

Due Diligence and Induction Procedure

Applicable to:	✘	All individual academies within NEAT
	✘	Specified academies only
	✓	Central team within NEAT Academy Trust
Approval body:	NEAT Academy Trust Board of Directors, which may be delegated	

Status:

Statutory policy or document	No
Review frequency	As determined by the Board
Approval by	As determined by the Board

Publication:

Statutory requirement to publish on website	No
If not, agreed to publish on website?	Yes - trust

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Revision Record of Issued Versions			
Author	Creation Date	Version	Status
Director of HR and Governance (SH)	13 November 2018	1.0	Agreed by Board of Directors for implementation.
Changed by	Revision Date	Version	Status
Director of HR and Governance (SH)	19 December 2018	2.0	Agreed by Board of Directors. Amended to delegate commission of full due diligence to ARF Committee.
Director of Governance (SH)	14 February 2020	3.0	Approved by Executive Team on behalf of the Board of Directors to reflect changes to Scheme of Delegation.
Head of Governance and Corporate Affairs (SH)	26 March 2021 Applies from 01.04.21	4.0	Minor amendments. Approved by Exec Team on behalf of NEAT Academy Trust.

Review Date	
Frequency	Next Review Due
Every three years	February 2023 (or earlier if new guidance or legislation issued and/or business need for earlier review identified)

1 Purpose

The purpose of this procedure is to set out the framework for how NEAT Academy Trust will assess and decide whether a school will join the trust and, if this is agreed, how the induction and transition process will be managed.

2 Scope

The procedure applies to all situations where the trust board is considering adding one or more schools to the trust including:

- where a school has made a request to join the trust; or
- where the Department for Education (DfE) has selected the trust to act as the sponsor of a school.

3 Prior to the due diligence process

3.1 Depending on the particular circumstances that lead to consideration of a school joining the trust, the trust will usually require the governing board and the headteacher of the school prior to commencing any due diligence process:

- to agree to the pre-conditions set out in 3.2 below; and
- to agree an information sharing protocol between the trust and the school to protect the personal data of data subjects of both parties during the due diligence process.

3.2 All new schools joining the trust are required to:

- support and embrace the shared common purpose, vision and values of the trust;
- support and respect the rights of those schools with a religious character and those schools without a religious character within the trust to promote and safeguard their own individual ethos and characteristics;
- embrace their public sector equality duty to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities;
- have regard to and action the provisions of the trust's Articles of Association, Scheme of Delegation and Code of Conduct for Directors and Local Governors;
- support the principle that all stakeholders within the trust should aim to operate as one trust;
- actively contribute to the trust's strategic planning process;
- share collective responsibility for the continuous improvement of all schools within the trust;
- work collaboratively to develop, share and implement effective practice across all the schools within the trust including approaches for the assessment and moderation of pupil outcomes;
- co-ordinate staff meetings and training days across the trust to facilitate cross-trust working and CPD opportunities;
- operate transparently with regard to self-evaluation, school development planning and performance management processes;
- implement all policies that apply to all academies within the trust as determined by the trust board;
- implement trust-wide business systems and processes including contracting with identified external providers where necessary to ensure a cohesive trust-wide approach (e.g. finance, banking, payroll, IT, corporate

- governance, information governance, health and safety);
- commit to contributing sharing income, as determined annually by the trust board, to fund the provision of centrally provided services to best support pupils at all of our schools;
- maintain robust systems of financial planning and control including three-year budget forecasting and participate in internal assurance and external audit processes; and
- support the trust to complete statutory returns and comply with legal requirements.

4 Due diligence process

4.1 The primary purpose of due diligence is to obtain sufficient information about the school proposed to join the trust in order for the board of directors to decide whether the transfer should go ahead in principle.

4.2 The due diligence process will:

- be planned in consultation with the school proposed to join the trust;
- be proportionate to the specific circumstances of the proposal;
- enable the board to assess the relative merits of the school proposed to join the trust from the perspectives of the trust overall, the other schools in the trust and the school concerned;
- ensure that the board fully understands the assets and liabilities that will transfer to the trust if the school was to join;
- identify the risks associated with the proposal and any control measures the trust could put in place to reduce the inherent level of risk (including the cost of those measures); and
- consider whether both the cost of those measures and, assuming the measures are successfully implemented, the residual level of risk is acceptable to the board.

4.3 Due diligence will be carried out by a multi-disciplinary team of people who collectively have sufficient skills and experience to carry out the process effectively. The trust may employ or contract specialists to lead or undertake the process if the skills and/or capacity of trust staff need to be enhanced.

4.4 The due diligence process will include but not be limited to the following areas:

- school ethos, characteristics and cultural fit;
- the school's local context and reputation;
- size and viability, age range and pupil characteristics;
- education performance including inspection outcomes;
- existing school-to-school relationships and partnerships;
- any nationally recognised designation the school holds and its performance against KPIs;
- governance;
- financial resources;
- human resources;
- physical resources;
- legal and regulatory compliance; and
- commercial activities.

4.5 Where appropriate, the due diligence process may be carried out in stages:

- a) an initial assessment in order for the board to decide whether the transfer

should go ahead in principle and if a full assessment should be commissioned;

- b) a full assessment in order for the board to decide whether the transfer should proceed, subject to c) below; and
- c) a refreshed assessment before the completion of the transfer in order for the board to determine whether there have been any changes to the risks, assets and liabilities that would transfer to the trust since the full assessment was carried out.

4.6 The trust has due diligence checklists which specify what is to be investigated and evidenced at each stage of the process within the broad areas listed in 4.4 above.

4.7 The outcome of both the initial assessment process and, where it is commissioned, the full assessment process will be to provide a report to the board which includes:

- a summary of key findings supported by the relevant due diligence checklist;
- an assessment of the relative merits of the school joining the trust from the perspectives of (a) the trust overall, (b) the other schools in the trust and (c) the school concerned; and
- an assessment of the inherent risks associated with the proposal, any control measures and their cost and an assessment of the residual risk if the control measures were implemented.

5 Transition and induction process

5.1 Where the trust board agrees that the transfer should go ahead, the information and evidence gathered during the due diligence process will help to shape a transition and induction plan that will enable the school to be successfully integrated into the trust.

5.2 A bespoke plan will be drawn up by the trust in consultation with the school to enable a smooth transition for governors, school leaders, employees, contractors/ suppliers, pupils, parents and the local community. This will include but not be limited to:

- communication with all stakeholders;
- providing a welcome pack including operational information about the trust e.g. calendar;
- opportunities for visits to the trust's head office/other schools in the trust and to the school joining the trust;
- meeting the trust's board of directors and central team;
- providing trust policies and procedures;
- implementing trust systems and processes;
- identifying and meeting training needs; and
- managing relationships with current and new service providers.

General

In the event of any conflict with primary legislation or statutory regulations, the legal provisions will have precedence over this policy in all cases.