

Who can become an academy?

Primary and secondary schools that are performing well can submit their individual applications to convert.

In addition, any school – primary or secondary – can apply with other schools as part of a formal partnership, providing at least one is performing well, to join an existing academy trust with a proven track record of school improvement.

Applications for special schools that are performing well can apply. All schools are encouraged to register their interest through the online form on the Department's website.

What does 'performing well' mean?

To decide if a school is performing well, and so eligible to convert to academy status on its own, the following will be taken into consideration:

- Three/four year exam trajectory (5 A* - C including English and maths for secondary schools and Key Stage 2 results for primary schools). Results should be stable or improving taking account of the starting point.
- Comparison with local and national exam performance (percentage of pupils making expected progress in English and maths within KS2 for primary schools and from KS2 to KS4 for secondary schools). We will be looking at whether results are above or moving rapidly toward national averages in absolute attainment and progression and assessing performance against the floor standard.
- Latest Ofsted report with a specific focus on capacity to improve, outcomes and leadership and management.
- Any other matters that the school may rely on in order to demonstrate that it is performing well.

All decisions will be taken on a case by case basis, and as before, we will also take into consideration the financial management of the school, including any deficits or loans.

Can a school convert without the support of the governing body?

No. Anyone can register an interest in their school becoming an academy but the governing body (and the foundation, where applicable) has to agree for the school to apply to become an academy.

Do converting schools need to have a sponsor?

Schools that are performing well are not required to have a sponsor, although they are free to work with any external organisation.

Do schools need to consult before converting?

Yes. All schools are required to carry out a consultation but it is up to them to decide whom and how to consult. There is no specified length of time for the consultation and schools have flexibility in how it is conducted. None of the schools which have

already converted has had any problems with the process of consultation, which is very straightforward. Examples are available in the conversion guide on the website.

Can schools convert with a budget deficit or surplus convert?

Yes. However, if schools have a significant deficit, applications may be postponed until it has been managed down to a reasonable level. Schools with surplus balances can carry these over when they become an academy.

Do we have to cover the full cost to convert to an academy?

No. Total costs will vary from schools to school but the DfE will pay a flat-rate grant for conversion costs including legal fees. To reduce potential legal costs the Department has produced model legal documentation which is available to download from the website.

In exceptional circumstances (for example if the school is involved in a PFI contract and needs additional legal advice) support above this level may be agreed.

What does the conversion process involve?

The conversion process has been made as simple as possible for all schools. The key steps the school must take are all explained in the Department's conversion guide and may differ according to the type of school and who owns the buildings and land.

As a minimum, all schools converting must:

- establish their trust as a company by registering with Companies House
- establish a new bank account for the trust to ensure that the academy will be able to receive funding
- transfer, renew or procure new contracts, service level agreements and licences and purchase insurance as appropriate.

Schools can seek further assistance from their named contact in the Department.

Can we withdraw from the conversion process?

Schools are able to withdraw right up until the point that they sign the funding agreement. Once this is signed there is a legally binding agreement between the Secretary of State and the academy, and the termination would require a long notice period (seven years).

FAQS ON FUNDING, LAND AND CAPITAL

Will academies be forced to buy in expensive services?

No. Academies are not forced to buy in any type of service by particular providers. The experience of academies to date is that they can buy in services more effectively for themselves which leads either to better quality or lower prices meaning they can make savings and re-invest money elsewhere. They are free to buy back the services from the LA or find them elsewhere.

All academies are required to take out insurance and the Department has arrangements in place to help academies secure best value for money which are explained in the guidance note available on the Department's website.

Will we have to raise our own capital funding as an academy?

No. All schools, including academies, will be able to apply for Government capital funding.

What happens if there is a capital emergency at the academy? Would it have to cover costs?

Academies are eligible to seek an earmarked annual grant from the Young People's Learning Agency (YPLA) for emergencies, in the same way the LA can pay a maintained school a contingency payment.

Academies are required to take out insurance at specified minimum levels of cover to protect against potential capital emergencies. The Department would expect schools to use their existing budgets to cover the cost of this.

Will academies have to take on local government pension schemes' liabilities?

If a pension fund is managing a deficit then this transfers from the LA to the academy. 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 contribution made.

We are currently reviewing these arrangements with the Department for Communities and Local Government and will update the website if and when any changes are planned.

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 funding agreement to balance their budgets.

The academy receives ongoing Grant ('General Annual Grant') which covers the running costs of the school. The YPLA monitors academies' financial position on behalf of the Secretary of State, and if a deficit occurs or appears likely, will intervene. It will provide advice and support to the academy to find an appropriate solution to bring costs and income back into balance, usually in the form of a restructuring plan, and will give additional contingency funding if absolutely necessary.

How will ownership of the land work if we become an academy?

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 land owner and the academy trust to reach agreement on the academy's continued use of the land. This could be via an informal agreement or via a lease arrangement similar to that described above.

We expect most schools should convert very much “as is” with as little disturbance to existing arrangements as possible. Therefore, where it is considered preferable for existing foundations (such as those at many voluntary-aided schools) holding land to continue to do so, we are in favour of this arrangement provided there are no legal restrictions.

A model funding agreement and lease document can be viewed on the 'Academies' section of this website. We are also working with the Catholic Education Service for England and Wales and the Church of England to develop model academies documentation (e.g. funding agreements and model leases) which addresses the specific land issues around schools with a religious character.

How is academy funding calculated?

The General Annual Grant (GAG) funding will be based on the level of LA funding already calculated for the school. Grant payments to academies to replace LA services depend on the level of central spend in the LA, and can vary considerably from area to area.

The Department's website has an 'Academies funding' page explaining this in more detail, alongside a list of central services that the academy may be expected to provide. It also includes a ready reckoner which enables schools considering converting to calculate the level of funding they should receive as an academy, and allows them to compare this with the funding they currently receive. This will give schools an estimate of the amount of grant they will receive in respect of their additional responsibilities as academies.

Will we get more money as an academy?

Academies receive the same level of per-pupil funding as they would receive from the LA as a maintained school plus additions to cover the services that are no longer provided for them by the LA.

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, alongside the other freedoms that they enjoy.

FAQS ON ACADEMY CHAINS:

What is a chain?

A chain is used to describe a partnership between academies that have made a commitment to support each other and raise educational standards across the partnership. We want to ensure that academies have the flexibility to decide on which arrangements will work best for them rather than having a one-size-fits-all model.

What should chains look like?

Chains vary in their size and composition. Chains can be formalised partnerships where academies share resources and staff as part of a shared trust or they can be informal arrangements for supporting and sharing best practice solutions with other

academies in the area. Our chain models are flexible, and we encourage schools to be innovative in their approaches to working together.

Why join a chain?

A good way to improve standards is to give schools the opportunity to work with, and learn from, each other. Where weaker schools wish to become academies we want to ensure they are supported by a stronger school or sponsor and this can be achieved by joining or creating a chain or partnership.

Even where schools are strong enough to become academies independently, we encourage these schools to work with other schools in their area. Any school that performs well and plans to become an academy already has to include plans to work with a weaker school on conversion to academy status and these plans can be complemented or strengthened by establishing or working with other schools in a more formal academy chain.

Some schools will be capable of converting alone, but may wish to benefit from academy status by working in partnership rather than going it alone. Converting in a chain allows schools to support one another once they are academies, sharing resources, experience and ideas. Such an approach is particularly valuable to small schools where joining together in a chain allows economies of scale to be achieved.

There are many reasons why schools may wish to become an academy as part of a chain of academies and we encourage all to consider whether they would benefit from this.

Who can now apply to convert to academy status as part of a chain?

Any school can apply to join an existing academy trust or chain. In addition, any group of schools can apply in partnership to join the academy programme as long as at least one of the member schools is performing well and has sufficient capacity to support any other weaker schools in the proposed chain. The schools do not have to be already in a federation before applying. Each application will be considered on its merits, and the Secretary of State will only approve those where he is satisfied the schools have the capacity to enjoy academy freedoms, and where there are mechanisms in place to help weaker schools in the chain improve.

How does a school apply to become part of an academy chain on conversion?

For schools looking to convert as part of a chain, the application process is very similar to that for schools looking to convert as a standalone academy. When a school would like to convert as part of a chain the individual governing body of each school must still pass a resolution before applying but they can indicate on applying that they would like to convert as part of a chain. Each school on applying will be allocated a named contact from the Department who will guide them through the steps of the conversion process.

What is the range of options available for schools looking to convert as part of a group?

As a guide, there are three main types of collaborative structures that may suit schools looking to convert as a group. We encourage schools to consider these as a

starting point and then to consider how the models could be adapted flexibly to their chain's context.

The strongest and most formalised type of collaborative structure is our multi-academy trust model (MAT). Within a MAT all schools are governed by one trust and board of directors. By becoming one legal entity with one board, a MAT ensures there is a strong and clear collaborative link between the schools involved.

An umbrella trust model allows schools of different category to set up their own individual academy trusts, but to create and nominate representatives to sit on an umbrella trust which can provide shared governance and collaboration for the schools within the umbrella trust.

The final collaborative option for schools is to agree to be in a collaborative partnership. In this model the schools convert as single academy trusts and there is no shared trust or formalised governance structure as in the case of a MAT or UT. The schools can therefore determine the terms and formalities of any agreement to work together.

What is a multi-academy trust?

A multi-academy trust (MAT) is one academy trust which governs a group of schools through a single set of members and directors. Each school will continue to have an advisory body which the MAT can choose to constitute as a local governing body to which it certain functions can be delegated. The MAT will ultimately be accountable and responsible for the performance of schools in the chain.

Funding to the schools within the MAT continues to be allocated on an individual academy basis. Funding is governed through a master funding agreement between the Secretary of State and the MAT and a supplemental agreement between the Secretary of State and each school within the MAT. Having a single trust governing all schools results in there only being one employer for all staff which allows the moving of resources through schools in the chain. Some MATs operate so that, to the extent that this is permitted through the funding agreement, some of the individual school's budget is combined and used to fund shared services such as contracts. This helps the chain to achieve economies of scale.

Why would a school want to convert as part of a multi-academy trust?

A MAT, as a single legal entity, allows schools to achieve strong collaboration and to use this collaboration and accountability to drive up school standards. Where there are underperforming schools in the chain, representation on the trust can ensure there is sufficient challenge and support to turn those schools around. The MAT can also agree to delegate as much or as little power down to the advisory bodies or local governing bodies of the schools involved, which again allows each MAT to define where power should sit according to the circumstances of the schools involved.

Having the MAT as employer of staff also allows flexibility around sharing resources to meet the needs of the individual schools involved. The MAT can also provide a clear, consistent strategy and vision across a group of schools working together. MATs can often negotiate contracts and services that achieve much better value for money than if each school was to negotiate individually.

Does every school in the group get the £25,000 grant towards the conversion? Can this be used to support the whole group?

Yes and yes. Some smaller schools find this very attractive, and it enables them to share expertise and resources to help support each other through the conversion process.

How can good schools that have converted to academy status sponsor another school that is not performing well?

Every school that has become an academy will have committed to supporting another school, whether through a formal chain or more informal arrangement. We hope that many schools will also wish to sponsor an underperforming school, where the lead school will ultimately be responsible for turning around the supported school.

Being a sponsor is a challenging but valuable role for the lead school. It means a high standard of education is also made possible for pupils in the sponsored school. It will give the lead school the opportunity to share good practice, build on their reputation and develop the careers of their staff.