



**JOINING
CHESHIRE ACADEMIES
TRUST**

**HANDBOOK FOR
SCHOOLS**

Cheshire Academies Trust (CAT) Central Trust Contact Details

Name	Role	Email	Phone Number
Dr Harry Ziman	Chair of Trustees	Please contact Dr Ziman via the CAT Governance Manager, Julie Griffiths	
Ms Luci Jones	CAT Director of Operations	lucijones@cheshireacademiestrust.co.uk	07584 038006
Mrs Diane Walley	CAT Academies Business Manager	dianewalley@cheshireacademiestrust.co.uk	01829 751343
Mrs Julie Griffiths	CAT Governance Manager	juliegriffiths@cheshireacademiestrust.co.uk	t.b.c.

The Central Trust Team is supported by a number of business partners including:

Name	Role	Company
Dai Durbridge	Specialist Education Legal Support	Browne Jacobson
Jamie Otter	Academy Conversion Legal Support	Browne Jacobson
Eleanor Drabble	HR Support	Browne Jacobson
Alex Makinson	UHY Hacker Young	CAT Auditors
Dan Wooley	IT systems, hardware, WIFI, intranet and compliance support	7 Eleven IT Systems
Bradley Walsh	Payroll Provider	Payplus

If you would like to discuss what it is like to lead a school that is part of our Trust any of our Principals would be happy to discuss this with you.

CAT Academies Contact Details

Name	Role	Email	Phone Number
Mr David Wearing	Principal Kelsall Primary School, Director Cheshire LTA and CAT Accounting Officer	principal@kelsall.cheshire.sch.uk	01829 751343
Mr Steve Ellis	Principal Boughton Heath Academy	principal@boughtonheathacademy.cheshire.sch.uk	01244 981010
Mr Rob Ford	Principal Mill View Primary School	principal@millview.cheshire.sch.uk	01244 381443

The CAT Executive Team is made of the Principals from each of the CAT academies and the Trust's Director of Operations. The team meets twice per half term.

Contents

- 1) Introduction
- 2) Summary of the conversion process
- 3) Context: 'Converter' academies and 'sponsored' academies
- 4) The decision to convert
- 5) The application to convert
- 6) Conversion support
- 7) Consultation and Public Relations
- 8) Education and School Improvement
- 9) Governance
- 10) Land and buildings
- 11) Capital issues
- 12) Staffing implications of conversion
- 13) Transfer of contracts and assets
- 14) Finance and Academy Budget

Appendices

Appendix A: Template Governing Body resolution

Appendix B: Information about the Supplemental Funding Agreement

INTRODUCTION

The purpose of this document is to describe the process of conversion to academy status for your school within Cheshire Academies Trust (CAT). It sets out the key stages in the process from your initial consideration of academy status through application, consultation, the legal process and conversion. It describes the support that CAT will provide for you so that conversion disrupts the day-to-day work of the school as little as possible, whilst still involving school leaders and governors properly in the process. Our aim is that Headteachers should still be able to concentrate fully on the key priority of improving the quality of teaching and learning in their school.

This handbook is intended as a reference document. Schools should contact CAT colleagues as soon as they begin to consider academy status so that we can support you in the process. All contact details are on the first page of this handbook which can also be found on our website www.cheshireacademiestrust.co.uk

Once your school has an Academy Order and the conversion process begins, we will arrange an initial planning meeting with the Headteacher, key staff and the Chair of Governors, to talk through the process in more detail and to answer questions. The full process for conversion is outlined in our 'Process for Conversion' document.

SUMMARY OF THE CONVERSION PROCESS

The following is a summary of the academy conversion process. Detailed information on each of the stages is set out in other parts of this Handbook.

Step 1: Expression of interest

Any school that is interested in exploring the possibility of joining CAT should contact the Trust in the first instance at contact@cheshireacademiustrust.co.uk. A member of the team will then be happy to speak to your Governing Body about what joining CAT would mean for your school and how the Trust operates in more detail. Following a meeting of CAT colleagues with your Governing Body and confirmation that the Governing Body would like to proceed to join CAT, your school will need to confirm your decision to us and then complete the online [Register your interest form](#) on the DfE website.

Once you have confirmed to CAT contact@cheshireacademiustrust.co.uk that you have submitted an expression of interest to the DfE, the CAT Board of Trustees and other key stakeholders in the process will be informed and you will be sent detailed instructions by email of the next steps.

[Six Steps to Conversion](#) are outlined on the DfE website; the registration of interest is part of step 1. Once you have registered an interest with the DfE they will get in touch with you and give you the name of your DfE project lead. Your DfE project lead will work with you throughout the conversion process and answer any questions you may have. At this point your Governing Body may wish to start an informal consultation with members of staff. For further information about the staffing implications of joining CAT, please see page 14.

Parental and wider stakeholder consultation can also take commence. Please see page 11 for more information about the parent / stakeholder consultation. If your school receives a directive Academy Order from the Secretary of State i.e. it is being forced to convert as a sponsored academy, there is no legal requirement to carry out a consultation.

The Governing Body review feedback from their consultation and usually pass a resolution in favour of academy conversion (although this is not a given). Minutes of this meeting need to be sent to CAT. A template Governing Body resolution is set out in Appendix A.

It is possible for the Governing Body to pass a resolution to join CAT “subject to the outcome of the consultation with parents and stakeholders” if the consultation has not been concluded but the Governing Body wish to start moving forward with the process. The Governing Body can subsequently meet to review the results of the consultation and confirm the decision to proceed (or not as the case may be).

Step 2 - Application to convert

Schools formally apply to join CAT by using the [online application form available on the DfE website](#) and name CAT as the MAT that they propose to join. [A member of the CAT team will provide you with a part-completed application form containing the relevant information about CAT. The school will just need to complete the rest of the form and submit it to the DfE]. The application to join CAT will then be considered by the Headteacher Board and the Regional Schools Commissioner (RSC). If the Headteacher Board and RSC approve the application, an Academy Order will be sent to the school.

Once your application is accepted by the DfE, key dates throughout the process are outlined on the [DfE's Academy Conversion: Important Dates page](#)

A member of the central CAT team will liaise with the project manager for your school's conversion (usually a school business manager but you can appoint someone else to take the lead on the conversion), your Headteacher and Chair of Governors to develop a timeline for conversion, depending on the target conversion date.

For further detail of this process see **THE APPLICATION TO CONVERT** section on page 9.

Step 3 – Due Diligence

In order to ensure the Board of Trustees has a clear understanding of the schools wishing to join the Trust a detailed due diligence process will be undertaken following the school's application to the DfE; this covers the school's academic, organisational, structural and financial situation at the time of conversion.

Information about the school will be collated by CAT colleagues in collaboration with the school. A summary is given to the Board of Trustees and a decision made as to whether to continue to the next stage. If there are reasons that may pose a risk to the school joining CAT (e.g. a financial deficit) then further work may need to be undertaken before agreement is given.

Step 4 – Conversion

The school's project manager, CAT colleagues and school leaders will work through a detailed project management plan to the point of conversion and the school joins the Trust.

CONTEXT: 'CONVERTER' ACADEMIES AND 'SPONSORED' ACADEMIES

A school's current Ofsted judgement and the outcome of the CAT due diligence exercise will determine the route it follows to academy status within CAT. Schools performing well" - judged by Ofsted to be 'Outstanding' or 'Good' (Ofsted grades 1 or 2) and with strong outcomes may apply to the DfE to convert to an academy. Schools judged good but with less strong outcomes or as 'Requiring Improvement' with reasonable outcomes can still convert but specific areas of support will need to be discussed with CAT. Schools judged by Ofsted to 'Require Improvement' and with less strong outcomes or to be 'Inadequate' can be ordered to become a sponsored academy within CAT.

THE DECISION TO CONVERT

Considerations for the Governing Body before applying to convert

Whatever the route to conversion the Governing Body of the school will need to consider carefully what becoming an academy within CAT means within their own individual context. CAT will embrace the uniqueness of all its schools. Schools joining CAT as sponsored academies will want to explore the support CAT can offer to help them become good or outstanding. Schools choosing to convert will want to explore how they retain some autonomy but can secure support when they need it; and how they can contribute to the development of CAT and other academies within it.

The CAT central team are available to support schools in exploring the wide range of issues associated with conversion and moving forwards as an academy. Colleagues from CAT are happy to meet with the Governing Body or committees to explore the detail of what we have to offer and how we work with academies.

Benefits of joining CAT

Cheshire Academies Trust comprises three primary schools and a teaching school alliance (CLTA) that chose to form a multi academy trust to further improve standards through formalised partnership. The core purpose of CAT is to achieve continued and consistently high outcomes for children. CAT's embedded culture is to support our academies to thrive by developing and sharing best practices/systems across our academies, through rigorous internal challenge and decisive early intervention, to secure improvement where needed.

We have created a Trust in which schools support each other to enable their children and staff to thrive through a creative approach to collaboration. There is therefore a strong sense of ownership and belonging in CAT; this ensures schools will continue to benefit from opportunities to collaborate and work together whilst retaining their own unique identity and role within their local communities

CAT was created with a strong sense of moral purpose to provide the best education and opportunities for children at its heart and an aspiration to improve the quality of teaching and learning in all CAT academies and for children in our wider community through the work of our teaching school CLTA. The school improvement experience of our leaders means CAT is well placed to support schools to become good, sustain good and for all schools to maintain, or strive to be, outstanding. The Trust continues to develop school to school support strategies which will ensure the sharing of good practice across CAT and with others beyond it.

Our Board and academy senior leaders have carefully considered the benefits of growth for our current academies and those joining our Trust. We strongly believe that carefully growing CAT will have significant benefits for the children and staff in both converting academies and our existing CAT academies. We continue to create alliances and be actively involved with local schools that are not part of CAT to engage in discussions around school improvement. We have a strong team of proven outstanding middle and senior leaders across our Trust who can support educational improvement and we are able to deepen this capacity through access to SLE's and NLE's via CLTA.

CAT will encourage its academies to retain their ethos and unique qualities, offering Headteachers a high degree of autonomy (where appropriate) in leading their schools, whilst giving them the freedom to focus on teaching and learning. Where academies need support and intervention to improve it will be proportionate to need.

Wider benefits of joining a multi academy trust

The following more generic benefits also apply to most schools joining together in a MAT arrangement:

Collaboration

Strong collaboration, with shared accountability, leading to better progress and attainment for pupils, and help schools meet rising expectations.

- School leaders and teachers networking to share thinking, planning, best practice, learning from each other and tackling challenges together.
- Governors coming together to share strategic thinking, to combine skills and to support each other during challenging times.
- Pupils within CAT working together
- Support staff coming together to share expertise and challenges
- Opportunities for parent involvement can be shared and supported more effectively

Recruitment and retention

Sharing the costs and approaches to recruitment and retention across more than one school, enables schools to find different and flexible solutions to recruitment challenges, and where appropriate opportunities to share leaders, teachers and other staff is likely to increase flexibility and to retain specialisms which could be deployed more widely. We know that retention rates for high quality staff are often dependent upon career development opportunities and access to continuous professional development. CAT invests in a collaboration fund that enables a programme of development that supports all staff.

School leaders will also have wider career progression opportunities within a multi academy trust and CAT is able to 'grow its own' future leaders through talent management programmes. Staff are given the opportunity to undertake secondments and experience new roles and responsibilities across the Trust.

Specialist expertise

CAT is able to source and fund specialist expertise (specialist teachers, specialists in data analysis, finance, health and safety, catering, educational psychology, educational welfare, SEND etc.) and to provide richer curricular and extra-curricular activities and enrichment opportunities.

Professional development

Shared professional development at all levels, including leadership development programmes, can more easily be arranged, whether led by staff from one of the Trust's schools or an external organisation.

Economies of scale and financial efficiencies

With financial weight comes better purchasing power. The economies of scale and collective purchasing made possible within a Trust can help schools cope better with reducing budgets.

Financial efficiencies CAT academies benefit from include:

- HR provision
- energy supply
- catering services
- premises/estate management
- data management systems
- IT services and support
- accountancy services
- legal services
- payroll
- event management

Targeting of funds

Funds can be directed where they are most needed. The Trust is legally responsible for the collective budgets; this offers greater flexibility to move central contribution resources across the academies and different subject areas to where it is most needed for the benefit of all the young people learning within CAT. Individual academy budgets are ring-fenced to the academies and remain under the operational control of the Principal and Local Governing Body who are advised by the central team.

Centralised support structure

The Trust's support structure, time and expertise allows Principals and Chairs of each Local Governing Body to maintain a strong focus on teaching and learning and improving outcomes for every pupil.

Consultation

Some governing bodies decide that they wish to consult parents, staff and other stakeholders at an early stage. CAT recommends this as good practice, although the law requires only that there is consultation before the Funding Agreement is signed. Advice on consultation is on page 11 of this handbook.

Considerations for CAT before supporting a school's application to convert

A key consideration for CAT Trustees is to weigh up the long-term needs and viability of the school and whether it will be best served by becoming an academy as part of our Trust. They will also need to consider whether CAT has the resources and capacity to support the school effectively at that particular time. We will therefore carry out due diligence on the current performance of the school, whichever route they may be taking.

The due diligence is intended to be a fully collaborative process and not an inspection of your school. A member of the CAT central or exec teams will be allocated to work with members of the school's leadership team to review key areas of the school's work and to come to an agreed set of evaluations. The process will vary according to circumstances and school location but could include a visit to the school of up to two days, working with the Headteacher, bursar and governor representatives to establish levels of achievement, quality of provision and staffing, financial overview and the capacity of the leadership team to secure improvement. In advance of the school visit, the CAT representative will review any relevant evidence available. This may include the school's website, school's self-evaluation, improvement plan, and performance data.

During the visit, the CAT representative will work with school leaders to gather evidence at first hand and may therefore engage in any of a range of agreed activities such as lesson visits, walk of the site, discussion with pupils, scrutiny of work, and review of financial statements. They will reflect, with key personnel, on the observations made and arrive at an agreed evaluation in each of the key areas identified on the summary form.

The outcomes of the due diligence process will be put together in a summary overview to be presented to Trustees and the Governing Body for consideration before approval to proceed with the application for conversion. This information is therefore intended to provide information to all parties in order to inform decision-making and ongoing improvement planning. It is the intention of CAT that all schools will be able to join our Trust but in some circumstances, plans and agreements will need to be put in place before hand CAT will also carry out detailed financial due diligence. Schools will be encouraged to and supported in engaging in any due diligence processes regarding CAT that they feel they need to.

THE APPLICATION TO CONVERT

The route into academy status will determine how schools are involved in applying to become an academy. That process results in an Academy Order, which is in effect a permission from the Secretary of State to convert.

Governor resolution - If a school is choosing to convert to academy status the Governors will need to formally resolve to seek conversion to academy status within CAT. Some Governing Bodies choose to consult stakeholders at this stage so that their resolution is informed by wider views. Most decide that having properly considered the issues it is perfectly appropriate for the governors to decide that this is the right direction for their school. If later consultation identifies wider concerns, it is possible to deal with them before conversion. In this instance, the Governing Body are able to pass a resolution to convert 'subject to satisfactory consultation'. Some schools e.g. foundation schools will need the consent of a separate body of trustees before they can convert in which case any Governing Body resolution should be subject to that consent being received.

Schools choosing to join CAT – whether as a converter or sponsored academy (see the *Decision to Convert* section above) – should discuss their interest in academy status with CAT in the first instance. We will be happy to talk to staff and governors and to describe what academy status within CAT will mean for the school and for staff, parents, pupils and the wider community. Following these discussions, and a Governing Body resolution, the CAT team will support the school in completing an application form to the DfE and we can provide a part completed application form for the school to use which will set out the relevant information about CAT. Since CAT will manage the conversion process, the bank account details should be those provided by CAT and not the school's bank account. For that reason, the school should give its CAT contact as the main contact for the conversion process; in that way we can deflect the detailed process questions that often follow from DfE.

Following application, the DfE will assign their own project lead who is likely to have additional questions before putting the application forward to the Headteacher Board for approval. The school should feel free to consult CAT on those questions.

Schools identified by the DfE to become a sponsored academy will be notified by CAT and the local authority (LA). In these cases, CAT will work closely with the school, the DfE and the LA on a slightly different process which results in an Academy Order. That will include presenting a clear evaluation of the school's current position and the areas needing improvement. CAT also has to identify how the Trust will support the school to bring about rapid improvement. This evaluation and improvement plan will be based on the evidence gathered during the Audit of Effectiveness and Capacity for Improvement, the most recent Ofsted and other inspection reports, information from the LA and any published performance data.

Consents

Some schools have other Trustees whose consent is required – as a general rule if anyone other than the Governing Body itself has the right to appoint members of the current Governing Body their consent will be required. CAT colleagues will support you in securing that consent.

There may also be site Trustees who provide the buildings for the school's use although they may not have appointment rights on the Governing Body. Their agreement to provide the land for the academy will be required before conversion and you should therefore involve them in the process and it would be helpful to seek their consent at an early stage. CAT can provide draft letters for you to send to Trustees and – if necessary – templates for their consent letter. We will also support you in meetings with the Trustees, so that we can explain to them what becoming an academy within CAT will mean for the school.

Proposed Conversion Date

CAT and its advisers, in partnership with the school and the local authority, will seek to determine a realistic and achievable proposed conversion date, which will need to be specified on the application form. The proposed conversion date will allow for all conversion tasks to be completed comfortably with contingency time, but without prolonging the process unnecessarily and extending the transition period for staff in school. It typically takes four months / one academic term for a school to convert but it can sometimes take longer so it's best to start the process as soon as possible if you have a target conversion date in mind so that it's not too much of a rush. The decision to convert is not final until about three weeks before the conversion date, when key legal documents have to be signed.

Academy order

The DfE considers applications for conversion very carefully and often seeks further information and clarification before reaching a decision. It is quite normal to receive requests from the DfE project lead for further information. However, to assist the DfE in their approval process, CAT will work with the school to submit additional information with the application to convert. Once all information has been collected by project leads, the Regional Schools Commissioner, advised by the Headteacher Board, considers the application.

Once the application is approved – regardless of the route to this stage (i.e. converter or sponsored academy) - the Secretary of State will issue an Academy Order. The DfE project lead will then be in touch again with details about the process. It is not always DfE practice to copy the Academy Order to CAT, although it will send it to the local authority. So please do alert CAT when the order arrives and feel free to refer the project lead to a CAT contact.

Alongside issuing the Academy Order, the DfE will release the conversion grant (currently £25,000) to CAT, which enables the conversion process to begin.

CONVERSION SUPPORT

The process of academy conversion has a number of technical elements which can be time consuming and distract school leaders from their otherwise full time responsibilities. The CAT team will include team members who will have taken the time to get to know you and your school. Once the school has received an Academy Order the CAT team will work closely with the school and provide support where needed, interpreting the requirements in terms with which schools are familiar. Our aim is to reduce the burden on the school, without governors and leaders feeling that they have lost any control of or direction over the process and decisions being made about their school. Reporting requirements will be agreed with the school, CAT and the DfE from the outset of the project. CAT will seek to communicate the conversion status via a fortnightly email update but the frequency and content of updates can be amended to suit all parties.

The CAT team will oversee tasks in a number of areas including school improvement (if needed), finance, human resources, governance, consultation and legal aspects of the conversion. The following pages provide a short introduction to each area and highlight key tasks that need to be completed prior to your conversion. The contact details for the CAT support team are at the front of this document. Each member of the team will be in touch with you throughout the project, however, should you have any queries or wish to discuss any aspects of your academy conversion, please don't hesitate to contact the team directly.

CONSULTATION AND PUBLIC RELATIONS

There are two different consultations: the TUPE consultation (mentioned in the staff transfer section) and the stakeholder consultation.

The stakeholder consultation is a legal requirement when converting from a school to an academy and will ensure that key stakeholders have a chance to comment on the question of whether the school should become an academy. The focus of the consultation is to describe what academy conversion within CAT will mean for the pupils, parents, staff, governors and local community and to ask whether the proposed academy conversion should take place. The consultation is conducted by the Governing Body with support from CAT. This is a consultation, not a referendum. The Governors consider and take into account comments made. Clearly if there is a large expression of concern Governors would wish to consider whether further consultation or information sharing is required. The ultimate objective is to identify whether there is 'significant objection' to the academy conversion.

A school which is becoming a sponsored academy i.e. it has received a directive academy order from the Secretary of State, does not have to carry out a consultation with stakeholders but it will be helpful to ensure that stakeholders receive information so they understand what is happening and what it will mean to be part of CAT.

Consultation Documents

The CAT team will provide you with template materials to send out to parents, staff, pupils, local churches, schools, nurseries and health centres informing them of the proposal and seeking their views and comments via an attached questionnaire. An online survey could also be set up which would allow anonymous responses to be submitted by stakeholders. Letters will need to be sent out from the school on letter headed paper and comments should be sent back to the school and then sent to CAT team on a weekly basis.

Our HR adviser will provide additional information for staff setting out the impact of conversion on their terms and conditions. This is intended to reassure them and enable them to engage in the wider discussion of principle. Terms and conditions will be considered in more detail as part of the TUPE consultation. It is recommended that the consultation is held over a three-week period; however this can be extended if the community require more than one meeting or there are significant concerns which need to be addressed.

Consultation meeting

As part of the consultation, CAT strongly recommends that a consultation meeting for parents and the wider community be held, although it is not a requirement. The meeting should be kept fairly informal with plenty of opportunity for stakeholders to ask questions and express views on the proposal. The Headteacher and representatives of the Governing Body should attend the event. CAT representatives may also attend if the school thinks it would be of benefit for them to do so. At least two weeks' notice should be given for the meeting; details are usually included in the information documents sent by the school at the beginning of the consultation period.

Prior to the meeting, the CAT team will provide guidance based on experience of similar meetings and any feedback already received from consultation forms. A separate consultation meeting for staff and Trade Union representatives will be arranged. This meeting should be attended by the Headteacher and the Staff Governor. Representatives from CAT may attend along with CAT's HR adviser.

Possible stakeholder reaction

Our experience of conversion suggests levels of interest in consultation can vary significantly and members of our CAT team have experience of meetings where no external stakeholders attended. It is also common for there to be limited written response. Of course, every school is different, but since the day-to-day impact on parents and children is limited it is not unreasonable for them to conclude that governors and senior leaders can be trusted to make the right decision for the school based on a detailed consideration of the issues. An indication of attendance at the meeting can be gained through the online and written responses to the questionnaire submitted.

Consultation Report

Following the conclusion of the consultation period, the school project manager will provide a report that needs to be shared with CAT, governors and the DfE to inform them of the outcome of the consultation. The report should cover the scope of the consultation including who was consulted and how (including through an on-line survey and any consultation meetings held), information about responses to the questionnaire, main issues raised through consultation and how the school responded. CAT can provide a template for this report.

EDUCATION AND SCHOOL IMPROVEMENT

Academy Improvement Plan

For 'requires improvement' or 'inadequate' schools as soon as possible after conversion an appointed CAT Academy Improvement Lead will ensure that an academy improvement plan is drafted which will identify the key issues and the ways in which CAT will support the school. In many cases this will be a revision of the existing School Development Plan. The plan will identify how CAT will prioritise the use of any Academy Improvement Grant to bring about rapid improvement. This will include the support of the CAT Academy Improvement Lead and other leaders of education sought from across the Trust or via the Teaching School.

For 'good' and 'outstanding' schools CAT may request their existing development plan is amended to address any areas raised in the due diligence or which have arisen during the application and conversion process.

GOVERNANCE

CAT is responsible for a number of academies and a teaching school. It is a charitable company limited by guarantee and is registered at Companies House with company number 8108086. The company has a Board of Trustees (also known as directors under company law) who has strategic oversight over CAT and is accountable for the running of the Trust Board. The Trustees are registered as company directors at Companies House. The company's Articles of Association determine the membership of the company, its charitable objects and how trustees / directors are appointed to the CAT board. A copy of the Articles can be viewed on the Trust's [website](#). CAT is therefore the legal entity for each of the academies within the Trust. It is CAT which employs all the staff, enters into land arrangements and in whose name contracts are entered into. Further information on the governance of the Trust can be found on the [Trustees](#) page of the website.

On conversion to a CAT academy schools will retain their existing Governing Body (within the parameters for Governing Bodies set out in the Articles) who will then become the Local Governing Body (LGB). The LGB is responsible for carryout the responsibilities delegated to them by the Trust Board as set out in the CAT Scheme of Delegation.

The key contract which CAT enters into is a Master Funding Agreement with the Secretary of State. In simple terms this document is an agreement to run a number of academies in return for public funding to do so; but within the agreement are a number of conditions which the Secretary of State requires to be in place – so all academies must comply with the law on admissions, looked after children, SEN and so on. Academies are not bound by the national curriculum, but must offer a broad and balanced curriculum and promote British values.

As each school converts to academy status within CAT, a Supplemental Funding Agreement (SFA) is put in place between the Secretary of State and CAT, which recognises that the school is now covered by the Master Funding Agreement. It also sets out the circumstances in which the school's membership of CAT might be terminated – not because anyone expects that to occur, but because that is the requirement that DfE makes in this document. The Articles and both Funding Agreements are based on the DfE's model documents. Solicitors appointed by CAT will draft and agree the supplemental Funding Agreement with the DfE. Further information about the SFA is set out in Appendix B of this Handbook.

The effect of the Master Funding Agreement is to make CAT accountable to the Secretary of State for performance – in all its aspects – of each of its academies. CAT secures delivery of that accountability in its relationship with schools and by creating Local Governing Bodies (LGB) for each Academy, which are effectively committees of the CAT Board. Responsibility for continuing to run the school day to day alongside the senior leaders is delegated to each LGB.

A scheme of delegation setting out the basis of that delegation is available on the Trust's website and will be provided to governors at an early stage in the conversion process; it sets out how individuals are appointed to the LGB. The academy governors are not trustees / directors of CAT and are not registered at Companies House (unless they are specifically appointed as Trustees to CAT Board). The scheme of delegation is reviewed every three years by a working party made up of Trustees and representatives from academy LGB's. Detailed governance documents will be provided to schools applying to join CAT.

LAND AND BUILDINGS

When schools convert to academy status, the Secretary of State requires some certainty about the way in which the academy will occupy the school site. They will not enter into a Funding Agreement with the new academy trust without that certainty being in place. Building and mechanical surveys will be performed as part of the due diligence process.

Typically, a community school's land will be owned by the local authority and, as part of the conversion process, CAT will enter into a 125 year lease with the local authority for the school site. If the school is a foundation school, the Governing Body will sometimes own the land in which case the freehold for the site will be transferred to CAT on conversion. However, sometimes a foundation school's site will be owned by a separate foundation or body of trustees who will need to consent to the conversion. The land for VA schools is usually owned by a diocese that will need to consent to the conversion and will usually enter into a Church Supplemental Agreement on conversion.

As part of the conversion process for all schools CAT's solicitors will carry out due diligence on the land to find out if there are any other issues which need to be addressed before conversion takes place, for example, if there are any unregistered land, caretaker's houses, nurseries, children's centres or community use agreements (e.g. for sports facilities).

The Trust's legal team is required to submit a Land Questionnaire to the DfE which sets out all current arrangements on site. A copy of this document can be seen here:

<https://www.gov.uk/government/publications/academy-land-questionnaires>

CAT representatives will try to make an accurate assessment at the beginning of the conversion process as to whether the particular land circumstances at individual schools are more complicated than usual and therefore whether the process may need to be extended. Any information you can provide about the site, including deeds or plans, information about any other users and about recent or planned building work will help us to make progress. We will also seek your support in discussing the conversion with local site Trustees. CAT and the legal team will be happy to answer any questions they may have about the process or about the new documents they will need to sign.

CAPITAL ISSUES

The local authority will transfer its site and buildings 'as is'. It will not rectify any deficiencies in the fabric unless the building or site is evidently not 'safe', warm and dry. Any claim must be made early in the process and raised immediately with the local authority. Academies are eligible for Basic Need capital funding from local authorities in areas of growth and projects are prioritised by the local authority as part of their annual capital programme.

Once a school begins the process of conversion, the local authority will review whether to continue with any LA funded non-basic need projects that are being prepared. If the local authority have confirmed that they have already allocated capital funding to your school before conversion, please let CAT team know as this funding should be protected even if the school subsequently converts.

Academies access capital funding for future condition improvements through the Education and Skills Funding Agency (ESFA). There is a bidding process and CAT is required to coordinate bids so that it can demonstrate effective value for money. CAT colleagues will be able to advise on how this will work. Current CAT academies have benefited from condition improvement funding in excess of £1m since their conversions.

STAFFING IMPLICATIONS OF CONVERSION

At the point of conversion when the school joins CAT, there is a legal process, known as 'TUPE' which means that staff will transfer from their current employer (the local authority or Governing Body as the case may be) to being employed by CAT.

All staff employed at the school at the time of conversion have a right to transfer to the academy and to have their terms and conditions protected. There are also arrangements in place to ensure that all staff continue in their current pension scheme – the Teachers' Pension Scheme for teaching staff and the Local Government Pension Scheme for support staff. Provided that staff continue to make their contributions the purpose of this process is to ensure that their benefits are unaffected by the conversion.

What is TUPE Transfer?

TUPE (which is an abbreviation for the Transfer of Undertakings (Protection of Employment) Regulations 2006) preserves employees' terms and conditions when transferred to CAT.

TUPE Consultation

As part of the TUPE process, the current employer of staff (the local authority for community / VC schools and the Governing Body for foundation and VA schools) is required to carry out a consultation with staff and the unions. In addition, CAT as the new employer is required to notify staff about any changes which it intends to make to staff terms and conditions as a result of the transfer (also known as 'measures'). To address these legal requirements, CAT will issue a TUPE measures letter to the current employer of staff which will set out any measures it intends to make and which the employer can then forward on to the unions which will start the formal TUPE consultation. A TUPE consultation meeting will also be arranged where staff and union representatives will be invited to attend and ask questions.

If the local authority is the employer, it will set the date for the meeting and lead the consultation, with input from the school and support from CAT.

In foundation and VA schools, the Governing Body is the employer of staff. In these circumstances, the Governing Body will take the lead for the consultation so it will send out the TUPE measures letter to the unions but a CAT team member will assist in the management of the TUPE process, providing documentation and attending consultation meetings with staff.

How long will the TUPE consultation last?

There is no set time for how long a TUPE consultation should last but we typically recommend that it be between 3-6 weeks and that you do not include the school holidays when calculating the length of the consultation.

Informal consultations with staff

Before the formal TUPE consultation is started by the employer sending the TUPE measures letter to the unions, it is advisable for all schools to carry out informal consultations with staff so that they are kept informed about the school's intention to become an academy and join CAT. This can be in the form of briefings at staff meetings, for example. The way in which the process will be undertaken will be agreed at an initial planning meeting with the school and/or local authority.

Staff should be allowed access to their union representatives if they request that during the TUPE period.

TUPE due diligence

It is very important both for CAT and the individual members of staff that the information provided on individual members of staff as they transfer is accurate and up to date. The school will be asked to facilitate this process. Where there is known casework involving staff that may, post transfer, lead to litigation being taken against the employer, this should be discussed and where appropriate, the local authority may indemnify the academy against some of the associated future costs.

Welcome notice for staff

Once the Supplemental Funding Agreement for your new academy has been signed, a welcome letter will be produced by CAT and sent to the Headteacher for distribution to staff, informing them that the transfer has been successful and welcoming them to the Trust.

TRANSFER OF CONTRACTS AND ASSETS

As noted above, arrangements are put in place to ensure that staff and land / buildings are transferred over to CAT on conversion. In addition, the school's other assets and contracts will need to transfer to CAT on conversion. As far as possible the Trust is supportive of

novation of existing contracts that the school has in place to continue after conversion instead of having to acquire new providers whilst also dealing with the conversion process (with the exception of financial management and management information software – please see below for further details).

A legal document – The Commercial Transfer Agreement ('CTA') – provides for this to happen. It will be drafted by and agreed between solicitors for CAT and solicitors for the local authority. The agreement is between the current Governing Body and CAT. About one month before conversion the legal lead for CAT team will ask governors to agree and sign the Commercial Transfer Agreement.

The CTA can often be the most contentious conversion document, so early due diligence on the implications of the transfer on conversion is essential. By way of example, it will be important that CAT carries out due diligence in order to obtain full details of:

- all contracts and service level agreements
- historic, ongoing or planned building works
- any building contracts or contracts for works and services
- any commitments between the parties regarding funding
- any outstanding loans or grants or funding
- any ongoing employment disputes or proposed settlements

The earlier CAT knows about these issues, the earlier we can address any issues with third parties (e.g. the local authority) in terms of liability and costs and negotiate drafting accordingly to best protect the academy and CAT.

Any SEND specialist equipment loaned to the school by the local authority is an excluded asset in the conversion – so it remains on loan from the LA and must be returned when it is no longer needed. Equipment can continue to be borrowed as this is funded from the LA High Needs block.

The local authority includes funding in school accounts as an "imprest" so that schools have sufficient funds available to spend. Any imprest funding in excess of the school's budget (deficit funds) at the point of conversion is treated as an excluded asset and will be recouped from the school as part of the closedown process. Notional nursery place funding will be treated in the same way. This does not affect the actual balance in the school's budget.

CAT team will contact you early in the conversion process and ask you to provide them with your current list of contracts and service level agreements in place with the local authority and other third party suppliers so it's helpful for the school to start collating this information, even if it has to be updated subsequently. The documentation is required for two purposes:

- a) it is needed to form Schedule 2 of the Commercial Transfer Agreement for services that will transfer to the academy; and
- b) a review of services will be undertaken and assessment made of those that need to be retained by the academy or, services that will be provided by CAT post conversion in an attempt to provide a consistent approach to service provision whilst achieving value for money and cost savings for each academy.

You will need to inform the local authority prior to your conversion of any services that you wish to retain and repurchase when your academy opens as some contracts will terminate when the school ceases to be under local authority control. Since future agreements will in law be with CAT, CAT team will support you in this process so that you can be reassured that there is no break in service. You will need to speak to the relevant LA representative about what you need to do and when to ensure service provision continues post conversion.

FINANCE AND ACADEMY BUDGET

On conversion your academy will be funded by the Education and Skills Funding Agency (ESFA) - a division of the Department for Education (DfE). The funding comes in a monthly payment called the General Annual Grant (GAG). The largest element of the GAG is the School Budget Share (SBS) which is calculated on a comparable basis to other schools in the local authority. Academy funding is calculated and allocated for the school year September to August. Please note the GAG is exclusive of: Pupil Premium funding, early years funding, PE and Sport Premium for Primary Schools, Universal Infant Free School Meals, and high needs top-up funding.

A draft funding letter will be issued to you prior to opening – setting out your indicative academy budget for the remainder of the school year. You should check that – and CAT team will help to resolve any queries you may have.

CAT will also arrange for someone to come and set up the academy budget on the academy specific finance system. The DfE require a budget to be submitted within 6 weeks of receipt of the final funding letter. However, the Central team would have worked with you prior to this to understand the likely financial outcome for the year in question.

On conversion, your local authority spending power will be frozen. The LA has up to four months to reconcile the budget and then to pay over any surplus balance. The LA will advise on any actions required by the school to close-down accounts. This can have implications for converting academies in regards to cash flow during their first few months of conversion. The CAT team will discuss this with you prior to conversion and any necessary mitigating actions can be identified.

Points to note:

- All direct debits need to be stopped or transferred to the new bank account (see below)
- Purchasing cards must be cancelled – but a new one will be provided
- Outstanding capital loans must be paid in full before closure or otherwise dealt with on conversion (these sums are included in final accounts)
- Schools may make purchases on behalf of the academy prior to conversion but must account for these separately (using a separate centre code) and must not reclaim VAT via the local authority.
- Schools must ensure that accounts are as up to date as possible i.e. invoices paid, income received, suppliers asked to bank cheques promptly).
- Reconcile school funds ready for consolidation into academy accounts.

The local authority will provide accruals spreadsheet and discuss what needs to be included and agree balances. Balances are then transferred to the academy bank account.

Bank Account

All CAT academies have their main bank account with the same provider as the Trust, Lloyds Bank. CAT team will provide you with all the paperwork necessary to open your academy bank account. This will need to be completed and returned to the bank for processing. The bank will help you directly in completing the paperwork and will also issue cheque books and set up online banking after your account has been opened. CAT will ensure that the bank forms include an application for a SUN number (service user number), which will be required for payroll. CAT academies do not operate separate school funds as this is not necessary as an academy. School funds are closed on or shortly after conversion with any outstanding funds being ring-fenced and transferred directly to the new academy bank account.

Payroll

On conversion, the school's payroll will transfer to CAT provider, currently Payplus. Work will begin early in the conversion process to ensure that all actions required transferring payroll,

and making sure no interruption for staff on conversion, are completed. The payroll team and CAT team will provide a list of information required and will work with the school to complete all actions. Payroll conversion costs are met from the academy conversion grant.

HMRC Registration

The school will register under the Trusts PAYE reference number which in turn will be issued to the payroll provider. The registration is done via HMRC and a process is in place which will be completed by the Trust. At this time the Trust will also apply for 'Government Gateway' access for the new academy. This ensures that the national insurance and employment tax obligations are met by the Trust. The payroll provider will supply reports to the Trust confirming the levels of payments to be made relating to the staff.

Pensions

Teacher's pensions are not affected by the conversion to academy status. As the new employer of staff, CAT will pick up all employer responsibilities previously held by the local authority or Governing Body as employer. CAT team will complete forms on behalf of the school for submission to TPS and will have an ongoing responsibility to submit monthly returns online. The CAT payroll team will provide the information required for the Trust to do this.

On conversion, support staff are still able to contribute to the Local Government Pension Scheme (LGPS) as CAT has 'admitted body status'. Prior to conversion, CAT will request an actuarial valuation of the pension liabilities for your school so that the Trust is aware of any deficit liabilities that are associated with the scheme. The actuarial report will also provide a revised (or similar) contribution rate which will need to be applied to employee salary costs when establishing the academy budget. CAT teams will complete notifications to the LGPS and will lead on discussions regarding contributions and arrangements post conversion. The costs of the actuarial review are met from the academy conversion grant.

Financial Management Software

As academy reporting requirements are distinctly different to those as a maintained school, a financial management system, which is able to facilitate these requirements, will need to be purchased, installed and ready for operation on conversion. The Trust uses HCSS Accounting and Budgeting. This is purchased centrally via the Trust and the cost is recharged to academies on an annual basis. Details on the system and training staff in its use will be given as part of the conversion process.

Further information regarding how the Trust is funded is available in our 'Financial Considerations for Joining CAT' document.

APPENDIX A – TEMPLATE GOVERNING BODY RESOLUTION FOR CONVERSION

We have set out below a template Governing Body resolution for a school to convert to academy status by joining CAT, *following receipt of an academy order*. Please amend as appropriate for your school and delete any text in square brackets which is not relevant.

Template resolution:

[Having taken into account the results of the consultation] OR [Subject to the results of the stakeholder consultation], the Governing Body of [INSERT NAME OF SCHOOL] resolves:

- a. to proceed with the school's conversion to academy status by joining Cheshire Academies Trust on or after a target conversion date of [DATE]; and
- b. to delegate to the [Head/a committee of the following named governors] the authority to undertake conversion, comply with any requirements of the Department for Education and[, subject to the final approval the Governing Body,] to enter into any agreements necessary to achieve conversion.

The [Head/Academy Sub Committee] will report back to the Governing Body as appropriate. [The Governing Body acknowledges that a number of issues will be clarified as more details of the DfE process become available. The issues include:

- a. [continuation of the name of the school];
- b. details regarding the Supplemental Funding Agreement and any conditions set out therein, including final agreement of the funding letter to be issued by the ESFA;
- c. any further directives coming from the DfE which might impact on the Governing Body's decision to convert; and
- d. [any other specific concerns of the Governing Body]].

APPENDIX B – INFORMATION ABOUT THE SUPPLEMENTAL FUNDING AGREEMENT

CAT's solicitors have set out below some information about the Supplemental Funding Agreement (SFA) which will be drafted for each academy joining CAT. It is important that the school reads through the SFA when it is sent to you by the solicitors and the table below should help you to understand the implications of the various sections.

1.A Parties

The Supplemental Funding Agreement is an additional and separate funding agreement that needs to be entered into between the Secretary of State and the multi academy trust ("MAT") company for each Academy school within the structure. Each separate Supplemental Funding Agreement deals with the funding conditions specific for that Academy school (and is in addition to the general funding conditions set out in the Master Funding Agreement for the MAT)

As with the Master Funding Agreement, the model Supplemental Funding Agreement covers academies and free schools in this hybrid model. As you will see, the DfE drafting guidance notes throughout the model document indicate which provisions should be included or removed depending on the category of your Academy school.

Please be aware of the DfE's latest Governors' handbook which can be found at the following weblink: <https://www.gov.uk/government/publications/governance-handbook> and the DfE Academies Financial Handbook which can be found at the following weblink: <https://www.gov.uk/government/publications/governance-handbook>

1.C Definition of "the Academy"

This definition should refer to the name of the Academy school. If the name is to include the word 'Academy' instead of 'School' please let us know so we can amend this.

1.F Type of Academy

The definitions of the different types of Academies reflect the provisions of the Academies Act 2010 and the characteristics that each Academy school must demonstrate entitling it to funding. The requirements of a Mainstream Academy are those set down in Section 1A of the Academies Act 2010 requiring it to be an independent school, having a balanced and broadly based curriculum, providing education for pupils with different abilities and for pupils who are wholly or mainly drawn from the area in which it is situated.

1.H Academy Opening Date

The target conversion date for the Academy school should be inserted here.

2.A Running of the Academy

A MAT may employ anyone it considers to be suitably qualified as a teacher, with the exception of a special educational needs coordinator (SENCO) and a designated teacher for looked after children who must hold qualified teacher status.

2.B Net Capacity

The DfE are keen for schools to convert to become Academies on an 'as is' basis. The net capacity number for the Academy school should be inserted here. This is calculated by the local authority according to a complex DfE formula based on the physical capacity of the school buildings as well as the number of pupils. We normally obtain this detail from the GIAS website so please check the net capacity number on there and let us know if it is not correct.

2.C SEN Unit / Resource Provision

If the School has a SEN unit or resource provision then the number of places and the SEN category should be recorded in these

2.D clauses.

Often this information will have been recorded by the DfE on its GIAS website. The wording at clause 2.D should be noted, where the DfE could close any such SEN unit or resource provision at any time. Annexes 7 and 8 right at the very end of the model document deal with SEN admissions. The MAT's Master Funding Agreement will also require a MAT to make provision for pupils with special education needs (whether or not such pupils have statements). This is consistent with current practice for maintained schools and confirms that the MAT can accept payments from a local authority or a charity in respect of the admission of a pupil with SEN.

2.E Charging

Generally there must be no charge for admission to or attendance at any Academy school within a MAT, and Academies may only charge pupils where the law or the MAT's Master Funding Agreement might allow a maintained school to charge or where there may have been an independent predecessor school that charged non-European Economic Area students. The Master Funding Agreement confirms that the MAT can accept payments from a local authority or a charity in respect of the admission of a pupil with SEN.

2.F Admissions

The MAT is the admissions authority for the Academy school. Your admissions policies and arrangements must comply with admissions law and the DfE's codes of practice relating to admissions (being the School Admissions Code and School Admission Appeals Code). The admissions provisions describe how your Academy will set its criteria for oversubscription and admission numbers and sets out the process of consultation, determination and objections for these. The admissions clauses will also list the relevant religious authority if your academy is designated as having a religious character. These clauses also seek to reintroduce the "hard to place" and "fair access" protocols that you will be familiar with.

Annexes 7 and 8 right at the very end of the model document deal with SEN admissions. The MAT's Master Funding Agreement will also require a MAT to make provision for pupils with special education needs (whether or not such pupils have statements). This is consistent with current practice for maintained schools and confirms that the MAT can accept payments from a local authority or a charity in respect of the admission of a pupil with SEN.

It is unlikely that the Department will agree to delete key provisions, such as the Academy continuing to be a part of the Admissions Forum and being required to accept pupils at the SoS' direction, but you should be familiar with these powers.

2.U -2.AA Curriculum

Your Academy school's curriculum up to the age of 16 must be broad and balanced and include English, maths and science. Whilst the MAT is not bound to deliver the National Curriculum under its Master Funding Agreement, the Academy school must provide for the teaching of religious education and hold a daily act of collective worship at the Academy.

The Academy Trust must have regard to any guidance on sex and relationship education to ensure that children at the Academy are protected from inappropriate teaching materials and that they learn the nature of marriage and its importance for family life and for bringing up children.

The MAT must prevent political indoctrination, secure the balanced treatment of political issues and provide careers guidance.

3.E – 3.I GAG Funding

This clause emphasises the provisions of the Master Funding Agreement dealing with GAG applying to the Academy school. Please note the detail of these provisions. In this new model, funding based on estimated pupil numbers will only apply to free schools and new provision academies, and those estimate clauses will only apply until all year-groups have pupils present;

3.K Other Financial Assistance

Please note that separate DfE guidance suggests that the possibility of financial assistance for proposed redundancies during restructuring will *only* be for sponsored projects and is limited to two years.

3.L Carry Forward

This clause is in line with what is set out in the model Master Funding Agreement, in that the right of the Secretary of State to claw back surplus GAG funding has been removed now from the model documents and the MAT is able to carry forward unspent GAG. This will apply until termination of the MFA, SFA or in the event the Academy school closes.

4 Land

These clauses concern the existing land arrangements for the Academy. These supplemental clauses are to be inserted in the Supplemental Funding Agreement in cases where the MAT had transferred to it either the freehold and/or leasehold of land (i.e. publicly funded land on which the school is based) for use by the Academy.

These cover

- Clause 4.A requires the MAT, with the Land Registry, to register a restriction against the title of the land, which will prevent the land being disposed of, leased or borrowed against, without the SoS's consent. If the MAT does not do this, it consents to the SoS registering the restriction. Please note, we would normally do this on behalf of the MAT post conversion.
- Clause 4.B requires the MAT to keep the land in the same state of repair as when the land is transferred to it.
- Clause 4.D is a new requirement which requires the MAT to obtain SoS consent with regard to the grant of any consents, licences, encumbrances (for example the grant of a right of way through Academy site), sharing occupation, parting with possession, and entering into any onerous or restrictive obligations (for example football foundation agreements which requires academy trusts to register a restriction on title).
- Clauses 4.E and 4.F provides for an option in favour of the Secretary of State to acquire the Land: Another new requirement in terms of the land is that an option must be registered at Land Registry over the land, so that if your Supplemental Funding Agreement were to ever terminate (say in the unlikely event you were failing and the Academy was to close) then the SoS has an option to acquire the site at nil consideration. If the MAT does not do this, it consents to the SoS registering the option. Please note, we would normally do this on behalf of the MAT post conversion.
- Clause 4.G requires the MAT to notify the SoS if any notices are served on the Academy or MAT, together with a note as to how the MAT intends to respond. The Secretary of State also requires the MAT to allow them to deal with the actions required by the notice, instead of the MAT, and to assist in any responses to be given.
- Clauses 4.H and 4.I requires the Academy to notify the Secretary of State of any breaches of any material breaches of the lease.
- Clause 4.J to 4.L is another new requirement in which provides there is now a requirement for the MAT to share land should the SoS identify basic or parental need for additional places in the area in which the Academy is situated and the SoS then considers that not all your academy school land is needed for the operation of the academy at planned capacity, then the SoS must consult with the MAT to determine whether part of the land could be demised or leased to another academy trust, as the SoS considers appropriate, for the purpose of the MAT establishing and maintaining an educational institution on the land. To the extent the MAT and the SoS agree to part of the land being demised or leased, the MAT must use its best endeavours to procure all necessary consents in order to enable it to share occupation of the land with the incoming academy trust.

5 No fault termination and termination following either breach or insolvency

Either party may terminate the Supplemental Funding Agreement on giving 7 years written notice. There are no guarantees that the SoS will continue to fund the Academy beyond the first 7 years, but clearly the expectation is that she will do so given the need to provide education to pupils in the local area. There is no appeal against this decision, unlike for a maintained school where the local authority is seeking to close the school, where there is the ability to appeal to the School's Adjudicator. Please note what should be considered standard provisions. In particular, these provisions are intended to correspond with the Articles and Master Funding Agreement, with the recent removal from the model documents of the right of the SoS to appoint Members and Directors, with the effect that DfE intervention or termination is now solely governed by a warning notice system under clauses 5.B to 5.E in the latest model Supplemental Funding Agreement (rather than the DfE flooding your Members or Board of Directors with DfE appointed Members or Directors say if the Academy was failing). These provisions allow the Secretary of State to specify in the termination warning notice the remedial measures she requires your MAT to take in order to rectify the identified defaults, and the date by which your Mat must respond to the notice. Clauses 5.H and 5.J then give the SoS power to serve a termination notice. You will also note the obligation to transfer such assets as the Academy owns to the SoS.

Please note this is only an overview of the most significant provisions in the Supplemental Funding Agreement for multi academy structures. Schools considering conversion should read the Agreement in full.