

Sustainable growth in multi academy trusts.



Research Report
Summer Term 2020.

Contents.

- 03 Foreword
- 04 Welcome
- 05 Key findings
- 07 Introduction
- 09 The growth of multi academy trusts
- 12 What’s stopping school trusts from growing?
- 17 What supports sustainable growth?
- 22 Mergers and future growth
- 25 Communication and promotion to support growth
- 28 COVID-19 and its impact on growth
- 30 Recommendations
- 33 Appendix 1 Survey questions
- 35 Appendix 2 About PrimarySite



Foreword.

The academy landscape is almost unrecognisable since the first were established as an innovative approach to deliver education to vulnerable communities under the Labour government in 2000. These academies were created to improve the life chances of children in some of the most deprived areas of the country. They were large, often resulted in a new build and were backed by significant external sponsorship.

The Academies Act in 2010 opened the floodgates to a very different version of academy trusts. Fast forward to 2020, and we have every conceivable version of trusts – SATs, small, medium and large MATs, free schools of all shapes and sizes and schools within trusts ranging from ‘requires improvement’ to ‘outstanding’.

Despite COVID-19, the Government is likely to pursue its ambition for growth in the number of academies and free schools. Leaders need to reflect on their own capabilities and the strength of their teams to cope with this evolving education landscape.

This research report tackles many of the challenges facing trust leaders across the leadership triangle of governance, pedagogy and business – a relationship

that we at ISBL believe is critical to the success of schools and trusts. It also offers some initial thoughts on the impact COVID-19 might have on the growth of trusts.

The research asks important questions about competency and capacity. It explores the necessary considerations for growth and offers suggestions about the things that need to be in place to ensure a coherent external message and clear articulation of mission, vision and values.

In a self-improving system, it is up to sector leaders to set the direction, to share practice innovation and to shape a system that will best deliver for our children. This research paper aims to contribute to that effort.

STEPHEN MORALES
CEO
INSTITUTE OF SCHOOL BUSINESS LEADERSHIP



Welcome.

The decision to commission this research report was prompted by the increasingly regular discussions we have had with MAT leaders about their plans for growth. We were struck by the diversity of approaches that they chose to adopt. All shared a keenness to expand, but it was clear there was no single blueprint for sustainable growth.

It is evident that government policy exerts an influence over the macro-environment within which MATs operate. However, it is also important that a MAT has its own proactive growth strategy to guide its development.

This research report aims to share the expertise and first-hand experience of MAT leaders, as well as those who have been closely involved in supporting MATs and shaping policy. Given the unprecedented situation caused by COVID-19 we have also included

a short section at the end of the report about how it may influence growth.

We hope this report contributes to the work that many are doing to help establish best practice and a greater body of knowledge about what it means for school trusts to grow sustainably.

Finally, I'd like to extend my thanks to our steering group who have provided valuable support in helping us to produce this report.

RACHEL PANTHER
MANAGING DIRECTOR
PRIMARYSITE

Key findings.

Key findings.



This research report has highlighted a number of factors which influence the sustainable growth of MATs.

The COVID-19 crisis will have a significant impact on MATs and all contributors agreed that it would slow the growth of MATs in the short term. Contributors felt that larger MATs were likely to be more resilient and find it easier to cope with the issues. They also thought larger MATs would be able to start thinking about growth sooner. However, it was acknowledged that the situation was changing rapidly and new challenges were likely to arise which might present barriers to growth.

The research has found that one of the main constraints on growth is the lack of schools wanting to join MATs and this is unlikely to change without government policy altering. However, during the COVID-19 crisis trusts visibly demonstrated the ability to support and help schools in their network. It was felt that this might encourage remaining LA schools to convert and join a MAT which would help with growth.

More incentives for schools to convert could also improve the supply of schools. For instance, the changes to the guidelines around the Trust Capacity Fund mean that support is available to outstanding or good LA maintained rural schools where they wish to create a new multi academy trust¹.

The skills gap influences the potential for growth and MATs need to accept that they need to 'grow their own' senior leaders. This requires investment in MAT leadership development.

Contributors to the research regularly cited the importance of taking on schools with the same values and ethos as part of a strategy for growth. However, this can constrain the potential for growth.

The irregular distribution of MATs across England can inhibit growth or limit the choice available to parents and carers. This needs to be reviewed and should be a motivation for school trusts to merge so that there is a more even spread.

Mergers are an important factor for growth and are very likely in the next three years. However, how these will come about is still unclear. MAT Boards need to be alive to the possibility of merging and put in place clear points where discussions about merging need to be escalated.

The role of the RSC will continue to evolve and be shaped by policy. It is likely to play a key role in how school trusts merge. Attempts to increase transparency around RSCs' decisions are to be welcomed.

Finally, the number of MATs that have a good understanding of marketing and promoting their online presence are in the minority at the moment. Effective communications, particularly for the MAT website, require careful thought and planning to ensure they support the wider school trust strategy. More help and training for school trust leaders is needed to help raise the quality and effectiveness of MAT communications.

Introduction.



¹ Trust Capacity Fund update 6 February 2020 <https://www.gov.uk/government/publications/apply-to-the-trust-capacity-fund/trust-capacity-fund>

Introduction.

This research has focused on understanding more about how multi academy trusts (MATs) have experienced growth and how they may grow in the future. We have tried to identify key challenges, examined what can support growth, and considered how the landscape for trusts will evolve.

RESEARCH APPROACH

The research was undertaken between October 2019 and January 2020 and has involved a number of activities:

- Review of existing materials including research, reports and editorial
- 10 telephone interviews with MAT leaders and senior individuals who advise and work with MATs
- Roundtable discussion with leaders of MATs at the Schools and Academies Show
- Survey of MAT leaders at the Optimus MAT Summit
- Survey of MAT leaders using PrimarySite's customer database

49 senior leaders from MATs responded to our surveys and represented trusts from a range of sizes, with the majority of respondents coming from smaller trusts.

A great deal of existing literature was reviewed as part of the research and is referenced throughout the report. Interestingly, the existing research has focused on school improvement, governance and leadership, and the characteristics of high performing MATs. Although reports have discussed growth to some extent only one, published by The Key, focuses specifically on the growth of MATs. In light of this, we hope our research will provide a useful contribution to the overall body of knowledge about MATs.

A research steering group has helped to inform the themes of the research, commented on the emerging themes, highlighted areas that require further consideration, and reviewed and fed into the final draft. Our thanks go to them all and they are listed below:

- Mark Lacey, CEO, Diocese of Salisbury Academy Trust
- Gavin Booth, CEO Infinity Academies Trust
- Stephen Morales, CEO, Institute of School Business Leadership

- Andrew Moorhouse, CEO, Primary First Trust
- Christine Quinn, formerly West Midlands RSC

We also conducted interviews with the following individuals:

- Julie McCulloch, Director of Policy, Association of School and College Leaders
- Leora Cruddas, CEO, Confederation of School Trusts
- Nick Roberts, Chief Financial Officer, Durrington Multi Academy Trust
- Al Kingsley, Chair, Hampton Academy Trust and member of East of England and north-east London headteacher board
- Sam Henson, Director of Policy & Information, National Governance Association
- Martin Post, formerly north-west London and South Central England RSC
- Bill Watkin, CEO, Sixth Form Colleges' Association

It should be noted that this research is a small-scale study. We believe it provides useful insight, but further research would also be valuable.

TERMINOLOGY

For the purposes of this report, our definition of 'growth' relates specifically to the quantity of schools within a school trust. However, it should be noted that this doesn't automatically mean a large trust with 20 schools has a large number of students. A MAT with many schools, all of which are primary, may have fewer students than a small trust that has a mix of secondary and primary schools.

We have chosen to use 'multi academy trust', 'MAT' and 'school trust' in this report. Contributors to the research used these phrases interchangeably.

The growth of multi academy trusts.

The growth of multi academy trusts.

More than three quarters of secondary schools and just over a third of primary schools are now academies and are part of a multi academy trust². The emergence of the multi academy trust (MAT or school trust) coincided with the 2010 Academies Act which gave all local authority-maintained schools in England the right to seek academy status. The government promoted MATs as a structure to support academies to collaborate and expand. This change in policy led to an upswell in activity to form school trusts because there was an expectation that the policy would mean that virtually all schools would become academies in due course.

In 2016 the government published *Educational Excellence Everywhere*, which outlined an ambition for all schools to convert to academy status by 2022³. However, later that year, with a change of Education Minister and following widespread political and civic resistance, the whitepaper was withdrawn and there was a softening around academisation. The number of schools converting and joining MATs has increased year on year, but many contributors to our research suggested there was a reduced impetus for schools to convert to become academies. In turn this has led to a reduction in the number of schools looking to join a MAT.

TRUST CAPACITY FUND

In 2019 the Department for Education (DfE) announced the Trust Capacity Fund (TCaF)⁴ with a total value of £17 million to support the growth of school trusts. The fund aims to “provide additional funding to support the growth and development of academy trusts” and has four strands:

- 1 Support strong trusts to grow and innovate in areas of long-standing need
- 2 Encourage strong trusts to grow by converting and improving weaker maintained schools or adding vulnerable academies to their trust and improving them
- 3 Accelerate the development of mid-sized trusts with the potential to be strong
- 4 Create new strong trusts either by single academy trusts joining larger trusts or by supporting the growth of existing trusts via merger

The strands suggest that the DfE recognises that school trusts may need to merge in the future to support their growth and that there are still individual schools that may join MATs. The DfE has recently announced that the fund will also support outstanding or good LA maintained rural schools that wish to create a new multi academy trust⁵.

Interestingly, the TCaF has a much lower level of funding to allocate than previous DfE funds to support school trust development: the previous ‘MAT Development and Improvement Fund’ had £53 million⁶. In total, the government has allocated £126 million in trust capacity funding since 2013⁷ which demonstrates its ongoing support for school trusts. Some respondents also added that the timeframes for TCaF has meant that it wasn’t accessible for longer term projects.

² Open academies, free schools, studio schools and UTCs, Department for Education, Jan 2020 <https://www.gov.uk/government/publications/open-academies-and-academy-projects-in-development>

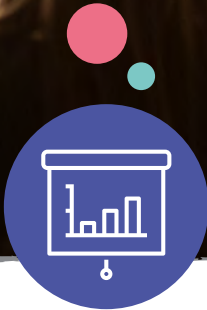
³ Education Excellence Everywhere, Department for Education, March 2016 <https://www.gov.uk/government/publications/educational-excellence-everywhere>

⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/844398/Trust_capacity_fund_information_for_applicants.pdf

⁵ Trust Capacity Fund update 6 February 2020 <https://www.gov.uk/government/publications/apply-to-the-trust-capacity-fund/trust-capacity-fund>

⁶ <https://schoolsweek.co.uk/17m-on-offer-for-academy-trust-expansion-but-itll-depend-on-ebacc-entries/>

⁷ Ibid



Given the results of the election in December 2019 it is sensible to assume that the policy for academies and multi academy trusts will not be reversed and is likely to accelerate.

SIZE OF MATS

1,203 school trusts now have two or more schools and can therefore be described as MATs. This represents 44.5% of all school trusts. Of these 428 have six or more schools⁸.

Overall, the MAT leaders who contributed to our research had an expectation that their school trusts would grow. However, Ofsted’s 2019 report⁹ on MATs notes that smaller school trusts can perceive expansion as a “pressure” and are concerned about how this might impact on autonomy and the ethos of their school trust.

⁸ Open academies, free schools, studio schools and UTCs, Department for Education, Jan 2020 <https://www.gov.uk/government/publications/open-academies-and-academy-projects-in-development>

⁹ Ibid

As a small MAT, it feels like you can’t be seen to be standing still for too long before growing further.

What's stopping school trusts from growing?

What's stopping school trusts from growing?

Despite the government's wish for MATs to grow and take on more schools, our research has clearly highlighted a number of challenges to growth. The impact of these on school trusts is not the same for all, indeed some of our contributors had not experienced any significant challenges at all. Others viewed 'challenges' more as issues that simply needed to be overcome with a creative solution. Five themes emerged.

1. LACK OF SCHOOLS

Many contributors to the research struggled to find suitable schools that they could take on¹⁰.

Overall growth has slowed significantly over the past twelve months.



To some extent, the lack of schools is an outcome of the changing policy around academies. Prior to 2016 there had been an expectation that all schools would become academies and many Good or Outstanding schools converted to academies and looked to join a MAT. However, post 2016 the number of schools looking to join MATs has reduced and the characteristics of schools has skewed to those that have received a Direct Academy Order, or that wish to transfer from one school trust to another.

Interestingly, some contributors felt that there might start to be an increase in the number of schools wanting to join a MAT, particularly where a local authority could only offer limited school improvement resources.

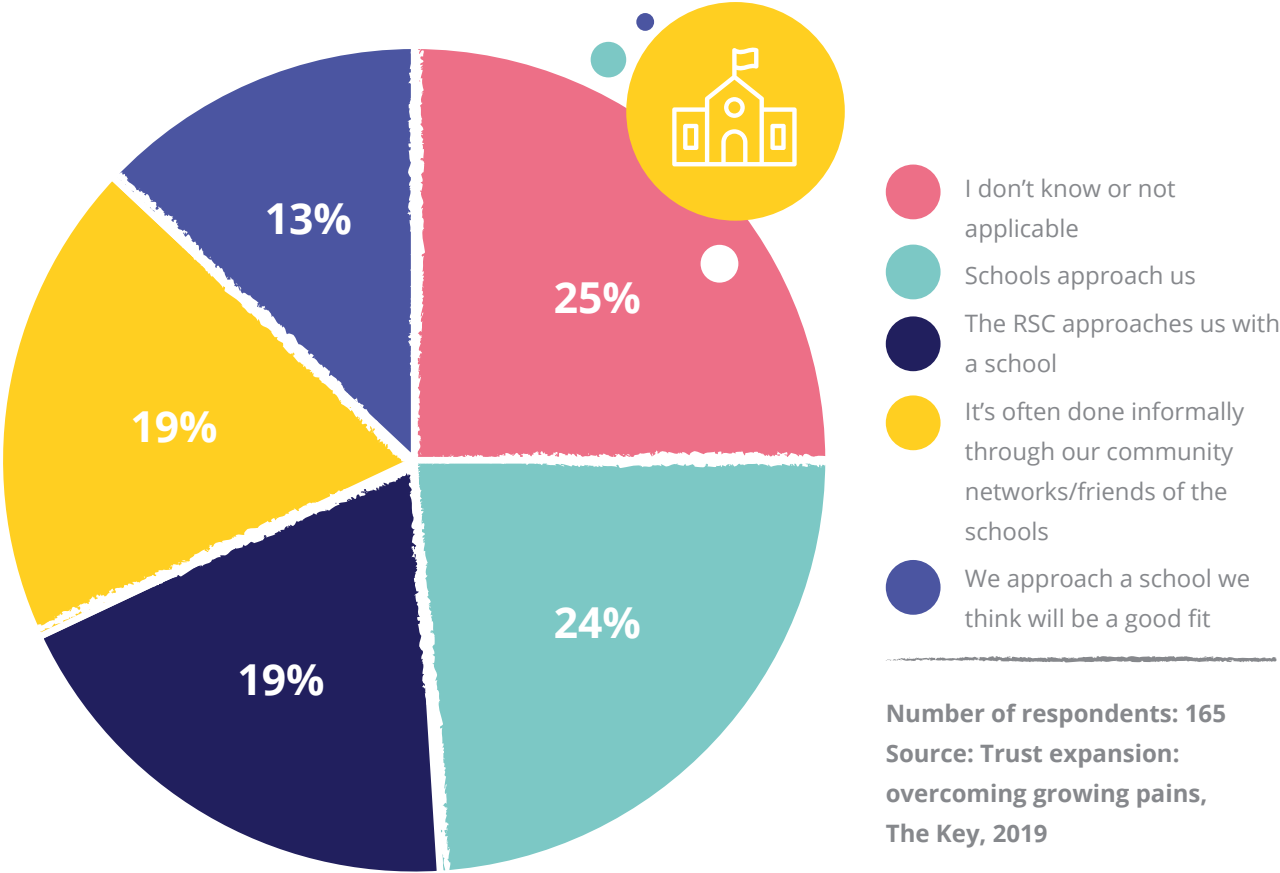
¹⁰ Primary Trust surveys Appendix 1, 49 respondents, Nov-Dec 2019

2. A RISK AVERSE CULTURE

The rapid growth of some MATs before 2016 did in some instances lead to issues. For instance the Education Policy Institute found that school trusts that had expanded rapidly were more likely to have schools with relatively high expenditure and to have schools rated inadequate¹¹. Understandably, this has made school trust leaders more cautious about growth and ensuring it is being managed carefully.

This more cautious approach has, in some cases, led to a growth strategy that is 'reactive' and therefore less strategic, rather than 'proactive'. The Key reflects this in its recent research into the growth of MATs which found that the most popular plan for school trust growth was 'if the right school comes along'¹².

Typically, how is the decision made on which schools to add to the trust?



As well, there is now much more emphasis on the importance of ensuring any schools potentially looking to join a school trust must be well aligned with the school trust. Contributors to our research emphasised the need for a growth strategy which focused on schools fitting with the MAT's ethos as a key factor in growth plans¹³.

¹¹ Quantitative Analysis of the Characteristics and Performance of Multi Academy Trusts, Education Policy Institute and Ambition School Leaders, 2017
¹² Trust Expansion: overcoming growing pains, The Key, 2019
¹³ Primary Trust surveys Appendix 1, 49 respondents, Nov-Dec 2019

3. COMPETITION

Certainly, the lack of schools has increased competition, and respondents to the survey¹⁴ reported that the largest challenge for MATs wanting to attract new schools was competition from other MATs.

The local context was a key factor in whether competition from other MATs became an issue. School trusts have grown unevenly and this has led to some cases where a large school trust in a local area means other small school trusts are unable to expand effectively. Sometimes they can only grow if they look beyond their immediate area. Respondents felt this depended on the local area and whether a school trust operated in one locality or had a series of regional hubs.

Growing at the moment is hard for smaller trusts.

Although there was clearly competition between school trusts, this was countered by many examples of collaborative work, particularly in areas of school improvement.

4. LACK OF CAPACITY

Many contributors talked about facing challenges associated with the funding and skills required to support growth. In particular, there were challenges when a struggling school wanted to join a MAT but might have a financial deficit which the school trust would need to absorb. Also, the need to invest more school improvement resources when a new school joins was another area of cost.

The Key's recent report also found that 26% of CEOs of school trusts felt that their biggest strategic priority was financial sustainability¹⁵. However, lack of capacity is likely to be a more significant issue for a small MAT than for one with 20 or more schools. The DfE has advised: "If a MAT is too small, it can be hard for it to maximise the advantages of MAT status through economies of scale."¹⁶ Larger school trusts generally have more central resource which can be used to absorb a lag in school funding or be allocated for additional support improvement when a new school joins.

Also, if a small school trust of, say, four schools takes on another school it is, proportionally, taking on a much larger investment in school improvement, than a school trust of 20 schools taking on one extra school.

Contributors to the research agreed that larger MATs might have more capacity but felt that well managed small school trusts could still make savings through having better, more robust procurement. However, there is little agreement on this matter, and others have suggested that even a school trust with 20 schools is too small to be financially viable¹⁷.

¹⁴ Primary Trust surveys Appendix 1, 49 respondents, Nov-Dec 2019
¹⁵ Trust Expansion: overcoming growing pains, The Key, 2019
¹⁶ Multi-academy trusts: benefits, challenges and functions, Ofsted, July 2019
¹⁷ Academy boss: 20 schools is 'too small' for a multi-academy trust, Schools Week, 3rd July 2017, <https://schoolsweek.co.uk/academy-boss-20-schools-is-too-small-for-a-multi-academy-trust/>

“There IS enough money there – yes, there could always be more – but the fact is that you can provide a great education with the funds available to you as a MAT; you just need to have the drive and vision, look at your cost base and think strategically. A lot of Trusts talk about putting children first, but they’ll never be able to really do that without a sound commercial footing first.”

5. THE RIGHT SKILLS FOR LEADERSHIP

Linked closely to the capacity of a MAT, many contributors talked about the shortage of skilled leaders and Board members to provide the strategic support needed for growth. They pointed to the fact that MATs are part of an emerging education system that is relatively new. Previously, schools relied heavily on the support of their local authorities. This means there isn’t a ready supply of experienced leaders who have built their careers within school trusts. Instead many are leading a school trust for the first-time and effectively learning ‘on the job’.

Some MATs are investing in the professional development of their middle leaders and have a clear succession plan in place. This approach to ‘growing their own’ is sensible as it helps to address skills gaps and also offers middle leaders a tangible career pathway within the school trust. The Institute of School Business Leadership in their workforce survey¹⁸ also note that education leaders need to identify talent in their own institutions as part of succession planning.

The good news is that there are emerging networks to support school trust leaders and professional development support and courses for new CEOs. However, there is no blueprint for growth, no prescribed route based on years of evaluation,

academic study and practical experience. Survey respondents highlighted that a ‘clear roadmap or process’ would provide useful support to enable them to grow¹⁹.

The need to have the right Board in place to lead the school trust was raised regularly by contributors as a critical factor in enabling sustainable growth. Recruiting the right trustees and ensuring there was a strong relationship between the Board and the CEO were seen as very important. The National Governance Association’s Moving MATs Forward report²⁰, highlights the need for a Board with:

- The right balance of skills including educational expertise
- A good understanding of governance and charity law
- A mix of specialist skills and an understanding of the local area
- A commitment to attend Board meetings
- A proactive approach to succession planning
- Clear understanding of where accountability lies

Although organisations such as Academy Ambassadors help school trusts to find trustees and the National Governance Association provides substantial support and resources, the challenge of recruiting trustees was raised a great deal.

What supports sustainable growth?

¹⁸ ISBL School Business professional Workforce Survey Report 2020, Institute of School Business Leadership, 2020

¹⁹ Primary Trust surveys Appendix 1, 21 respondents, Nov-Dec 2019

²⁰ Moving MATs forward, the power of governance, National Governance Association, 2019



What supports sustainable growth?

Despite the challenges, contributors to the research spoke enthusiastically about what they felt were the key factors that supported sustainable growth.

A CLEAR VISION AND STRATEGY FOR GROWTH

Throughout the research gathering process, contributors talked about the need for a clear, coherent strategy to support sustainable growth. It was felt by many that this was really the cornerstone for enabling growth, and some felt it was still an area where school trusts could be weak.

There are very, very different models of growth. But, in my view, growth is most successful when it is very carefully aligned with the mission, vision and values of the trust because it is not a scatter gun approach.

Many talked about the need for a strategy to be quite specific. They made the point that there are many ways a MAT can choose to grow, and a strategy needs to focus clearly on what this might be. Examples given included:

- An Outstanding secondary school establishing a school trust with its primary feeder schools. This can also expand into a number of clusters each comprising a secondary school with their feeder primary schools
- A school trust with a deliberate moral purpose to support education in the most deprived communities where schools may have struggled to support children. This means taking on failing schools and turning them around
- A small groups of primary schools who have traditionally worked together in a locality, and have strong alignment in terms of their values, come together as a school trust
- A primary Church of England Trust working across the diocese to create local hubs

As well as a strategy for growth, contributors also talked about their 'on the ground' approaches to finding schools that might want to join the MAT. These included:

- Mapping schools in the local area or region not currently in a MAT and looking at which might align with the school trust's existing schools and their values and ethos
- Relying on the RSC to broker schools into the MAT, generally those which had received a Direct Academy Order
- Informal networking at local school leadership events and conferences
- Building a relationship with a school through provision of school improvement support, or as interim CEO, which then leads to the school joining the MAT

Despite some school trusts feeling under pressure to grow, respondents felt a measured approach was needed. They tended to avoid 'chasing schools' but rather focused on raising the profile of the MAT with local schools and other stakeholders.



EFFECTIVE LEADERSHIP

The importance of strong leadership to support the growth of a MAT cannot be understated. All contributors talked about this. Survey²¹ respondents felt that a strong, engaged leadership team needed skills to inspire, innovate and communicate clearly, and that this is critical if a school trust wants to grow successfully. They also felt that leaders played a key role in taking on the 'right schools'.

In some ways it is an obvious answer, but considering the challenges of finding experienced and skilled leaders it reinforces how significant the issue is for the growth of MATs.

As part of the research process we asked interviewees to think about the advice they would give to a new CEO of a growing school trust. It provides valuable insight into what it means to be an effective school trust leader and the points include:

- A clear vision and strategic plan looking three to five years ahead together with setting clear metrics that measure progress and impact. Achieving these should be a key focus for the leader of the school trust
- Don't be afraid to change and evolve. The ability to adapt is a sign of success, not failure. Accept that education policy and funding may well change
- Focus on growth where it adds value to the school trust and aligns with vision and values. Growth should not be at 'any cost'
- Work closely with the Board and accept that, although robust discussion is good, you need to be going in the same direction. Ensure you have access to the right mix of skills on the Board
- Have a good handle on the finances and run the school trust on sound commercial principles
- Create a positive work culture and invest time in establishing good communication channels
- Accept that the skills and expertise in the school trust need to evolve as the trust grows and develops
- Adopt an outward facing stance and be prepared to work with other school trusts, the local authority, your RSC and other stakeholders as relevant
- Find yourself a 'dialogue partner' possibly another MAT CEO, or someone recently retired, who is sufficiently distant from the day to day that they can provide proper, robust professional challenge. An executive coach could also be an option. Be prepared for them to suggest the unthinkable
- Learn from other school trusts (particularly those further down the line) but avoid continual comparison with other trusts

²¹ Primary Trust surveys Appendix 1, 32 respondents, Nov-Dec 2019

VALUES AND ETHOS

A clear message arising from our research was how important it is for a MAT to focus on a growth strategy that aligns with their values and ethos. Most respondents to the survey²² favoured a growth strategy based on finding schools fitting with their ethos. This is supported by The Key research which found that school trusts planned to only grow when the ‘right schools came along’.

We are not on a land grab to get every available school fast. The quality of what we offer children in our existing schools has to remain the priority.

This suggests that MATs don't feel it is feasible to take on a school and change its values and ethos. However, some contributors to the research disagreed and felt it was more nuanced. For instance, they made the point that if a MAT takes on a school that's struggling it was much easier for the values and ethos to change when the school joined.

RATE OF GROWTH AND STRATEGIC AGILITY

The MAT leaders who contributed to the research felt strongly that sustainable growth was closely connected to the right rate of growth. They were keen to avoid over-stretching their organisations and pointed out that it could take two or three years to turnaround a failing school.

Others also talked about the need to understand that growth is not linear. There are ‘inflection points’ where the strategy of a school trust, and how it operates, may need to change entirely. Ambition Leadership Trust has identified several areas²³ where change might need to happen, and these were echoed in the research:

- Accountability and oversight
- Governance
- How new schools align when joining the MAT
- Communications
- The CEO's role
- Structural changes such as moving to a model incorporating regional hubs

School trust leaders talked about the need for their growth strategy to be reviewed regularly by the Board. There needed to be ‘strategic agility’ to ensure the school trust could respond actively to new circumstances, rather than simply react. In particular, the Board needed to be able to scan the horizon, understand future trends, and challenge themselves on their strategy for growth.

Changing our growth strategy put us more firmly in charge of our destiny as a trust, rather than in a position of having to choose which limb to cut off.



THE ROLE OF RSCS

Our research found that there was a widespread view that Regional Schools Commissioners (RSCs) played a pivotal role in enabling the growth of a MAT. However, what was less clear was whether the RSCs necessarily helped to support sustainable growth. For instance, some school trust leaders reported being approached to take on a struggling school which they felt would not support sustainable growth because there was a financial risk to the trust.

Many respondents had spent time cultivating relations with RSCs and felt that this had helped to ensure they were on the radar of the RSC when they needed to broker a struggling school. Some smaller MATs felt it was sometimes a challenge to get RSCs to look beyond the larger school trusts in their region. However, others recognised that school trusts needed to have robust systems and adequate capacity to take on another school.

It is reasonable to assume that the RSC role will continue be influential in the growth of MATs. Due to changes in policy, the RSC role has evolved and is now more focused on good governance and less on direct intervention with schools. Those employed as RSCs has also changed and there are now fewer from a school or trust background. However, the role remains very broad²⁴ encompassing the following:

- Taking action in instances where academies and free schools are underperforming
- Intervening in academies where governance is inadequate
- Deciding on applications from local-authority-maintained schools to convert to academy status
- Encouraging and deciding on applications from sponsors to operate in a region
- Taking action to improve poorly performing sponsors
- Advising on proposals for new free schools
- Advising on whether to cancel, defer or enter into funding agreements with free school projects
- Deciding on applications to make significant changes to academies and free schools

RSCs will remain a key stakeholder for MATs wishing to grow and efforts for clear communication are therefore important. Some contributors also felt more transparency around RSCs and their work would help to support this.

²² Primary Trust surveys, Appendix 1, 49 respondents, Nov-Dec 2019

²³ Building Trusts: MAT leadership and coherence of vision, strategy and operations, Ambition School Leaders, 2017

²⁴ FAQs Academies and free schools, House of Commons Library, 18 June 2019

Mergers and future growth.



Mergers and future growth.

It is not clear cut what might be the 'ideal' size for a MAT. The consensus appears to be that with 12-20 schools, or something like 5,000-10,000 pupils, a school trust becomes sustainable, but 20 or more is the size at which a school trust becomes economically successful. In contrast to this, there are currently 775 school trusts with two to five schools, and 1,502 single academy trusts²⁵. Given the shortage of schools with which to grow, and the other challenges discussed earlier in this report, it is likely that the growth of MATs will require new approaches.

Our research suggests that mergers are likely to become a key vehicle for growth, and that smaller MATs may well merge together or join larger MATs. Many responding to our survey felt it was likely or very likely that MATs would need to merge in the next three years²⁶. However, those interviewed for the research reported they would be less likely to adopt growth strategies focused on merging with other school trusts²⁷.

This view is supported by research undertaken by The Key which also suggests there appears to be limited appetite for mergers.²⁸ Many involved in the research suggested mergers would only take place if a MAT CEO was leaving or planning to retire. Others felt it was only financial pressure that would mean they would decide to merge²⁹.

²⁵ Open academies, free schools, studio schools and UTCs, Department for Education, Jan 2020 <https://www.gov.uk/government/publications/open-academies-and-academy-projects-in-development>

²⁶ Primary Trust surveys, Appendix 1, 28 respondents, Nov-Dec 2019

²⁷ Primary Trust surveys, Appendix 1, 49 respondents, Nov-Dec 2019

²⁸ September 2019; Trust expansion: overcoming growing pains; The Key

²⁹ Primary Trust surveys, Appendix 1, 28 respondents, Nov-Dec 2019

“When a MAT leader announces they’re moving on, or retiring, I think one of the things we need to get into the head of Boards is that this has to be a point when a small or medium MAT should review their position and consider whether a merger is the best approach.”

At present, there is very little existing research about how mergers might take place. It seems likely that RSCs will play a key role. They are certainly helping to re-broker struggling schools from one school trust to another, so they could play a similar role in brokering mergers where a struggling MAT might need to join another. Will we see something similar to a direct academy order emerge for managing the forced merger of a struggling MAT with another? Or might schools in a struggling MAT be allocated to different MATs?

Contributors to our research also highlighted that RSCs are already speaking to very small MATs and questioning whether their size is constraining the quality of education they can provide to their students.

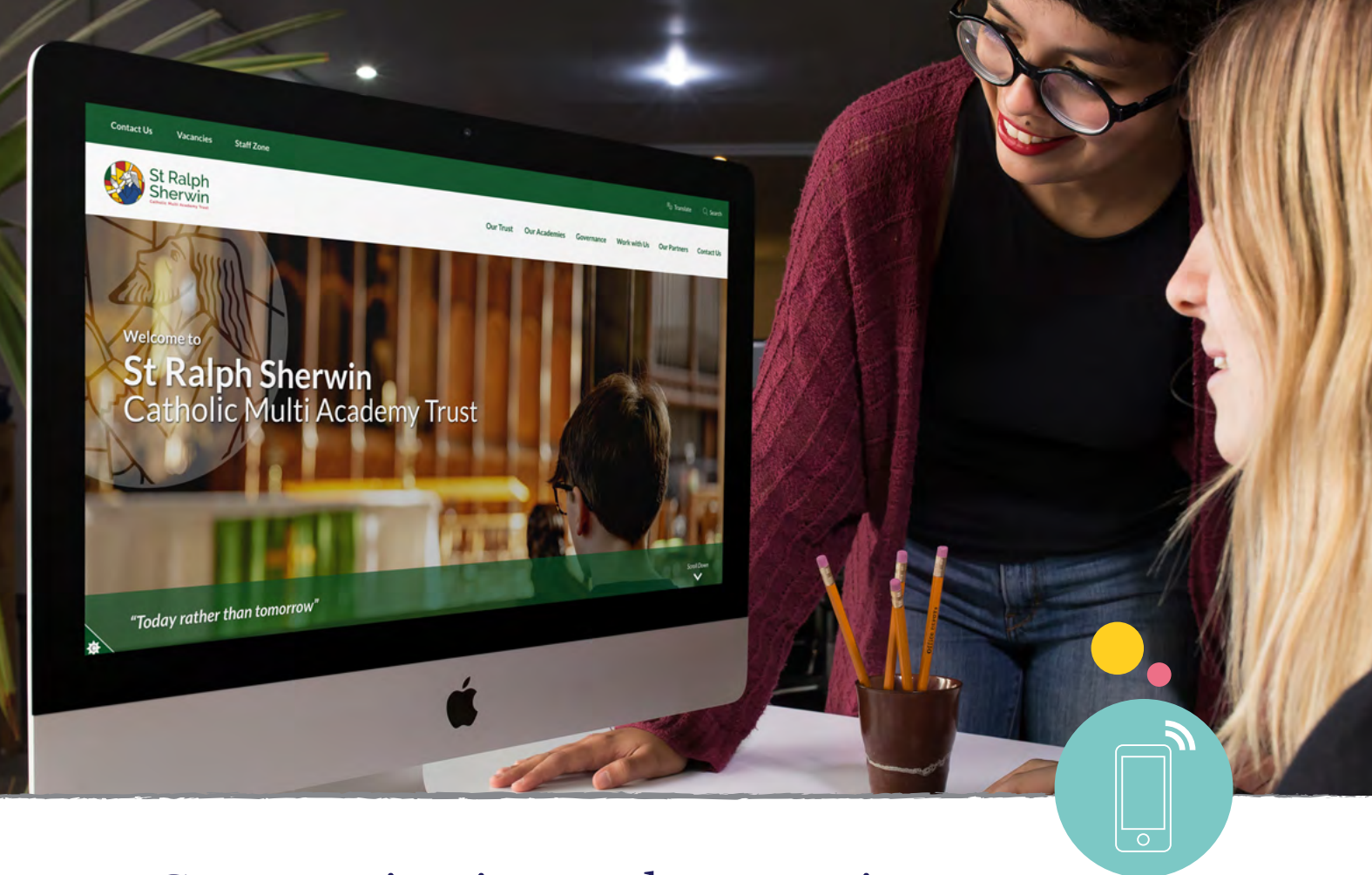
“You need to challenge very small trusts that aren’t growing and ask them to consider the future of the trust. If you can’t grow, are they going to become the best trust of two schools, or are they going to look to merge?”

It appears that although many believe mergers are likely, very few MATs are giving it serious consideration. Indeed, where there is a risk, the school trust is focused on growing the trust rather than considering a merger. To some extent, this is understandable as a merger is likely to have implications for the leadership team.

Some respondents felt that if a Board has no medium term concerns regarding finances, results or leadership they need not consider merging. Others felt that any Board of a smaller MAT should regularly consider the possibility of merging and suggested they should have a good understanding of the ‘trigger points’ for when merging needed be considered more seriously.

It was also noted that the organisation of academy sixth forms might change in the future due to the fact that funding for sixth form provision is lower than for 11-16 provision. MATs might close small individual sixth forms in a local area and ‘pool’ their 16-19 populations, opening new centres. This pragmatic solution to tight funding would have implications for the breadth of curriculum offered, the specialist expertise provided and the bottom line of the budget.

Communication
and promotion to
support growth?



Communication and promotion to support growth.

Contributors to the research agreed that clear, effective communication was key to supporting sustainable growth. Many MAT leaders had worked to improve communication, particularly with prospective schools. They recognised that being clear early on about their scheme of delegation, and what it meant to join the school trust, helped avoid confusion and breakdown in communications later once a school had joined the trust.

Communications between the MAT and its schools varied dependant on size. Smaller school trusts understandably had less challenges with communications but recognised that communications would need to become more formal as new schools joined. Larger school trusts had some good systems in place, but often felt it was an area that could be improved. This is supported more widely, in particular around communication from the school trust Board to those at academy level³⁰. Larger school trusts also organised themselves into regional hubs to streamline communication, and a range of other operational matters.

An important decision for any MAT is to determine how branding will work across the school trust. We found there was no one preferred approach. Some school trusts had related brands for each of their schools, others allowed individual schools to retain their brand and the school trust brand featured as a supporting brand. However, it was important to all that the school trust's overall identity was communicated clearly. Maintaining a strong identity and communicating what the MAT stands for, is what many felt would make other schools want to join.

ONLINE PRESENCE

Contributors to the research all felt that the MAT website was an important 'window on the world'. Survey respondents³¹ felt that the MAT website needed to represent the values, ethos, identity and culture of the school trust to prospective schools. Those interviewed also recognised that many school trusts had not yet achieved this and should be striving to strengthen their online presence.

Our website strategy means we've positioned our website to be useful for our existing schools but also as a key tool to promote the trust to schools who may wish to join. We've worked really hard to ensure we provide clear information for any school wanting to know more about us.

Some MATs we interviewed had worked hard to create a clear and engaging section aimed at prospective schools welcoming their interest, outlining the benefits they would gain from joining the school trust, and including the Scheme of Delegation. However others had much less information, and some contributors felt that school trusts missed opportunities to speak to schools because their websites didn't invite engagement.

The majority of schools that consider a MAT will never be known by the MAT team, they will simply look at the website and never do more.

Another important factor was the inter-connection between the MAT website and individual schools' websites. It was felt by many that there needed to be a clear, easy to navigate route from the MAT to individual school websites and vice versa. Overall the website has the potential to become the core marketing engine for a MAT to engage all its audiences, but a clear strategy was required to achieve this goal.

Ultimately the MAT website will play a key role in encouraging growth, acquisitions and mergers.

³⁰ Moving MATs Forward, National Governance Association, June 2019

³¹ Primary Trust survey, Appendix 1, 21 respondents, Nov-Dec 2019

COVID-19 and its impact on growth.

COVID-19 and its impact on growth.

COVID-19 has had a significant impact on MATs and it is likely to be a key influence on the growth of trusts for some time. Running schools at the moment is extremely challenging and managing the immediate issues linked to the pandemic need to take priority.

SLOWER GROWTH

All contributors agreed that there would be a slowdown in the growth of MATs in the short term. Therefore capacity for future growth rests, to some extent, on a MAT's ability to cope with the pandemic during the next few months. A number of factors influence this:

- Level of IT and technical infrastructure to support effective distance learning
- The size of the central services team within the MAT
- Scale of staff absences that need to be managed
- Number of keyworker children attending the MAT
- The socio economic profile of the community served by the MAT

BIGGER IS LARGELY BETTER

Contributors agreed that larger MATs were likely to be more resilient and find it easier to cope with the crisis and moving beyond it. It was felt that they would be able to start thinking about growth sooner. However, it was acknowledged that the situation was changing quickly and new challenges were likely to arise that might well be a barrier to growth even for larger MATs.

SLOWING PIPELINE OF SCHOOLS CONVERTING

Growth of trusts will also be slowed due to other organisations which would normally be involved in the conversion of schools to academies. Ofsted is not undertaking inspections during the summer term so the rate of compulsory conversions will slow. RSC offices paused progressing conversion plans which has caused delays. Local authorities have re-aligned much of their workforce to support efforts linked to Covid-19 and this will also slow the conversion of LA schools to become academies or for consultations with local communities.

FUNDING TO SUPPORT GROWTH

Most felt it was very unlikely funding for schools would increase, apart from the emergency funding already committed. There was agreement that the Treasury was under pressure to prioritise funding for the NHS, social care and business and that it would be hard to convince ministers that new funding should be found for schools. The outcome of tighter funding could mean there is more consolidation amongst MATs with smaller ones choosing to become part of larger MATs.

COLLABORATION DRIVING GROWTH

It was felt that there had been a great deal of collaboration between trusts during the Covid-19 crisis. Also, the support and help trusts had given to the schools in their networks was very positive. Contributors thought this might well encourage remaining LA schools to convert and join a MAT which would help with growth.

PLEASE NOTE

The research for this section was completed after the main research phase. It represents the views of the steering committee and two of the individuals previously interviewed.

Recommendations.

Recommendations.

1

The lack of schools wanting to join MATs is the main constraint on growth. This is unlikely to change without government policy being altered. More incentives for schools to convert could improve the supply of schools. For instance, the changes to the guidelines around the Trust Capacity Fund mean that support is available to outstanding or good LA maintained rural schools where they wish to create a new multi academy trust³².

2

MATs need to accept that due to the skills gap they need to 'grow their own' senior leaders. Investment in MAT leadership development is essential for school trusts to be able to access the necessary skills to grow sustainably.

3

Taking on schools with the same values and ethos makes sense as part of a strategy for growth, but being too inflexible with this can also constrain potential growth. Our research suggests that it also depends on the school that is being taken on by a MAT. If it is a failing school, then whether its values and ethos align with the school trust is less important as there is likely to be a lot that needs to change.

4

The arrangement of MATs is irregular across England. At times, this inhibits growth or limits the choice available to parents and carers. This needs to be reviewed and should be a motivation for school trusts to merge so that the spread can be more even.

5

Mergers of MATs are very likely in the next three years but how these will come about is still unclear. School trust Boards need to be alive to the possibility of merging and put in place criteria/tipping points where discussions about merging need to be escalated. Due to the sensitivities, merging is an area which needs to be led pro-actively by Boards. Mergers are important for all MATs, whatever their size.

6

The role of the RSC will continue to evolve and be shaped by policy. It is likely to play a key role in how school trusts merge. Attempts to increase transparency around RSCs' decisions are to be welcomed.

7

The number of MATs that have a good understanding of marketing and developing a meaningful online presence are in the minority. Effective communications, particularly for the MAT website, requires careful thought and planning to ensure they support the wider school trust strategy. More support and training for school trust leaders is needed to help raise the quality and effectiveness of MAT communications.

8

COVID-19 means MAT leaders and all those involved in policy linked to MATs need to accept that growth of MATs will be slower in the short term. Large school trusts are likely to be able to cope with the impact of the crisis more quickly and start planning for growth sooner. The collaboration between MATs during the crisis, and the support trusts have offered to their schools, could encourage the remaining LA schools to convert and join a MAT.

³² Trust Capacity Fund update 6 February 2020 <https://www.gov.uk/government/publications/apply-to-the-trust-capacity-fund/trust-capacity-fund>

Appendix.

Appendix 1 - About PrimarySite.

PrimarySite helps schools and trusts to communicate with their key audiences. We build websites specially designed to meet the needs of schools and trusts, provide strategic advice on branding and marketing, and provide a host of school communication tools to help with parental engagement.

PrimarySite was founded in 2002 by teacher Geoff Millington and his wife Rose, who was a web designer. The company was born from their combined passions for helping to improve the way schools operate and creating websites that are easy to use and manage. PrimarySite has grown from a home-based enterprise to a socially focused business and we now work with more than 4,700 schools and multi academy trusts.

For more information about PrimarySite visit:

 primarysite.net or email  trusthelp@primarysite.net

Appendix 2 – Information about the surveys.

We undertook two surveys as part of the research.

SURVEY 1

This had 21 respondents and the questions asked are listed below.

Are you looking to expand the number of schools in your trust over the next 12 months?

If you answered yes to the previous question, how many schools would you like to have within your trust in 12 months' time?

What, in your opinion, is the best growth strategy for a MAT to adopt?

- Organic growth focused on recruiting schools that fit with the ethos of the MAT
- Proactive growth based on acquiring failing schools
- Proactive growth based on acquiring good or outstanding schools
- Proactive growth based on acquiring a mixture of schools (struggling and good/outstanding)
- Merging with another MAT
- Acquiring an MAT or SAT to incorporate into your own MAT
- Other (please specify)

Do you think your trust could remain sustainable with the number of schools you currently have?

Which of the following factors would better enable you to grow your trust? Please rank the following statements.

- Government funding
- Having a clear process or roadmap for growth
- Having more capacity in terms of central staff and resources
- Having better back-office management systems in place
- Greater awareness of your trust and its ethos
- Access to more schools that 'fit' your trust
- A clearer distinction from other MATs i.e. stronger school performance
- Greater efficiency at central level
- Greater efficiency at school level
- Marketing plan to support growth plans

Thinking about the skills needed by your central leadership team to successfully grow a MAT, please rank the following statements.

- Effective communication – both internally and with the wider trust and school community
- A commitment to maintaining the trust's ethos, culture and identity and bringing only the 'right' schools on board

- A commitment to the academic progress of its schools
- Extensive expertise in the education sector
- Commercial awareness and a 'growth' mindset
- Ability to inspire trust at all levels
- Involving the wider SLT in key decisions and in the future direction of the trust
- Innovation, either in terms of pedagogy or in systems and technologies to improve operations

What are the biggest challenges to attracting new schools to your trust?

- Too much choice or competition from other MATs
- Our location
- A lack of capacity or central resources
- Not having a clear plan
- A lack of suitable schools that match our ethos
- Limited awareness of our trust and ethos
- Poor academic performance at our existing schools
- Lack of marketing activity

What kind of challenges have you faced when a new school joined your trust?

- Limited capacity to give them the support they need
- A lack of systems and processes
- Challenges with improving efficiencies
- Aligning the school with the trust's values
- Aligning their brand and identity as a school with that of the trust
- Resistance to comply with MAT requirements
- No challenges / not applicable

Thinking about the back-office systems and how they can support MAT growth, please rank the following statements.

- Centralising back-office systems can improve efficiency
- Technology is fundamental to increasing back-office efficiency
- We've found it easy to introduce centralised systems across our trust
- All back-office systems should be centralised
- Only mission-critical back-office systems like HR and finance need to be centralised

Thinking about your trust's online presence, please rank the following statements.

- Our online presence effectively promotes our trust to prospective schools
- Our online marketing activities are linked to our strategic plan
- Our online presence enables our trust to stand out as an attractive and beneficial partner
- Our website is a crucial tool for reaching and engaging prospective schools
- Our website clearly communicates our values, our ethos, our identity and our culture to prospective schools
- We're using our website as effectively as we could to inspire and engage prospective schools and the wider local community
- Social media is an important part of our marketing
- Most other MATs have a strong online presence and clearly communicate their values online
- It's easy to get new schools to embrace our branding and online identity as a trust

How important are the following to supporting workforce development and management? Please rank the following statements.

- A clear strategy for developing, retaining, progressing and deploying staff
- The MAT has involved staff in helping to shape its development and training offer
- Staff have the opportunity to progress within the trust
- Staff can participate in specialist expertise 'clusters' across the trust
- Staff value the benefits and working environment
- Staff see themselves as working for the trust, not just for their school
- Staff have the opportunity to work in a range of school settings as part of their development

SURVEY 2

This had 28 respondents and the questions asked are listed below.

How many schools are currently in your trust?

What, in your opinion, is the best growth strategy for a MAT to adopt?

- Active recruitment of schools that fit with your ethos
- RSC's brokerage of schools
- Merger resulting from RSC recommendation
- Proactive Trust merger strategy led by yourselves
- Expansion through increasing pupil number / facility capacity
- Strong brand and reputational marketing to encourage direct approaches from trusts or schools
- Other (please specify)

Do you feel it is likely that trusts will need to merge in the next three years?

What factors are likely to lead to a trust deciding to merge with another? Please rank the following.

- It makes geographical sense

- Under financial pressure
- Underperforming educationally
- The trusts share a similar ethos and culture
- The trusts have worked together informally
- The need to boost capacity for growth across both trusts

What are the biggest challenges to attracting new schools to your trust? Please tick all that apply.

- Too much choice or competition from other MATs
- Our location
- Relationship with the RSC
- A lack of capacity or central resources
- Not having a clear plan
- A lack of suitable schools or trusts to merge with
- Limited awareness of our trust and ethos
- Poor academic performance at our existing schools
- Lack of marketing activity

Responses to the surveys are available on request.

Please email  hello@primarysite.net



JOIN THE CONVERSATION #MATGROWTH

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