



## Academies: top 10 tips for a successful conversion

Since the Academies Act 2010 came into effect last year, there has been an explosion in the number of new academies opening, with the conversion of hundreds more in the pipeline. Dealing at an early stage with the following key commercial issues will help ensure a smooth and successful conversion to academy status:

1. **Commercial transfer agreement** – in order to operate a school, the new Academy Trust needs to formally take over the staff and assets of the school from the local authority or governing body. A commercial transfer agreement (“CTA”) between the local authority, the academy trust and the governing body, should be agreed at least a month before the conversion date. See [here](#) for details of the Sharpe Pritchard CTA App.
2. **Data Protection** - Care always needs to be taken when handling sensitive personal information and this remains the case when a school is considering converting to an academy. Special legal requirements govern the disclosure of information such as pupil records and staff employment records. A top tip would be to identify these records at an early stage and take specialist advice before disclosing them to any third parties involved in the conversion programme.
3. **TUPE** information and consultation – the school staff will transfer to the new academy under TUPE. If the school employs its own staff, you will need to ensure you comply with your legal duties, for example, compiling accurate staffing information, locating copies of the associated employment terms and policies and conducting TUPE consultations. If there is a risk of redundancies or dismissal claims, it would be wise to seek legal advice as early as possible.
4. **Land arrangements** can be complex and vary widely from site to site. Schools should look particularly carefully at existing lease arrangements, shared facilities and residential premises on site. Carrying out an early assessment of the land arrangements can be the key to a smooth and timely conversion.



5. As **PFI schools** will know, their position is complex and, unsurprisingly, the conversion process takes longer. The school will also need specialist legal advice on the PFI documents and the funding arrangements. Early engagement, with the involvement of the DfE finance team, is critical.
6. **Transfer of contracts** – your school may benefit from contracts which are let by the local authority (e.g. software licences, cleaning services, construction works). These contracts do not automatically transfer over to the academy, so if the school want to keep some of the contracts, it will be important to carry out an audit of all contracts, so that the relevant contracts can be listed in the CTA.
7. **Pension liabilities** – if there are school staff who are members of the LGPS, the school will need to ensure it understands what pension liabilities it is taking on as a result of the transfer - in particular, how responsibility will be allocated between the local authority and the academy for any pension scheme deficit. This is a complex area and legal advice should be sought early on as it may be necessary to build in time for an actuarial review of the pension scheme.
8. Following the extended schools agenda, **shared use** of school sites is common e.g. with health, social services, adult education, leisure and other community groups. Schools should give thought to whether the existing arrangements will continue once the school is independent, and on what basis.
9. **Traded services** from the local authority: it may be convenient for some schools to purchase services, e.g. HR, insurance and appeal panels from the local authority. Most schools will be familiar with the need to carry out competitive tendering exercises – as an independent school this will now also need to be taken into account when contracting with the local authority.
10. **Project management** – finally, good planning and effective project management are key. Use and update document lists and hold regular calls and meetings with the local authority and DfE to keep issues moving and the conversion on track.