

Becoming an Academy



Heads of converted schools
talk about how they made
the change



Heads up

Changing the status of your school is a big step, especially when it involves extra responsibility. But the gains can be great, including control over your budget, curriculum and even the school year.

We've talked to head teachers whose schools have converted to Academy status about what it meant for them. Why did they decide to convert? How did they manage the process and cope with everything from legal paperwork to new funding arrangements? How did they consult with staff and parents? And what's their relationship with their local authority like after the move?

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Meet the heads

Name: Jonathan Bishop
School: Broadclyst Academy Primary School, near Exeter
Previous status: Primary community school
Size: 420 pupils



Name: Helen Hyde
School: Watford Grammar School for Girls
Type: Secondary
Previous status: Voluntary-aided
Size: 1,260 pupils



Name: Kevin Eveleigh OBE
School: Barnby Road School, Newark
Type: Primary
Previous status: Primary community school
Size: 430 pupils



Name: Mike Sandeman
School: Arthur Mellows Village College, Peterborough
Type: Secondary with sixth form
Previous status: Foundation school
Size: 1,555 pupils



Name: Paul Gazzard
School: St Buryan Academy Primary School, Cornwall
Previous status: Foundation school
Size: 122 pupils



Name: Ian Widdows (deputy head)
School: Giles Academy, near Boston, Lincs
Type: Secondary (11–18)
Previous status: Foundation school (Secondary modern)
Size: 1,030 pupils



Name: Lesley Grace
School: Seaton Academy, Cumbria
Type: Primary (3–7)
Previous status: Part-maintained
Size: 224 pupils



Name: Alan Yellup
School: Wakefield City Academy
Type: Secondary
Previous status: Foundation school
Size: 720 pupils



The decision to convert

Converting to Academy status is a big move for any school. Here, heads discuss how they came to their decision, the benefits for their schools and what you should consider before converting.

Why we applied for Academy status

Kevin Eveleigh: For us, it was about autonomy. We wanted to focus on our own school initiatives and those didn't always marry effectively with local authority priorities.

Jonathan Bishop: That was our main reason too. We were developing a personalised curriculum that suited the needs of our pupils, while our local authority had more of a one-size-fits-all approach. Academy status allows us to be innovative without having to justify what we're doing at every stage.

Alan Yellup: There's no one-size-fits-all in education. For us, the freedom to personalise the curriculum around pupils to keep them engaged with education was crucial. We also wanted the freedom to

improve pay and conditions for our staff without having to answer for why we've done it.

Helen Hyde: It's also about the ability to be able to do things more quickly without waiting for approval – for example, we can appoint someone and issue contracts on the same day.

KE: On a purely practical note, we had to find better value because we had just paid to have three new classrooms built and couldn't afford to buy all of the local authority services we had used previously. We also wanted to protect our staffing, particularly a team of brilliant teaching assistants.

Mike Sandeman: Schools that do well, like ours, can get overlooked in funding discussions. Because we are not problematic and seem to be doing OK, resources are pumped elsewhere. We suffered underfunding over a long period and Academy status allowed us to take control, and hopefully make the right decisions.

AY: We're in a challenging area, so every penny of resource is important to us to make a difference for our pupils. Academy status enables us to put the money where it suits our needs. ►



Do schools need to consult before converting?

Yes, you are required to carry out a consultation to ask if the school should become an Academy. There are many different ways in which this can be done in order to give interested parties a chance to respond and ask questions. Examples can be found in the conversion guide (available on the DfE website).

Can teachers' pay and conditions be changed?

When a school converts, staff are entitled to transfer under the same employment terms and conditions. However, once open, you may consult with staff and their union representatives on possible changes; for example, this could be over different term times or the length of the school day. ▶



KE: It's not new or extra money. It's just our existing allocation but coming straight to us. I felt if we could manage that money and get a better deal for our children, we should. We are not a rich area or a wealthy catchment, far from it.

Lesley Grace: We already managed a lot of our own budget – Cumbria allows all schools to do this – but we were still spending too much time focused on compliance with local authority initiatives that weren't necessary or relevant.

Ian Widdows: We wanted an extension to the freedoms we already had as a foundation school and we liked the idea of having a direct link to the DfE without having to first work through the local authority.

MS: Yes. We were also a Foundation school, so we were used to making decisions on outsourcing services. Becoming an Academy was a natural progression.

What it's done for my school

JB: We are saving a lot of money – for example, our new payroll system costs half what the local authority charged. We can plough that money back into teaching.

KE: That's right. We have more control over the allocation of our resources to meet our own needs. So, not only do we not have to lay off any teaching assistants, we have employed an extra teacher and I've been able to promote our secretary to become a business manager, freeing up my time from office work.

Paul Gazzard: We've been able to appoint an extra teacher and set up an extra class. As a result all our classes – which used to be about 28 pupils each – are now reduced to an average of 20. Every class now has a full time teaching assistant, which was previously not the case. ▶



AY: Pupil welfare is very important in our inner city school. Having control of all our resources means we can hire a dedicated staff member who will be on site every day and go out and meet families and support parents.

KE: We've also bought £4,000 of instruments to expand music provision and improved our CPD programme for staff. As well as that, we have financial certainty. We know our budget well in advance from September to July and it matches our Improvement Plan.

LG: School governance has improved – we have no big committees any more, each of our trustees has responsibility for specific tasks and areas of work. Decision making is easier and more accountable.

HH: It's put the "fun" back into education for us. We are free to innovate and develop systems and procedures that are appropriate to the needs of the school without going to the LEA for approval.

“We are free to innovate and develop systems and procedures that are appropriate to the needs of the school.”

Helen Hyde, Watford Grammar School for Girls

AY: While focusing on the core subjects, we can also personalise the curriculum to meet the individual needs of pupils. For example, if a pupil wants to do three sciences at GCSE instead of one, we can do that.

JB: An important freedom for us is being able to develop projects in collaboration with other schools and high profile corporate partners. This includes an ICT project that will enable our students to continue their learning at home in new and exciting ways. ►

How will the role of governors change if we became an Academy?

The principles of governance are the same in Academies as in maintained schools but the governing body has greater autonomy.

On converting to an Academy, the current governing body establishes an Academy Trust – a charitable company limited by guarantee responsible for the strategic oversight of the Academy, with control over the school's land and other assets. The responsibilities will be similar to those in most maintained schools.

The governing body can continue to delegate functions to committees, the principal or any other holder of an executive office. The governing body can also buy in additional skills and services such as HR support or training for governors.

Governors should not get involved in the day-to-day management of the school. ►



What does the conversion process involve?

The conversion process has been made as simple as possible. The key steps are explained in our conversion guide (available on the website). This process differs slightly according to the type of school and who owns the buildings and land.

As a minimum, you must:

- create a company by registering your Trust with Companies House;
- establish a new bank account for the Trust, so that the Academy can receive funding; and
- transfer, renew, purchase or procure new contracts, service level agreements, licences and insurance, as appropriate.

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

Are there financial rules that academies must adhere to?

The *Academies Financial Handbook* (2006) sets out guidelines for Academy financial arrangements. The current version is available online from the publications section of the Young People's Learning Agency's (YPLA's) website at www.ypla.gov.uk ►



HH: We value the flexibility to procure locally and get best value. If we need a building repair, it's done within hours. A tender for bigger jobs can be in place in days.

We can also choose to join community partnerships that bring real value to our students and local schools and not join talking shops that have no real benefit.

KE: I agree. I like being able to choose the education initiatives I want to get involved in and can ignore those that aren't relevant. All my meetings are about the school I work in and the children I know.

What to consider before applying

PG: The biggest thing you need is confidence. It is imperative that the governing body has this. There must be confidence that the senior management can deliver an improvement to the present curriculum, and benefit the school financially.

IW: Yes. You need to be sure of your reasons for changing and how that comes out of the aims of the school – and communicate this clearly to all your stakeholders.

MS: Academy status does mean more responsibility and accountability falls on you. You have to be sure this is what you want and make the call with your senior team and colleagues. ►



JB: I agree. However, I wouldn't be overawed by people telling you what you need to convert. They're probably trying to sell their services. You don't need a detailed business plan or the services of a large accountancy firm. A good solicitor will guide you through the whole process. You do need to allow time – at least three months – and staff to help you gather the required information and process the paperwork.

AY: You need to allow enough time and resource – there is a lot of documentation and it's too much for any one person to deal with. My advice to any head would be to delegate responsibility.

KE: Also consider whether you need to provide office cover if your existing office staff are tied up with the paperwork. I would recommend visiting a school that has converted in your area and seeing how they managed the process.

LG: Appoint good solicitors early in the process – they will guide you through all the technical and contractual work. And make sure your staff contracts and job descriptions are up to date and complete ready for transfer and that your suppliers are notified of your change of name.

HH: Communication is vital – you need to talk to your staff regularly throughout, making sure their questions are answered.

AY: That's right. Establish an open and honest process and think about how you will consult your staff, parents and stakeholders, including the unions – invite them into the process rather than trying to block them out.

IW: Consider the timing of your conversion carefully, so you don't have too much to do over any holiday period, when many people are unavailable.

AY: Know the facts and be prepared to counter the mythology surrounding Academies. There were all sorts of scare stories circulating here – for example, that teachers would be forced to teach at other schools and that trustees would be personally liable for the school's finances, none of which had any basis in fact.

JB: And be prepared that the work doesn't end when you open as an Academy. You will need to put in a lot of effort once you have converted in setting up new systems and negotiating with suppliers and generally bedding in all the new arrangements. ■

Do we cover the full cost of the conversion to an Academy?

DfE will pay a flat-rate grant of £25,000 to the school's bank account. This is a contribution to the cost and you are expected to make up any remaining costs, but this can be kept to a minimum if carefully managed. We have also produced model legal documentation (available on the website) which can help to reduce legal costs.

In exceptional circumstances – for example, if you are involved in a PFI contract and need additional legal advice – more support can be agreed.

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

In most cases Academies will take a long lease (125 years) on the public land from the freeholder. In the case of private land, the owner and the Academy Trust need to reach an agreement. This could be via an informal agreement or via a lease arrangement similar to the one above. A model funding agreement and lease documents can be viewed on our website. *(Continued on p10)* ►

The conversion process

Once you've decided to go for Academy status, what next? Here, heads share their experiences of the conversion process, from consulting staff and parents to working out their funding allocation.

How we consulted staff, parents and governors

PG: We started off by talking to the senior governors who helped us reassure staff that they would be paid according to the national pay scale without any changes to their conditions of service or pensions. Once staff were reassured about their pay and conditions, they were very keen to have the extra freedom. We sat down with them in a big meeting where everyone was able to say their piece. We also spoke to the pupils and assured them that the changes would not affect them at all, except in positive ways, such as more resources and smaller classes.

KE: In our case, we talked to the senior leadership team first to test the water and talked to staff before we announced any plans. Then we asked the governors to look at it, inviting each of them to give their honest opinion in a special meeting – before we put it to a vote.

LG: We talked to staff first. They were fully on board in seeing the benefits of greater financial and operational freedom – we answered all the questions they had about TUPE and reassured them that their pay and conditions would not be affected.

MS: Our staff liked the fact that having full control of our own budgets would free up extra resource and actually protect us against future cuts.

HH: We faced strong resistance from the unions, especially over TUPE, but by having open channels of communication we were able to keep staff on board and gain their support for change.

LG: It's important to include the unions – for example, GMB asked if they could come in to talk to staff, so we made a room available even though we have no GMB members. ►





MS: In our school, we prepared a briefing document setting out our proposals and sent it out to all interested parties and stakeholders, including the unions, for comment.

KE: Yes. We did something similar by putting together a list of “pros and cons” as honestly as possible. That same list was available to parents, staff and governors throughout.

JB: It’s also important to keep a record of discussions and make them available afterwards. We kept minutes of all the meetings we held and were very open and transparent throughout.

MS: We ran an open forum meeting for parents who were supportive on the whole – they just wanted information and reassurance. We had 47 parents attend the meeting and 13 written replies, 10 of which were positive, two lukewarm and one suggested we were converting because Academy heads get more pay. That hurt! Most of the concerns we encountered were misconceptions. For example, some parents were concerned because they associated previous Academies with failing schools. Once we explained that difference between the new and old Academies, parents were fully supportive.

How we managed the conversion process

KE: Choosing the right legal firm was our most important decision in the process. We chose a firm that had prior experience of conversion and checked out the schools they claimed to have converted and looked for primary experience. Be sure to question them – arrange a meeting and always involve your finance officer/bursar/business manager and chair of governors.

LG: Our solicitors helped us to handle most technical aspects of conversion, including complying with charity law, the commercial transfer, lease, TUPE and the funding agreement with the DfE and registration with Companies House. Our lawyers also advised us on governance and forming a trust.

KE: The £25,000 conversion grant we received was vital. We spent it on the solicitors and new systems for payroll and finance, to produce the level of accounts required for a company limited by guarantee. ►



(Continued from p8)

We expect most schools to convert with as little disturbance as possible. Academies can transfer land owned by the governing body to the Academy Trust which is a straightforward process. It is also possible for existing Foundations (such as those at many voluntary-aided schools) to continue holding land, providing there are no legal restrictions.

Will we get more money as an Academy?

You will receive the same level of per-pupil funding as a maintained school, with additional funding to cover services that are no longer provided by the local authority. The Government is clear that converting should not result in a financial advantage or disadvantage to schools, though they will have greater freedom on how they use their budgets.

Can we convert with a budget deficit or surplus?

Yes. However, if you 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 convert. ►

LG: Yes. I found that the grant we got to cover conversion costs is what it cost. We didn't have to spend from our own budget.

JB: We decided to go through a full due diligence exercise. We set up a working party on the governing body to look at the risks and potential costs of changing status across everything from funding to ground maintenance and report back. I wrote a paper summarising the results, with lots of supporting information, after which we put it to a vote of the governors. Because we went through such a thorough process, we had good, robust answers for all the questions the unions asked us and were able to fully justify what we were doing.

MS: My advice would be to start early and allow enough time and resource to complete the process. We were among the first to convert in September 2010 and we had to do a lot over the summer holidays. The process should be much smoother now!

IW: I would also advise heads who are converting to look at existing services you buy from the local authority without a formal contract/agreement. In particular, check how much notice you need to give if you want to cancel.

KE: One thing that has proved easier than we expected is buying in our own services. Once you convert to Academy status, you become a customer and you have the power to negotiate deals. We "cherry picked" some of the excellent services still on offer from our local authority and shopped around for the others. We even bought some from secondary Academies in our area.

IW: We are still in the process of buying in services. We have continued to buy some from the local authority, such as music services and FSM assessment. But we are about to switch to a cheaper broadband provider offering five times the speed.

“Once you convert to Academy status, you become a customer and you have the power to negotiate deals.”

Kevin Eveleigh, Barnby Road School

How we managed our new funding arrangements

LG: We used the ready reckoner on the DfE website to work out what our funding would be. It gave us an accurate estimate of the money the local authority takes from our budget to spend on our behalf. Governors and staff found it made a very powerful case for conversion to Academy status.

AY: We also used the ready reckoner. It was pretty accurate in predicting how much money we would have in our control.

JB: I agree. What it said was what we ended up getting in funding. Using our existing budget information and the figures from the ready reckoner, we modelled a new budget based on buying most of our services in ourselves. We used this to prove to our stakeholders that we would be no worse off financially, as well as gaining all our extra freedoms.

PG: Our local authority gave us an estimate of our funding which was reasonably accurate. We have bought in a financial reporting package which fits our needs very well. The whole process went fairly smoothly for us. ►



KE: Our funding agreement was completed within the timelines, mainly thanks to the solicitors and the DfE rep continually explaining the “legal jargon” in simple terms.

LG: It’s really important to have a clear idea of your existing finances before you start. Ask your local authority for a full breakdown of where the money goes, so you can calculate your carry forward and predict future spend. This really gave us confidence that we could do it.

AY: We had to push our local authority to give us a full breakdown of all grant money and make sure we would get all the funds we were due. But we were always confident that we would have more money available to spend on pupils simply because we would no longer need to buy services we didn’t need.

LG: Controlling 100 per cent of the money allocated to us, we feel we’re in the best position to face the future, even if there are budget cuts. The local authority can’t claw back money from us as it might from maintained schools.

IW: I agree. I would just caution that you need to keep an eye on the money you get to ensure you are receiving all that you should. At times, I have found it difficult to identify whether we have received it or not.

LG: As far as capital funding goes, conversion has made no difference to our entitlement. The only difference is a slight gap before the new arrangements are in place. But we weren’t worried about that. We knew that if the roof blew off, we had insurance to cover it. ■



How is Academy funding calculated?

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

Our website has an “Academies Funding” page explaining this in more detail, alongside a list of central services that you 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. It also 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. ▶

Working relationships

Heads discuss how converting to Academy status has affected their working relationships with local authorities and local schools.

Our relationship with the local authority

KE: Our authority wanted as much of our custom as possible and each department sent someone out to us to discuss the services or parts of services they could offer. If anything we have a closer relationship than ever before, we remain a county state school if not a local authority one!

IW: That's right. The difference is we are now customers and we insist on getting high quality service and value for money in our dealings with the local authority and other external bodies.

JB: It's more of a partnership now because they need us to buy services back from them. The level of service has gone up while the costs have gone down. We continue to buy services from them in areas where they have strong credentials such as health and safety and internal audit.

PG: Our local authority worked with us constructively and with full cooperation and good spirit. There was no visible hostility towards our move.

KE: Local authorities have become pragmatic, they have little choice. They actually congratulated us on converting, accepting that we had to make the right choices for our own community. And we have bought back the best services they offer. For example, we employ a gardener, a member of the kitchen staff and a site manager from the centre.

MS: Be careful not to present Academy status as anti-local authority. It's about a school's ability to review what we buy in. We still use some of the council's services but where the provision is poor or inadequate to meet our needs, we don't.

LG: Our experience was a bit different. We were one of the first to convert and we found the local authority very slow to engage in the process. Our legal team had to push to organise the completion of documents. Having said that, we still use the buying power of the local authority for energy. ►





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

You are required to take out insurance, at specified minimum levels of cover, to protect against potential capital emergencies. In exceptional circumstances Academies can seek an Earmarked Annual Grant from the YPLA for emergencies, in the same way the local authority can pay a maintained school a contingency payment.

Will Academies have to take on Local Government Pension Scheme liabilities?

If a pension fund is managing a deficit then this transfers from the local authority 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 contributions made. The commercial transfer agreement available on our website sets out the Department's position that pension deficits only apply to the Academy's eligible employees. However, there is no set precedent in the Local Government Pension Scheme regulations for the treatment of deficits. Schools should contact their local pension authority as soon as they start considering Academy status. ►



MS: Our relationship with the senior management of the local authority is strong. They were disappointed about us leaving but they understood. We have had their support and commitment to keep us within the fold as much as possible and I have made a similar commitment to them.

How we support other schools

LG: There is flexibility in how you do this. In our case, rather than focusing on one school, we help several by sharing good practice through the Assessing Pupils' Progress scheme and we operate as a centre of excellence for teachers who want to come and see what we do.

MS: That's right. We are simply continuing the work we already do supporting local schools, including help with management and leadership.

AY: That's the same for us. We were already supporting several schools in our area, including primary schools.

KE: We made an offer to the School Improvement Service and they selected our current partner. We worked with the school head to decide what priorities we could help with. Some of our work is very hands on, using our leading teachers with their pupils, some of it is sharing practice and supporting CPD. There is a bit of extra work involved but staff really enjoy it and hope it will make a difference.

HH: In our case, we are directly supporting a local primary and we are helping more than a dozen schools who are in the process of converting, speaking to heads, finance directors and governors. ►



The support we received from DfE

KE: The help and advice from the DfE rep was excellent throughout, he was in daily contact with ourselves, the local authority and our solicitors, guiding and advising the school along the way and helping us keep to the extremely tight timelines involved. This was especially important for a primary school like ours with a small office staff.

LG: Our advisor was an excellent support. She helped us through each stage of the process and always got back to us to answer queries. She linked with our solicitors to form an exceptionally strong team, working with us to ensure the conversion was successful and our needs were met.

JB: DfE were very supportive. We were early converters so we needed clarification on issues that were still being decided and had to go right up to ministers. But they made sure we got answers as quickly as possible.

IW: Working with the named advisor at the DfE has been very helpful. We all clearly shared an interest in making this work. Since conversion, our main contact has been with the YPLA and this has been useful in terms of knowing who to go to with questions.

KE: Yes. The YPLA took over where the DfE agent finished and you have immediate contact with your YPLA officer. ■

“Our advisor linked with our solicitors to form an exceptionally strong team.”

Lesley Grace, Seaton Academy



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

Like all schools, Academies are expected to maintain strict budgetary controls and are required to balance their budgets. The Academy receives ongoing GAG funding which covers the running costs of the school. The YPLA monitors the Academy's financial position on behalf of the Secretary of State, and will intervene if a deficit occurs or appears likely. It will provide a restructuring plan to bring costs and income back into balance and can provide contingency funding if absolutely necessary.

Do we have to support another school?

Yes, as many schools are already doing. For successful schools, an essential part of converting to Academy status is agreeing in principle to support another school to raise standards. Schools should include their initial plans in their application, and their named contact in the Department will discuss these with them. The process provides head teachers and governors with the flexibility to decide the exact nature of this support as they will know what is best for their school and local area. ■

Next steps

To find out more about becoming an Academy, visit www.education.gov.uk/academies, where you can read the latest information and download an application form. If you would like to talk to heads whose schools have already converted, email us at academy.conversion@education.gsi.gov.uk. Or contact the following organisations, who can put you in touch.

Independent Academies Association

www.iaa.uk.net
email: iaainfo@iaa.uk.net

Foundation, Aided Schools and Academies National Association

www.fasna.org.uk
email: l.hoptroff@fasna.org.uk

Specialist Schools and Academies Trust

www.ssatrust.org.uk
email: info@ssatrust.org.uk

Becoming an Academy: Conversion process

1. Registration	<ul style="list-style-type: none"> • Register your interest using the online form • A named contact in DfE will work through the conversion process with you • Governing body starts the consultation required by legislation with interested parties (can start later but must be completed before Funding Agreement)
2. Application to convert/ pre-approval checks	<ul style="list-style-type: none"> • Your governing body and Foundation (if relevant) pass a resolution in favour of Academy conversion • Submit your application via the DfE website • Discuss your plans to support another school to raise standards or converting within a “chain” with your named DfE contact • Local authority/governing body start the TUPE process • Secretary of State will be asked to approve your proposal • On approval the Secretary of State will issue Academy Orders and release a £25,000 grant to your school
3. Achieve Funding Agreement	<ul style="list-style-type: none"> • Finalise governance documents based on DfE model documents provided • Register the Academy Trust with Companies House • Agree leasing arrangements for the school land and buildings • Local authority/governing body complete the TUPE process • Governors complete required consultation with interested parties • Submit the Funding Agreement to the Secretary of State for approval
4. Pre-opening	<ul style="list-style-type: none"> • Put new financial systems and contracts in place • Complete Academy registrations, e.g. with exam bodies

Average period is 3–5 months from registration to opening