



## Unity Academy Trust

Thank you for your interest in converting to academy status within the Unity Academy Trust.

The decision of a single school to join a MAT family of schools requires careful thought on both sides. For the new joiner school, (which could be a community school, a church school or a standalone converter academy), the headteacher and governors will need to be satisfied that the match is a good one, the cultures are aligned and that operating at scale will bring the expected benefits for pupils. Equally, the board of the MAT will need to be satisfied that the school they are 'acquiring' or partnering with will fit well with the aims and ethos of the group, will not create unmanageable risks or liabilities for the future, nor de-stabilise the group as a whole. Both partners in the relationship need to undertake some detective work and analysis before signing on the dotted line. The technical term for this exercise is 'due diligence'.

### The Purpose of Due Diligence

Due diligence is the process by which the parties gather information about each other to ensure the integration process proceeds smoothly. In particular, it is used to identify risks, liabilities, cultural differences and practical issues that may cause difficulties later. The key objectives are:

- To test the strategic rationale for the tie-up: will it improve the life chances and attainment of pupils and is it really financially and operationally attractive for both sides? What are the prospects for the future? Do the partners have the capacity and capabilities to pull it off?
- To inform negotiations, identify liabilities and make sure the legal documents pick up risks and allocate them appropriately by using warranties and indemnities (legal clauses which require one party to compensate the other if a risk materialises and costs are thereby incurred). The general rule is that liabilities whose origin is pre-transfer belong to the transferor (local authority and/or diocesan trustees), and those whose origin is post transfer belong to the transferee (the MAT).
- To lay the foundations of the future integrated organisation and build its culture. The process should combine an 'outside in' approach with an 'inside out' approach to understand the schools' relative position in the local education system, as well as understanding the internal capabilities, strengths and weaknesses.
- To examine broader issues of culture, systems and processes, management structures, future opportunities and business plans.

### The Process

Members of Unity Academy Trust Strategic Leadership Team will visit the school wishing to make an application and meet with the Chair of Governors and Headteacher to discuss the following questions and gather evidence. The Trust Board will then consider the application and respond appropriately within an agreed timescale. If we agree to the application Unity Academy Trust will support the school in the academy conversion process.

Schools joining the Unity Academy Trust recognise that they accept the arrangements in place and they will need to adopt some common policies as they join.

Questions and sources of evidence to gather as part of the Due Diligence process



Financial due diligence activities		
Questions	Potential sources of evidence	Notes
<ul style="list-style-type: none"> <li>• What are the school's budget projections for this financial year?</li> <li>• What are the school's budget projections for the next three years?</li> <li>• Has the school had to set a deficit budget over the past five years?</li> <li>• Has the school had to make staff reductions over the past five years to balance the budget?</li> <li>• Does the school have additional income streams that affect the budget?</li> <li>• Do you have a private finance initiative (PFI) agreement on the buildings or assets of the school?</li> </ul> <p>If so:</p> <ul style="list-style-type: none"> <li>○ What are the details of the agreement?</li> <li>○ How does the agreement impact the finance of the school?</li> <li>○ What is the duration of the agreement?</li> </ul>	<ul style="list-style-type: none"> <li>• Budget statements for the current year, and the past five years</li> <li>• Staff lists and/or staffing structures</li> <li>• Forward planning budget projections</li> <li>• Any PFI agreement that is in place</li> </ul>	

## Organisational due diligence activities

Questions	Potential sources of evidence	Notes
<ul style="list-style-type: none"><li>• Can the school show evidence of strong governance?</li><li>• How do governors support the senior leadership team (SLT)?</li><li>• How do governors challenge the SLT?</li><li>• How are governors involved in the strategic direction of the school?</li><li>• Does the school have strong leadership?</li><li>• Does the school have strong financial management?</li><li>• Are there effective and robust safeguarding processes and procedures in place?</li></ul>	<ul style="list-style-type: none"><li>• Minutes from governors' meetings</li><li>• Reports to governors</li><li>• Link governors' reports</li><li>• Ofsted reports</li><li>• The single central record (SCR)</li><li>• Safeguarding audit</li></ul>	

## Commercial due diligence activities

Potential questions	Potential sources of evidence	Notes
<ul style="list-style-type: none"><li>• Is the school's vision compatible with that of the MAT?</li><li>• Are the school's values compatible with those of the MAT?</li><li>• Are stakeholders, including pupils, parents and staff, happy with the school's provision?</li><li>• How has the number of pupils on roll changed over the past five years?</li><li>• Is the number of pupils on roll likely to change over the next five years?</li><li>• Does the school have any issues with its reputation?</li></ul>	<ul style="list-style-type: none"><li>• The school's vision document</li><li>• Articles of association, if the joining school is an academy</li><li>• The school website</li><li>• Parent surveys</li><li>• Staff surveys</li><li>• Pupil voice</li><li>• School roll</li><li>• The LA's and school's projections of pupils on roll</li><li>• Partner primary or nursery school pupil numbers</li><li>• Local press</li></ul>	

## Legal due diligence activities

Potential questions	Potential sources of evidence	Notes
<ul style="list-style-type: none"><li>• Are there any complaints or appeals against the school currently pending from:<ul style="list-style-type: none"><li>○ Staff</li><li>○ Parents</li><li>○ Neighbours</li></ul></li><li>• Are there any land registry issues that may affect the school?</li><li>• Does the school have any current partnerships or legal agreements?</li><li>• Does the school have any other associations with another MAT?</li><li>• What current contracts does the school have with services and suppliers?</li><li>• When are any current contracts due for renewal?</li></ul>	<ul style="list-style-type: none"><li>• The school's records of complaints</li><li>• Land registry documents and deeds</li></ul>	

## Application to join the Unity Academy Trust

Having considered the due diligence questions and evidence this form invites you to tell us why you wish to join the Trust.

<b>School Name</b>	
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<b>School address</b>			
<b>Headteacher's name</b>			
<b>Email address</b>		<b>Phone number</b>	
<b>Chair of Governors' name</b>			
<b>Email address</b>		<b>Phone number</b>	

### School Category

<b>Voluntary Aided</b>		<b>Voluntary Controlled</b>	
<b>Community</b>		<b>Foundation</b>	

<b>Current Ofsted judgement and data</b>	
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<b>Why do you wish to join UAT? What do you see as the benefits to your school?</b>
<b>What strengths will you bring to the Trust?</b>
<b>What areas for development do you have in which you would welcome support?</b>

