

## Taking the Next Step: Forming a multi-academy trust

### Guidance at a glance

This guidance is for senior leaders, trustees and governors of local authority maintained schools and single academy trusts in England who want to form a new multi-academy trust (MAT). It explores how to choose the right partners, what to consider when scoping your new MAT, and how to undertake due diligence on your potential partners.

Those still considering the best future for their school are advised to first read the linked updated paper *Taking the next step: considering forming or joining a group of schools*. This paper is designed to help all those involved in school leadership and governance to better understand the current policy landscape, to consider their options and to make the best long-term decision for their school.

Those who want to join an existing MAT are advised to read another linked updated paper, *Taking the next step: joining a multi-academy trust*.

This paper will look in more detail at the following:

**Section 1** Overview

**Section 2** Why do you want to form a new MAT?

**Section 3** Options for forming a MAT

**Section 4** Choosing the right partners

**Section 5** Sources of information

**Section 6** First steps

**Section 7** Scoping your new MAT

**Section 8** Due diligence – what is it and how do you do it?

**Section 9** Stakeholder engagement and consultation

**Section 10** Ratifying your decision and next steps

**Section 11** Additional help and further information

## 1 Overview

At the time of writing this guidance, the education landscape had reached another landmark stage. At the beginning of 2019, over 50% of children in state-funded schools in England were being taught in an academy. Announcing this development, the Secretary of State for Education urged more schools to consider the opportunities offered by becoming an academy.

While there is no clear evidence to suggest that academisation in itself leads to better outcomes for children and young people, there is an increasing body of evidence that formal collaborations between schools, such as MATs, can bring substantial benefits. The linked paper *Taking the next step: considering forming or joining a group of schools* includes much more on the benefits of collaboration, and also includes detailed information on

- the policy context for schools in England
- different types of school and different collaboration models
- how academy trusts are led and governed
- a step-by-step process to help schools decide whether to form or join a MAT or federation

In certain circumstances, schools will be directed to join a particular MAT, with very little input into that decision. Underperforming schools may be issued with an academy order, requiring them to become an academy by their Regional Schools Commissioner (RSC) (if they are currently a maintained school) and join a MAT. Occasionally, a school in this situation may be given an element of choice in which MAT they join, but in many cases, a particular MAT will be specified by the RSC.

In most cases, however, schools are being encouraged to carefully consider the needs of their pupils and community, and to choose a path that safeguards their future. This paper is aimed at schools which have spent time considering the options open to them and have decided they would like to pursue the route of forming a new MAT. The guidance in this paper is intended to help ensure they choose the right partners to work with and set up a robust organisation with the best chance of future success.

It's important to note that any proposal to create a new MAT will require the consent of the relevant RSC. As the number of MATs in the system grows, the RSC teams are faced with the decision of whether to approve the establishment of more MATs in their region, or to encourage schools to join existing MATs, or existing MATs to merge. As this guidance makes clear, it is sensible to discuss your thoughts on setting up a new MAT with your RSC as early as possible, to avoid spending time and energy on a proposal which may have little chance of success.

## 2 Why do you want to form a new MAT?

It's important to consider some key questions about your own motivation for choosing to set up a new MAT. Some of the most common reasons are outlined, along with some things you may wish to consider to ensure you are doing this for the right reasons.

### **Reason 1: We want to stay in control of our own destiny**

This is a laudable aim and a reasonable starting point. It is important to remember, though, that there is no 'lead school' in a MAT. Even if one school leads the process of setting up the trust, every school in the MAT, whether part of the original set-up or a later joiner, has equal status. Setting up a MAT means you get to scope its initial incarnation, but you need to be comfortable with the fact that the trust will almost certainly evolve and

### 3 | Taking the Next Step: Forming a multi-academy trust

change in future. Depending on the MAT's governance structure, individual schools may be able to influence future changes, but no school will be able to unilaterally drive through or veto change.

In addition, it is important to realise that, when a school joins or forms a MAT, it ceases to be a legal entity in its own right. While many MATs delegate some governance functions to individual school level (see the linked paper [Taking the next step: considering forming or joining a group of schools](#) for some common governance models), ultimately, the MAT board is responsible and accountable for all the schools in the group, and can overturn decisions made at the local level if they so wish. Furthermore, we are now seeing increasing numbers of trusts merging with other trusts, leading to further structural change.

The most successful partnerships are those in which all schools in the group feel part of the same organisation and are committed to supporting each other to succeed. Schools considering joining or forming MATs should do so in this spirit, rather than seeing it as a way of keeping things the same and protecting themselves from future change.

Schools should also realise that, to be truly effective, a MAT is not just a collaboration of schools, but is itself the responsible entity for each of its constituent schools. The MAT has to take full responsibility and control of the strategy of the group and how it will achieve its aims.

#### **Reason 2: We don't want to be forced to join another MAT**

This is understandable but may be less of a concern given the shift in government policy on universal academisation and intervention. The government's white paper that proposed full academisation by 2022 is now long gone. The DfE's focus is now on building capacity in the system and encouraging schools to convert to academy status voluntarily. In the vast majority of cases schools should not, therefore, feel pressured to convert and join or form a MAT by a particular deadline. The exception is schools judged inadequate by Ofsted, which can still be required to join a particular MAT.

This relaxation of pressure needs to be seen, however, in the context of the government's continued desire to see schools benefiting from being part of a formal partnership. Although there is a relaxation of the powers to force schools to academise, the trend towards schools converting to academy status and entering into formal partnerships continues. It's important that schools take their time and make the right decision, but also that they recognise that the options available to them may change as the landscape shifts around them.

#### **Reason 3: We think we have a lot to give, and would like the opportunity to spread the excellent practice in our school more widely**

This is a strong reason for wanting to form a MAT, and the best trusts enable schools to do exactly this. This may also be a critical factor in whether or not you are able to persuade the RSC to approve your project, as growing capacity in the system is a key priority.

As with Reason 1, however, be cautious about assuming you can create a trust in your own image. You need to feel comfortable that forming a trust will enable you to share what you do well, but also that you will need to make some changes too – and that this could be of benefit to all.

#### **Reason 4: We already work very closely with other local schools, and would like to formalise this partnership**

This is another good reason for forming a MAT. Some of the most successful trusts have grown out of existing strong partnerships, including federations, and working with people you already know, trust and respect is an excellent starting point.

## 4 | Taking the Next Step: Forming a multi-academy trust

It's important, though, not to fall into the 'obvious' choice without considering alternatives, to ensure that your trust doesn't become too 'cosy', and to consider other schools which might benefit from joining your group, or be disadvantaged by being left out (see Section 4 for more advice on choosing the right partners). It is also important to understand that an effective MAT is not just a partnership of schools, but the creation of a new entity with its own objectives and obligations.

### Reason 5: There isn't an existing local community MAT that we can join

In some areas, your choice of existing MATs may be limited, particularly if you're keen to be part of a group that is rooted in your local community. New MATs set up with this ethos can represent a real opportunity to build relationships with nearby schools and ensure a coherent offer for local children and young people.

## 3 Options for forming a MAT

There are two ways for maintained schools to set up a MAT. The first is for a group of schools to embark on the process together, setting up a MAT which initially consists of two or more 'founder' schools, and which other schools may join later. The second, now much less common, way is for an individual school to set up an 'empty' MAT with the potential to sponsor other schools or invite other schools to join it later.

This is a crucial decision to make early on, as it will significantly affect the process you need to follow. Below are some questions you may wish to consider to help with this decision.

### How likely are you to get approval to set up as an 'empty' MAT?

It's important to be aware that most schools will not actually get their RSC's approval to set up as a MAT on their own. The RSCs want to ensure that all new MATs have a strong chance of future success, and will not approve the creation of MATs, 'empty' or otherwise, which they don't believe will be effective and sustainable organisations. They also want to help create a coherent local landscape, which may be difficult to achieve if a large number of 'empty', or very small MATs are permitted. In some areas, 'empty' or small MATs are already being asked to consider merging with other trusts, and this trend is only likely to grow.

### Do you have the capacity, skills, knowledge and experience to take a lead role in setting up a MAT?

If you do want to take a lead role in setting up a MAT, you will need to ask yourself some hard questions. Whether your school is currently a maintained school or a single academy trust (SAT), it will need to make significant changes to become a MAT. You need to be sure you have both the capacity to embark on this process, and the right people to fill the roles required to successfully run a MAT. Questions to ask include:

- Does your current governing body include people with the knowledge and skills to become the members and trustees of a larger organisation of (potentially quite different) schools, or would you need to bring some new people onto the board?
- Is your current headteacher or principal the right person to lead a MAT, and if so what support might they need to do so effectively?
- What additional finance or HR roles might you need to create?

Even if you plan to grow your MAT slowly, you will need to consider from the beginning how you will create the necessary structure to support more than one school. For example:

- Are your current systems and processes appropriate for an organisation running more than one school?

## 5 | Taking the Next Step: Forming a multi-academy trust

- What changes might you need to make to the systems and processes of your current school if you were to convert it into a MAT? For example, will your policies work effectively over more than one school?
- How will finance and HR work?
- What is your long-term vision for the MAT?
- What is your plan for growing your MAT into a sustainable organisation?
- Are there other specific schools, or types of school, you'd like to see join you? If so, what are your reasons for not setting up with them in the first place?
- Are they more or less likely to want to join an existing MAT than be instrumental in forming a new MAT?

### **Do you primarily want to set up as a MAT in order to sponsor one or more struggling schools?**

If your main reason for wanting to set up as a MAT is to support another school, you will need to go down the route of becoming a sponsor. The Department for Education's (DfE) guidance on becoming an academy sponsor<sup>1</sup> outlines the steps you need to take to do this, and the support available to you. Browne Jacobson has also produced a set of FAQs<sup>2</sup> for schools or other organisations considering this option. There will be specific issues about due diligence and capacity that will need to be addressed.

## 4 Choosing the right partners

If you decide you want to set up a MAT with other schools from the beginning, choosing the right partners is critical. There are no short cuts when deciding who those partners should be. Going from being a single school to being part of a MAT is a major cultural change, and the importance of investing time in a comprehensive and detailed assessment of any schools with whom you are considering forming a MAT cannot be over-emphasised.

Neither is forming a MAT a change which can easily be reversed. While it is not impossible for schools to move from one MAT to another, the process of doing so is complex, and is only possible with the agreement of the RSC. Compatibility with the school(s) with which you are looking to form a MAT should be addressed at an early stage, and is vital if you are to build a partnership that works for everyone and provides the best possible education to all the pupils in the MAT.

It is essential, therefore, that any school considering forming a MAT with other schools takes its time, asks the right questions, doesn't make assumptions, is honest about itself, and in return demands honesty from the schools it is looking to partner with. It's much better to tackle any difficult conversations early in the process, rather than finding later on that you've wasted time exploring a partnership that was never going to work or, worse, finding yourself part of an organisation that you wish you'd never joined.

Before you agree to form a MAT with other schools, you'll need to undertake formal due diligence on your potential partners to ensure you fully understand, for example, the educational and financial performance of the schools, their staffing structure, the condition of their premises and any legal or commercial complications. This process is outlined in Section 8.

We suggest, however, that before you get to that stage you explore some broad questions, outlined under the following headings, to help determine whether you want to pursue the idea of a partnership with a particular school any further. The scoping exercise outlined in Section 7 will also help you to get to know your potential partners better, and to flush out any insurmountable differences.

---

1 <https://www.gov.uk/guidance/sponsor-an-academy>

2 <https://www.brownejacobson.com/education/training-and-resources/guides/2013/10/faqs-becoming-academy-sponsor>

## Are there some obvious candidates?

Some schools will find themselves with an obvious choice of schools with which to form a MAT. Perhaps you are in an existing federation, and have decided it makes sense to form a MAT together. Perhaps you already work closely with one or more other school(s), and see forming a MAT together as the obvious next step. Perhaps a school you share a site with, or one which many of your pupils go on to, or come from, has approached you with a proposal to form a MAT.

There are many advantages to building on existing relationships in this way. Many successful MATs have been set up by schools which already knew each other well, and had a history of working together effectively. It is important, though, to consider the potential disadvantages of such partnerships, as well as the benefits. Questions you should ask yourselves include:

- Does your existing group include sufficient pupils to create a sustainable MAT?
- Are all the schools in the group equally enthusiastic about the idea?
- Would you be comfortable challenging as well as supporting each other?
- Does the group include schools which are both similar to each other (so they understand each other's issues and can be effectively benchmarked against each other), and different from each other (to enable cross-fertilisation of ideas and increased understanding between phases)?
- Would forming the 'obvious' group risk isolating any other schools?

It clearly makes sense to think seriously about the obvious choices – but you should ensure you keep an open mind, don't allow yourself to be railroaded into making a decision, and consider other options as well.

## How well do potential partners align with your ethos and vision?

In deciding to form a trust with other schools, it is crucial that you and your partners have a compatible ethos, and that you are confident you will be able to create a strong, shared vision for your new MAT. Schools usually publish their ethos and vision on their website, but these statements can be broad, hard to disagree with and lacking in detail. Looking at policies for how a school manages key areas such as performance management, curriculum, teaching and learning and behaviour can give a more concrete view of how a school's ethos is lived. Other areas of the school's ethos may include their attitude to stakeholders and local governance.

## How geographically close are your potential partners?

There is growing evidence that MATs whose schools are geographically close to others in the trust find it easier to access the benefits of collaboration. You may want to prioritise potential partners that are nearby. Larger MATs can expand geographically by building local 'hubs' of schools, but small MATs of widely-dispersed schools could potentially struggle.

## What are your non-negotiables?

It can be useful to consider at this stage what your 'red lines', or non-negotiables, might be. These will come to the surface as you work through the scoping process in Section 7, but it's worth thinking about what you consider are the most important aspects of your school's character and culture - on which you are not prepared to compromise - before going much further. These will be personal to each school but may include your school's religious character and the way in which this is manifested, its approach to teaching and learning, its name and branding, and its uniform policy.

## 7 | Taking the Next Step: Forming a multi-academy trust

Being clear about changes you'd be happy to consider, and those you wouldn't, can save a lot of time further down the line. You should always bear in mind, however, that any non-negotiables you agree with the 'founder' schools of a MAT could change in the future if the MAT seeks to expand further, or merge with another trust.

## 5 Sources of information

Useful sources of information about potential partners, which you may wish to explore before you approach them, include:

- the school's website
- for academies, their annual report and financial statements (filed at Companies House<sup>3</sup> and published on their website)
- for academies, published information about the members and trustees
- the minutes of governing board meetings
- DfE performance data and Ofsted reports
- information gleaned from talking to governors, trustees, headteachers and other members of the school's leadership team
- local intelligence (to be treated with caution, of course)

## 6 First steps

### Start a conversation with the school(s) with which you're interested in forming a MAT

Once you've narrowed down the number of schools you are interested in partnering with, it's sensible to have an initial conversation with their chairs, headteachers or principals to ascertain whether they are interested in exploring the idea. In determining their vision and strategy in the current climate, all schools should be considering whether joining or forming a group of schools would help them to reach their goals. If a school has carefully considered its options and decided that, at present, this is not a route they wish to go down, there is little point in pursuing them as potential partners.

Starting this dialogue can be tricky, and it can be useful to begin it with an informal conversation between one or two people. Once the conversation extends to a larger group there is often a temptation to focus on the process, but time must be allowed for all concerned to express their motivations and concerns. It can be useful to have these conversations facilitated by someone from outside the group, who can bring objectivity and distance to the discussion.

### Talk to any bodies with authority over your school

Foundation schools and schools with a religious character should ensure they talk to their foundation, diocese or other religious authority as early as possible in this process, as they may place restrictions on the type of MAT a school can form, other schools they can partner with, and the governance structure of the trust. The Church of England (CofE) and the Catholic Church have both agreed memoranda of understanding<sup>4</sup> with the DfE which determine what options are available to schools with these religious characters. These documents include a great deal of detail, but the main message is that, in the vast majority of cases, Catholic schools will only be permitted to form Catholic-led trusts. CofE schools may be permitted to form trusts with non-CofE

---

3 <https://www.gov.uk/government/organisations/companies-house>

4 <https://www.gov.uk/government/publications/church-schools-and-academies-memoranda-of-understanding>

## 8 | Taking the Next Step: Forming a multi-academy trust

schools, but these must have “governance arrangements that reflect, at member and director level, no dilution of the level of church governance and involvement as it was immediately prior to conversion”.

Maintained schools should also let their local authority know that they are embarking on this process. Both maintained schools and academies should also talk to their RSC at this stage, to find out more about how the landscape in their area is evolving, and about the types of partnership their RSC is likely to approve. The linked paper *Taking the next step: considering forming or joining a group of schools* includes some advice on the factors the RSCs are likely to take into account when deciding whether or not to approve an application to form a MAT.

### Set up a working group

Setting up a new MAT is a complex, time-consuming business. We would advise you to put in place a working group to lead this work. This group should include both governors and staff (across all the potential schools if you're planning to set up a MAT collectively). Most schools are likely to want to include their head or principal, chair of governors and business manager, plus other members of your governing body or staff with relevant expertise. Depending on the group's capacity, you may also wish to appoint an external project manager to deal with the operational aspects of setting up the trust.

## 7 Scoping your new MAT

Once you have a group of interested partners, the working group can start to explore and scope what the new MAT might look like (schools planning to form an 'empty' MAT will obviously need to work through this process on their own).

This can feel daunting, but also hugely exciting. It's possible that some schools may drop out during this process, as they realise that the trust that is starting to emerge is not the right one for them. If this happens it is not something to be alarmed by, providing the rationale and business case for the new trust still make sense.

Some of the aspects the working group should start to consider include the following:

### Ethos and culture

The hardest to quantify, but probably most important, aspect of any organisation is its ethos and culture. One of the main reasons why partnerships between organisations fail, in education and beyond, is a mismatch of cultures. Ensuring that there is sufficient alignment between the ethos and culture of all the schools considering forming the MAT, and that they will be able to create a new, shared ethos and culture, is therefore essential.

The ethos and culture is set by the trust's members and trustees, and so should remain consistent even if the leadership of the MAT changes. The ethos of the trust should be reflected through its stated values, approach to stakeholder engagement and its governance structure, as well as in any trust-wide policies.

A useful way to start the process of articulating the possible ethos and culture of your new MAT is to ask each other questions about your motivation for embarking on this journey, and what you hope to achieve. These might include:

- What values and principles do you share as a group?
- Do you share values around both educational standards and financial management?
- How do you think coming together as a MAT will improve educational outcomes for all your pupils?
- How will staff be valued? And parents?



## 9 | Taking the Next Step: Forming a multi-academy trust

- How will the MAT's ethos and culture be articulated?
- Which policies will you hold at trust level (for example, health and safety, appraisal and pay), and which at school level (for example behaviour, homework)?
- Are there any ethical or cultural issues which may act as a barrier to any of the schools being part of this trust?

It is also helpful at this stage to discuss, in as constructive a way as possible, each school's 'non-negotiables'. Differences of opinion on any of these aspects are not necessarily deal-breakers, but airing them will help you to better understand each other's ethos and culture, to start to think about which aspects you would want to see as the non-negotiables in your new MAT, and which you would be happy to leave up to individual schools.

### Vision and strategy

Every MAT needs to develop a vision, setting out where it aims to be in the longer term, including the impact it hopes to have on the children and young people in its schools. It also needs a strategy which identifies the key priorities that need to be addressed in order for it to achieve its vision. The vision should look forward three to five years and include some consideration of the future size of the organisation, both in terms of number of pupils and number and type of schools. The vision should also set out clearly the MAT's approach to the locality of its schools.

The landscape in which MATs are operating is still evolving, and the most effective trusts are prepared to review and adapt their strategy accordingly. It is important, therefore, to develop a clear vision and strategy for your new MAT, but also to accept that this is not set in stone, and may need to change as both the individual trust and the landscape in which it operates matures.

Questions to help you develop your MAT's vision and strategy include:

- What do you hope to achieve in the next three to five years?
- What do you want for the children and young people in your schools?
- How will you work together to achieve your aims?
- Do you have a sense of how big you would like your MAT to grow? (Think in terms both of numbers of schools and numbers of pupils.)
- Will your MAT ultimately comprise schools of different phases, even if this isn't the case at the start?
- Will your plans result in an organisation which is educationally and financially sustainable?
- What is your attitude to the risks that new organisations have to take, such as creating leadership capacity to grow the organisation?
- What capacity will you need to take on struggling schools? How will you make sure you don't over-stretch yourselves?
- What do you think will be your biggest challenges in your first few years, and how will your strategy mitigate these?
- What central support do you plan to offer your schools? Where might this be located, and will all the schools in the proposed MAT be able to access it?

## Leadership and governance

The linked paper *Taking the next step: considering forming or joining a group of schools* contains detailed information on how MATs are led and governed, and includes a number of common governance models. As these models demonstrate, some MATs choose to delegate a significant proportion of their governance functions to school-level committees (sometimes referred to as local governing bodies or academy committees), while others retain all governance functions at board level. While there is not a single model that will work for all MATs, one of these approaches may suit your proposed trust better than the other.

You will need to decide who you will appoint to be the members and trustees of your new MAT. While members are allowed to also be trustees, the number that take on both roles should be limited to deliver clear differentiation between these two distinct layers of governance. This separation of powers is an important part of the objectivity of the group, to avoid power becoming concentrated in the hands of a small number of people.

You should also be cautious of proposing a model based on each school in the group being allocated one or two seats on the board of trustees. MATs using this model have found this can lead to old loyalties being retained, rather than a sense of a new, single organisation being created. It can also quickly become unwieldy if more schools join the group.

It is vital that trust boards have the appropriate blend of skills to manage the task of running what is in effect a new organisation, responsible for delivering high quality results over a number of different sites. Guidance is provided in a number of DfE publications including the *Governance Handbook*, the *Competency Framework for Governance* and the annually updated *Academies Financial Handbook*.

In terms of leadership, MATs can also take a number of different approaches. All MATs are required to have a single senior executive leader (often called a CEO or executive head). In some small MATs, the senior executive leader is also the substantive head one or more of the schools in the trust, with day-to-day management delegated to heads of school. In other MATs, each school has its own headteacher, with the CEO taking a strategic lead across the group.

Establishing an effective leadership and governance structure for your new MAT is essential. This is something most prospective MATs find challenging, but it needs to be agreed sooner rather than later if your proposal is to have any hope of being approved by your RSC.

These questions might help to guide your discussions in this area:

- How will you appoint the members and trustees of your new MAT? (*The Academies Financial Handbook* includes clear guidelines on this.)
- Do existing governors or trustees from the individual schools have the right knowledge, skills and experience to form the new MAT trustee board and effectively govern the MAT or will you need to bring in other people?
- Will you want to retain some form of school-level governance? If so, will you have academy committees with delegated functions, or advisory councils with a consultative role?<sup>5</sup>
- If you have academy committees, what functions will you delegate to them? Will you take a different approach with different schools? Based on what criteria?

---

<sup>5</sup> See the governance models in *Taking the Next Step: Considering forming or joining a group of schools* for more information on these different approaches to school-level governance.

## 11 | Taking the Next Step: Forming a multi-academy trust

- How will you develop and agree a scheme of delegation to reflect these decisions?
- What might your proposed approach mean for existing governors of your schools?
- Will your senior executive leader take on a purely overarching role, or will they also be the substantive head of one or more of your schools?
- How will your senior executive leader be appointed? Will this role only be made available to internal candidates, or advertised externally?
- How will you ensure your new executive leader is supported to take on this new role?
- What might your proposed approach mean for your existing school leaders?
- Who would form the wider executive leadership team of the trust?

### Performance, challenge and support

The central question must be whether forming this MAT will help you maintain or improve educational standards in all your schools, and any others that may join it later. You need to think carefully about how you will support and challenge each other, and what mechanisms you will put in place to facilitate this.

You may wish to ask yourselves:

- What are the strengths and weaknesses of each school? How complementary are these?
- How will the schools in the trust work together to support and challenge each other?
- How much will you rely on the executive leader to work with each school, as opposed to schools working together?
- How will you manage performance across the trust?
- Do you want (and will you be able to afford) any central school improvement support, such as a special needs or behaviour adviser?
- Will you collectively have the capacity to support any schools in the group that are struggling in particular areas?

### Finances

Effective financial management is always important, but in the current economic climate it is crucial. While improving pupil progress and outcomes should be the number one goal of any MAT, this can only be achieved through sound financial management. MATs that don't manage their finances effectively are not viable organisations.

MAT funding works by the ESFA calculating the General Annual Grant (GAG) for each school, then paying that sum to the MAT. The MAT is then responsible for decisions on funding and how it will be applied in relation to its schools.

MATs may take a variety of approaches to financing the services they provide. For many MATs, central services are funded directly from a 'top slice' taken from each school's GAG. MATs vary in how much money they top slice from their schools to fund central services, and to what they offer in return. Many MATs top slice around five per cent of a school's GAG, though some take substantially more or less than this, and the level of top slice charged to individual schools may differ within a trust, depending on the specific needs of the school.

You will need to consider the impact of the top slice on the individual schools' budgets in the early years of the MAT. Quite often this is an additional cost and must be sustainable. Over time it is likely that central procurement services will replace individual school contracts, but the period of transition should be agreed.

As an alternative to a top slice model, some MATs will instead provide traded services, or a mixed system of top slice and some traded services.

A third financial model that is being encouraged by the DfE is 'GAG pooling'. This has been described by Lord Agnew, Parliamentary Under Secretary of State for the School System, as 'one of the greatest freedoms a MAT has'. The concept of GAG pooling involves the MAT pooling all GAG funding and then setting school budgets dependent on local needs. This approach, whilst used by a few trusts, is not yet commonly adopted.

Individual school budgets are ultimately the responsibility of the MAT board of trustees, through the accounting officer. While many MAT boards will delegate a large amount of financial responsibility to individual schools, others will allow very little local freedom in this area.

You will need to decide what approach your MAT will take to financial delegation, and how you will ensure your financial management is effective. For example:

- Will you go for a top slice model, or consider alternative approaches such as traded services or GAG pooling?
- If you decide to top slice, what percentage of your schools' budget will you retain, and what services will you provide in return?
- Will the same amount be top sliced from all schools, or will this vary according to perceived need?
- What level of HR support will the top slice enable you to provide?
- How will you ensure you have people with strong financial and commercial expertise among both your staff and trustees?
- Will you have a dedicated finance director? Can you afford one? (As a minimum, one of the school business managers would have to act as the chief financial officer under the Academies Financial Handbook unless you have a finance director.)
- What will be your trust's policy on its schools' reserves?
- How will you manage the transition to trust-wide accounting systems?

### HR and staffing

Depending on what you choose to centralise, forming a MAT may impact the staffing structure in your existing schools. This is something that should be discussed and agreed at this stage, to ensure everyone is comfortable with these implications. For example:

- How will a centralised HR function work?
- Will the proposed structure of your MAT lead to overlap in roles and potential redundancies?
- How will you make the most of the opportunities for joint professional development in your trust?

This thinking needs to be done before you start the TUPE process, as you need to fully understand the implications of the approach you choose to adopt. You may want to seek external advice on this.

## Summary

Asking the questions above should help any group of schools considering forming a MAT to develop a clear view of what the new MAT might look like, and what the implications of creating the trust might be for the schools involved. It's important at this stage to stop and reflect on where you've got to, how well you have worked with your potential partners, and whether you're keen to work towards a formal proposal.

### Questions to help you do this include:

- How closely aligned are the ethos and cultures of the schools?
- Are you energised and motivated by the vision you have created of your potential MAT? Do you believe you can achieve it?
- Can you articulate the benefits (for example, in terms of pupil outcomes, finances, staff recruitment and retention, staff development)?
- How do these compare with the potential benefits of other options (such as setting up a MAT with different schools or joining an existing MAT)?
- How might your school need to change in order to realise those benefits? Does the long-term benefit of making such changes outweigh the immediate time and effort involved in forming the MAT?
- Do you have the capacity to undertake the work involved in setting up the MAT?

## 8 Due diligence – what is it and how do you do it?

Due diligence is the process of investigating an organisation prior to entering into a contract with it. It shouldn't just be focused on compliance; ultimately all parties should have confidence in the merits of your schools working together and forming a MAT. Effective due diligence is therefore essential in ensuring you find out as much as you possibly can about any school you're considering partnering with.

Schools looking to form a MAT may find it worthwhile to engage a consultant to carry out the due diligence process on each other. This not only ensures an equitable approach, but also 'de-personalises' the process, and should ensure it is carried out professionally. If this approach is adopted it is important to be clear with the consultant exactly what the school(s) expect them to deliver and to whom, along with regular updates. This ensures that all schools involved in the process understand and 'own' the due diligence process as it progresses.

The scoping process outlined above forms an essential part of the due diligence process, and you will have learned a huge amount about your potential partners through undertaking it. There are, however, some specific pieces of information you should ensure you obtain about each school prior to embarking on a formal partnership. These include the following:

### Performance

It is sensible to gain a firm understanding of how well each school you're considering partnering with has done against its key accountability measures over the last few years. Most MATs include schools of different standards, and performance is not necessarily a reason to exclude a school from a group. It is important, though, that all schools in the group are aware of any performance challenges and are confident that they can provide all schools with the support they need to meet the standards that will be expected by the trust and by external bodies.

## Finances

You will have discussed your proposed approach to financial management in the MAT as part of the scoping exercise, but not necessarily the current financial position of each school. It's essential that you understand this, and are aware of any causes for concern, especially if funding may be impacted by fluctuations in the number of pupils on roll or high degrees of mobility. A school with a current or predicted deficit budget, or which is deemed to be lacking in financial expertise, is not necessarily prohibited from joining a MAT, or forming one with other schools, but they and their potential partners will need to talk to their RSC about how they can do so in a way which is fair to all parties. There may also be significant costs to factor in relating to a school's premises.

Key questions to find answers to include:

- Does a review of the school's last three years' budgets and the next three years' forward projections indicate financial sustainability?
- Are cash flow forecasts reviewed against actuals (cash balance at the bank) and variances reported on?
- Do the monthly management accounts (academies) / monitoring reports (maintained schools) support current year budget profiles?
- Are the management accounts regularly reviewed and commented on by the trust board (academies only)?
- Are the budget monitoring reports regularly reviewed and commented on by the governing body? (maintained schools)
- Does the school have any major issues in terms of premises? Is this already being addressed or will the cost of this need to be met by the MAT once formed?
- Is the school subject to a PFI contract?
- What are the employer contribution rates for the Local Government Pension Scheme (LGPS) and will these change after conversion?

## Legal and commercial

You will want to ensure that all parties understand exactly what will be transferred to the MAT and the full extent of any liabilities for which the MAT will become responsible. In particular, your staff are one of your most important 'assets', and you will therefore want to understand any impact on them, in terms of both new opportunities and any changes to current arrangements.

You may therefore want to consider the following questions about each of the schools considering forming the MAT (illustrative list only):

- What insurance cover do they have, and does their claims history include any which were refused or are pending?
- Do they currently buy into any services that would not be needed if they formed the MAT? What would be the cost of early termination?
- What contractual arrangements do they have that are long term in nature or involve a significant annual spend?
- Have any claims, disputes or other litigation been brought against or by them in the last twelve months?
- Is there any current or pending litigation, arbitration or prosecution, or any circumstances likely to lead to such procedures?

- Are there any anticipated or outstanding disputes in relation to property?
- Do you need to consider commissioning a building condition survey regarding future repair costs?
- Will there need to be any 'measures' as part of the TUPE process to allow them to align policies or practice with those of the MAT?

## 9 Stakeholder engagement and consultation

Formal consultation will need to be carried out as part of the official process of applying to form the MAT, but this is likely to go much more smoothly if people already know your plans and have had a chance to discuss them. You may, therefore, want to consider when to discuss with stakeholders your intention to form a MAT, and how you will invite them to share their thoughts with you.

For example, you could do this through:

- a discussion at a staff meeting
- a letter to parents, also included on the school website, with responses invited
- a question and answer session for parents
- a parent survey
- a discussion with pupils in assembly, class groups or tutor groups
- after key stakeholders have been consulted, an article in a local newsletter

Legal guidelines on consultations in the public sector state that:

- they should be undertaken when proposals for the subject of the consultation are at a formative stage
- they should provide enough information to those consulted to enable them to comment intelligently on the proposals
- they should allow enough time for those consulted to properly consider the proposals
- consultation responses should be specifically considered by the decision maker when deciding whether or not to implement the proposal

It is acceptable for consultation letters etc. to set out the preference, or predisposition of the governing body, in relation to the question of conversion. For example, if a maintained school has already decided in principle that it wishes to convert to an academy as part of a MAT, this can be explained.

The school may also wish to set out what it regards as the advantages of academy conversion generally and also more particularly, as part of a MAT, but should make it clear that this is opinion rather than fact. In addition, the school should set out how the MAT's governance arrangements will work and how this will impact the school.

The responses will need to be considered at a governing body meeting. The fact that the consultation responses were considered should be properly minuted.

Browne Jacobson have produced a document<sup>6</sup> which includes more detailed advice on the consultation process for both maintained schools and academies.

---

6 <https://www.brownejacobson.com/education/training-and-resources/guides/2012/11/consultation-advice-for-multi-academy-trusts-mats>

## 10 Ratifying your decision and next steps

The way in which the governing board needs to ratify your decision to form a MAT and obtain consent to do so depends on whether the school is currently a maintained school or an academy, and on the status of any other schools you are planning to partner with.

If one or more of the schools in the group is already an academy, the most straightforward route is generally for one academy to convert their single academy trust (SAT) into a MAT, and for the other schools to join that MAT. This doesn't mean the original academy will be the 'lead' school in the MAT, it's simply more expedient and cost-effective. It also has the advantage of clarity in terms of liaison with the RSC.

In all cases, maintained schools need to begin the process by completing a short online form to register an interest<sup>7</sup> in becoming an academy with the DfE. The DfE will then appoint a nominated project lead to support the schools through the process of getting consent, converting to academy status and forming the MAT. The DfE has also produced a very comprehensive online guide<sup>8</sup> to converting to academy status, which explains in detail what is involved in this part of the process.

Single academy trusts wanting to convert to a MAT need to submit the DfE's SAT to MAT application form<sup>9</sup>. This form requires you to explain your rationale for the change, your proposed approach to financial planning, your proposed governance structure and the names of your proposed members and trustees. More guidance for schools wishing to go down this route can be found in a set of FAQs<sup>10</sup> from Browne Jacobson.

Maintained schools or academies wishing to set themselves up primarily, or at least to begin with, as sponsors of underperforming schools need to follow a different route. The DfE's guidance on becoming an academy sponsor<sup>11</sup> outlines the steps you need to take, and the support available to you. Browne Jacobson has also produced a set of FAQs<sup>12</sup> for schools or other organisations considering this route.

Potential MATs may wish to set up a 'shadow board', ahead of formally opening, to enable them to start taking the necessary decisions to open successfully.

## 11 Additional help and further information

ASCL, NGA and Browne Jacobson, *Taking the Next Step: Considering forming or joining a group of schools*  
<https://www.ascl.org.uk/utilities/document-summary.html?id=BAAE2B30-BD97-496C-9661B63535C31EF6>

ASCL, NGA and Browne Jacobson, *Taking the Next Step: Joining a multi-academy trust*  
<https://www.ascl.org.uk/utilities/document-summary.html?id=2C23281E-ACF2-43A1-A8AFD737CFE53EB3>

National Governance Association (NGA), *Academisation FAQs*  
<http://www.nga.org.uk/Guidance/School-structures-and-constitution/Academies-and-free-schools/Every-school-an-academy-FAQ.aspx>

7 [https://form.education.gov.uk/submitform.php?self=1&form\\_id=FitANqky23M&noLoginPrompt=1](https://form.education.gov.uk/submitform.php?self=1&form_id=FitANqky23M&noLoginPrompt=1)

8 <https://www.gov.uk/guidance/convert-to-an-academy-information-for-schools>

9 <https://www.gov.uk/government/publications/apply-to-become-a-multi-academy-trust>

10 <https://www.brownejacobson.com/education/training-and-resources/guides/2013/10/faqs-converting-single-academy-trust-mat>

11 <https://www.gov.uk/guidance/sponsor-an-academy>

12 <https://www.brownejacobson.com/education/training-and-resources/guides/2013/10/faqs-becoming-academy-sponsor>



Browne Jacobson, FAQs – a single academy joining an existing MAT

<https://www.brownejacobson.com/education/training-and-resources/guides/2013/10/faqs-single-academy-joining-existing-mat>)

DfE, *Guidance on converting to an academy*

<https://www.gov.uk/guidance/convert-to-an-academy-information-for-schools>

DfE, *Academies Financial Handbook*

<https://www.gov.uk/government/publications/academies-financial-handbook>

DfE, Governance Handbook and competency framework

<https://www.gov.uk/government/publications/governance-handbook>

DfE, Due diligence in academies and maintained schools

<https://www.gov.uk/government/publications/due-diligence-in-academies-and-maintained-schools>

DfE, Convert to academy status: registration of interest

[https://form.education.gov.uk/fillform.php?self=1&form\\_id=FitANqky23M&noLoginPrompt=1](https://form.education.gov.uk/fillform.php?self=1&form_id=FitANqky23M&noLoginPrompt=1)

