

Whilst joining a multi-academy trust provides a formal vehicle for collaboration, this is not at the expense of participation in local partnerships. Where cluster arrangements provide benefits to the school, these should continue alongside the work of the Trust.

Will the academy trust own the school's land and buildings?

This will depend on the type of school and the current ownership of the land. In most cases academies will lease the public land from the freeholder on a long lease (125 years). Where private land is concerned, it will be for the landowner and the Academy Trust to reach agreement on the academy's continued use of the land. In reality, most schools will convert very much "as is" with as little disturbance to existing arrangements as possible.

For Church schools, the land ownership is often split between the Local Authority and the Diocese / local site trustees (typically vicar and churchwarden). For any land owned by the Local Authority, the academy will occupy that part of the school site through a 125 year lease. The Diocese or site trustees grant the Academy Trust a Supplemental Land Agreement which gives the Trust permission to occupy the building subject to a number of conditions; these include adequate insurance provision, the maintenance and repair of the building and the continued development of the Christian foundation of the school.

For schools which were previously foundation schools, the freehold of the land will be transferred from the current foundation to the Academy Trust so that the Academy Trust will be the outright owner of the land.

Are there any changes to admission requirements when a school joins a MAT?

When a school becomes an academy, the Trust will become the admission authority. For some schools, such as foundation and voluntary aided schools, this will mean little change, but for community schools and voluntary controlled schools the Trust will need to manage its own admissions process. This will involve periodic consultation, and regularly publishing the academy's admission arrangements. These arrangements and related processes should at all times comply with the School Admissions Code.

Will LAs still have the responsibility for planning for additional places when there is a growth in pupil numbers within an area?

The Local Authorities will still have overall responsibility for ensuring that there are sufficient places to meet demand locally. Where individual academies make a request to the Secretary of State to expand their pupil numbers and / or age range, this will only be done following local consultation. The decision taken will be informed by the views of the LA, as the commissioner of pupil places.

What is the general consultation requirement?

The Academies Act 2010 requires a school to consult '*such persons as they think appropriate*' on whether the school should change status. The statutory requirement does not prescribe who should be consulted or the length of the consultation required. It is good practice to consult with all key stakeholders, including parents, staff,

pupils, other schools, the local authority and the wider community. DGAT provide additional guidance on undertaking the consultation.

Who covers the cost of conversion?

The total cost of conversion will vary from schools to school but the DfE will pay a flat-rate grant of £25,000 to support the conversion process. To reduce potential legal costs the DfE has produced template legal documentation which is available to download from the website. In the vast majority of cases the DfE grant will adequately cover the cost of conversion. Any surplus funds are retained by the Trust and used to support the school, as appropriate.

What consents are required before conversion can take place?

The Academies' Act requires the Diocesan Board of Education to give their consent to a Church school changing status. Therefore Church schools must complete a business case outlining the reasons for conversion. A template is available from the Diocese.

In addition, the school must apply to the Regional Schools' Commissioner for an Academy Order. The application form is downloadable from the DfE website. The Diocese will then liaise with the Regional School Commissioner's office to establish the timescale for receiving the Academy Order. Please be aware that this can take some time as the DfE will want to undertake a due diligence exercise before an Order is granted.

How long will it take?

Timescales for conversion will vary, dependent upon school context, but from the point of receiving the Order, it is normal to allow at least three months before the process is complete.

Can we withdraw from the conversion process?

Schools are able to withdraw right up until the point that the Supplementary Funding Agreement is signed. Once this is signed there is a legally binding agreement between the Secretary of State and the Trust, and the termination will require a long notice period.

April, 2018