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Converting a Single Academy into a Multi-Academy Trust An Essential Guide

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This note sets out the key steps involved in converting a single academy trust into a multi-academy trust (**MAT**). This is intended to be a high level summary; if you require more detailed and/ or project-specific advice please do not hesitate to contact our Education Team (see paragraph 9 below for details).

1. Reasons for converting to a mat

1.1. Stand alone academies may consider converting to a MAT:

1.1.1. in order to support smaller or weaker schools in the locality who cannot or do not wish to convert to a single academy; or

1.1.2. to become a formal sponsor of under-performing schools.

1.2. Existing single academies may decide to join together to form a MAT in order to share resources and services. A key benefit of MATs generally is that they encourage economies of scale in areas such as finance and administration, and the transfer of staff resources between individual academies is easier as the Trust itself is the employer of the staff.

2. Approval

2.1. A single academy converting to a MAT is categorised as a “significant change” in the Department for Education (**DfE**)’s guidance [Making significant changes to an existing academy](#). This means that the academy must prepare a formal business case for approval by the Secretary of State for Education (via the Education Funding Agency (**EFA**)).

2.2. The business case should contain certain details as set out in the DfE’s introductory guide to making a business case (click [here](#) for a link) including:

2.2.1. the details of the change, including any potential issues/ risks relating to the proposals, and evidence of demand;

2.2.2. when the change is to be implemented and how;

2.2.3. the effect on other schools, academies and educational institutions within the local authority and an overview of the responses to the consultation;

2.2.4. the degree of local authority support and what the academy has done in response to any consultation responses from them;

2.2.5. any indicative costs and an indication of how these might be met, including how the change will be sustained in terms of capacity and value for money; and

2.2.6. any suggested changes to the admission arrangements.

- 2.3. The academy will need to contact the EFA in good time prior to the proposed change coming into effect to ensure that the funding agreement and articles of association can be varied (see below) before the change takes effect.
- 2.4. Once the business case has been submitted the Secretary of State will consider the proposal and the EFA will notify the academy of the decision.

3. Consultation

- 3.1. The academy must confirm to the EFA that a consultation has been conducted with stakeholders. In particular the EFA must be satisfied that the local authority has been consulted and it will consider any reasonable objections from the authority.
- 3.2. The DfE [guidance](#) lists other key stakeholders which it suggests should be consulted. These include parents, other local schools and NHS trusts in the area.
- 3.3. The location and timing of the consultation should be planned to maximise responses and the consultation process should run for a minimum of four weeks. It is advisable that this takes place during term time.

4. Decide on governance structure

- 4.1. When the academy converts to a MAT there will be three tiers of governance:
 - 4.1.1. members of the MAT;
 - 4.1.2. board of directors of the MAT (the **board**); and
 - 4.1.3. local governing bodies (**LGBs**) for each academy school.
- 4.2. The academy will need to decide on the new governance structure of the MAT – including deciding whether any changes need to be made to the directors or members of the academy trust. The MAT can also establish local governing bodies for each of the academy schools which may be governed by schemes of delegation. The DfE is likely to want some involvement in finalising the governance structure of the MAT and in our experience, maintaining a proactive and open dialogue with the DfE on this issue is crucial.
- 4.3. The academy setting up the MAT or the formal sponsor academy is likely to appoint the majority of the MAT directors. These will be set out in the new articles.
- 4.4. The directors are accountable to the members. The role of the MAT board is likely to change to become more strategic than that for a single academy. While the day to day running of the academy is usually delegated to individual LGBs, the directors will be ultimately responsible for all of the academies under the MAT.
- 4.5. The board may also choose to establish various other committees, for example an audit, finance or education standards committee.

5. Update articles of association

- 5.1. A key part of the process is the adoption of new articles of association to convert a single academy to a MAT. These will be completed once the new governance structure has been settled.
- 5.2. The new articles must be approved by the EFA. The members of the academy must then pass a special resolution to adopt the replacement articles and a copy of the replacement articles and the resolution should be sent to Companies House.

6. Amend funding arrangements

- 6.1. MATs require different funding arrangements so the academy will need to enter into a **Deed of Variation** to convert its current funding agreement into a **Master Funding Agreement** and to enter into a **Supplemental Funding Agreement** on behalf of each individual academy under the MAT.
- 6.2. The DfE must approve the new funding arrangements prior to their execution by the Secretary of State.

7. Other points to note

- 7.1. There may be other contractual arrangements in place at an individual school which will require specific review by your legal advisers. Some contracts may need to be novated from the single academy to the MAT, and may require renegotiation. This is something that we can advise on on a case-by-case basis.
- 7.2. Once the change has been made to the academy it must update its details on [Edubase](#).

8. Useful resources

- 8.1. DfE guidance on making significant changes: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/275456/Making_Significant_Changes_to_an_Existing_Academy_Guidance_2014.pdf
- 8.2. DfE business case guide: <https://www.gov.uk/government/publications/making-significant-changes-to-an-existing-academy>
- 8.3. Edubase website: <http://www.education.gov.uk/edubase/home.xhtml>

9. How can we help?

- 9.1. Walker Morris LLP is a large commercial firm and the Education Group comprises 35 lawyers, meaning resources are available to meet your deadlines. As a leading provider in the education sector we believe in helping clients develop and build their schools, universities, FE clients and more, in one of the most important sectors a community can have.

9.2. We pride ourselves on our friendly and personalised approach in undertaking academy conversions, and we understand that one mould does not necessarily fit all. We are able to provide ongoing advice as required, for example in employment, governance, procurement and contracts, and we are committed to providing straightforward commercial and strategic advice to help you interpret and meet the new opportunities in education.

If you have any questions in relation to the above, the team at Walker Morris LLP would be delighted to assist you.

“Just to say I found you really responsive, proactive and knowledgeable. I would definitely come back to you if we needed further advice”

- Stoke Newington School

“I intend to continue to use Walker Morris as our solicitors should we require support in the future. The support that your teams provided was greatly appreciated. I was impressed by the high level of commitment, communication and professionalism demonstrated throughout the process.”

- Castle Academy