



CABINET – 24 MARCH 2020

SCRUTINY REVIEW PANEL ON MULTI-ACADEMY TRUSTS

REPORT OF THE CHIEF EXECUTIVE

Introduction

1. This report sets out the conclusions and recommendations arising from the Scrutiny Review Panel investigation into the structural and operational arrangements of Multi-Academy Trusts (MATs) managing Leicestershire schools.

Recommendations

2. The recommendations of the Panel are located within the body of the report. For ease of reference, they are also set out below:
 - a) That further work takes place to ensure that elected members understand how and where to raise concerns around a Multi-Academy Trust;
 - b) That MATs be encouraged to appoint elected members to their local governing bodies to ensure better engagement between MATs, elected members and the local authority;
 - c) That a discussion takes place at the Academy CEO Network Group around arranging visits to local schools for elected members in order to develop and maintain the local link;
 - d) That details of local elected members be sent to relevant schools to enable them to make contact should they wish;
 - e) That the Children and Families Overview and Scrutiny Committee receives an annual progress report from the School Effectiveness Team.

Scope of the Review

3. The Children and Family Services Department has a good relationship with Multi-Academy Trusts, nevertheless there is currently a perceived gap in the relationship between local authority elected members and Multi-Academy Trusts. Members have raised some concerns regarding accountability, engagement and the effectiveness of existing structures. The lack of influence that the local authority has over Multi-Academy Trusts, whilst understood, is also a cause for concern.

Membership of the Panel

4. The following members were appointed to serve on the Panel:

Dr. R. K. A. Feltham CC
 Mrs. H. J. Fryer CC
 Mr. A. E. Pearson CC (in the event, Mr. Pearson CC was unable to attend the Panel meetings).
 Mr. S. D. Sheahan CC
 Mr. J. Kaufman CC

5. Dr. R. K. A. Feltham CC was appointed Chairman.

Conduct of the Review

6. The Panel met on four occasions between 3 July 2019 and 11 November 2019, and over that period considered:

- an overview of the education landscape in Leicestershire
- the difference between stand-alone academies and those within a MAT
- the recruitment of governors/directors
- engagement with local communities
- the role of elected members in relation to Multi-Academy Trusts
- examples of good practice.

7. The Panel was supported in its review by the following officers and is indebted to them for their contributions:

- Paula Sumner – Assistant Director, Education and Early Help
- David Atterbury – Head of Service - Education Sufficiency
- Alison Bradley – Head of Service – Education Quality and Inclusion

8. The Panel is grateful to the two CEOs who attended meetings:

- Peter Merry – CEO of Oadby, Wigston and Leicestershire Schools (OWLS) Academy Trust
- Chris Parkinson – Executive Head Teacher/CEO of LiFE Multi-Academy Trust

Background

What are Multi-Academy Trusts

9. Academies were first introduced through the Learning and Skills Act 2000 to help struggling schools in deprived inner-city areas. None of this type of academies existed in Leicestershire, and it was not until the introduction of the Academies Act 2010 and the notion of converter academies that the first change in the education landscape began to occur. Since then, the number of

academies has grown; within Leicestershire all but one of the secondary schools now have academy status, as do approximately half of all primary schools.

10. Academies fall into two main groups – sponsored academies and converter academies. Sponsored academies have sponsors (registered as MATs) who have majority control of the trust and most of these used to be underperforming schools that became academies to improve their performance. Converter academies are generally schools that have sought greater autonomy and independence and are sufficiently strong in terms of their performance and other factors, for example their financial position, to make conversion a success. These academies have steadily increased since 2011.
11. Academies are publicly funded schools which operate outside of local authority control. The government describes them as independent state-funded schools. They are funded directly by central government, instead of receiving their funds via a local authority. Funding and oversight come from the Department for Education (DfE) via the Education and Skills Funding Agency.
12. A MAT operates more than one academy school. The day to day running of the school is with the headteacher or principal, but they are overseen by individual charitable bodies called academy trusts and may be part of an academy chain. A MAT is a single entity established to undertake a strategic collaboration to improve and maintain high educational standards across a number of schools.

Why have Schools Converted?

13. The key aim is to raise standards, improve choice and outcomes for children and young people. It provides Trusts the freedom to make future changes to a school (for example to the curriculum, term patterns and length of the school day) without having to seek permission. Becoming a MAT also enables strong partnerships to be formed, with greater access to support and expertise. Often, schools within a Trust liaise with each other and pupils are able to experience education at different schools within the Trust. However, there can be local pressure when other schools are converting in the local area.

The Benefits of Becoming a MAT

14. The benefits of a MAT are broadly:
 - The sharing of expertise and knowledge
 - The opportunity to develop enrichment activities
 - Access to resources and infrastructure
 - Improved buying power
 - Opportunities for professional development/career progression – the Trust is the employer of all staff rather than individual academies. This makes it easier to transfer staff resources across all academies within the Trust.
 - Strong leadership and governance
 - Improved accountability for local collaboratives and partnerships

- Security
15. The formal structure of a MAT allows more school to school support so that those schools that are not performing as well as others (or smaller schools) can benefit from the experience and skills evident in stronger or larger schools. As the single employer, MATs also better enable the movement and career progression for staff between schools in the Trust. MATs also encourage economies of scale in shared services, such as finance and administration and the academies within the MAT can often negotiate preferable contracts and services, improving value for money.
 16. Supporters of academies argue that they fill the gaps in areas where there are not enough school places for every child and drive up educational standards in disadvantaged areas, although neither circumstance readily relates to any Leicestershire area. For many, the autonomy that academy status brings is attractive, in particular the freedom over budget means more control over where money is allocated in the school. It is also argued that academy status makes it easier to put in place better teaching, leadership, curriculums and accountability, leading to better standards.

Disadvantages

17. Academies have faced criticism from some teachers, parents and politicians. They see academisation as a move towards privatisation, selective admissions and damaging to existing schools around them. As a trust grows, there is a danger that it may become increasingly difficult to ensure consistent systems and procedures are applied across the Trust. Directors (the governing body) may feel that it is difficult to take on this responsibility for schools that they have had no day to day involvement with. The Ofsted Chief Inspector, in 2016, had criticised some larger academy chains for failing to improve the results of too many pupils in their schools, while paying board members large salaries. However, he did acknowledge that great progress had been seen in many academies.
18. Expectations at individual academies need to be managed. Some may have been forced to join a MAT because of poor educational results or weak governance structures. Individual academies could feel that their own independence is threatened and there is always a risk that, should one of the academies in the Trust fail, this will affect the reputation of all the schools in the Trust.
19. The Panel agreed that there is a balance to be determined between a MAT as a business and the needs of the local community. Schools within a MAT are now more focused on ensuring that they attract pupils in order to remain sustainable. This means that schools now have more pupils on roll from outside their traditional catchment area, and there is therefore a danger of losing the local community ethos of a school.

Legislative Background and Governance

20. A MAT is the structure that allows more than one academy to work together under an academy trust. It has one overall board of directors which runs the trust, with each academy having its own local governing board. The MAT provides the opportunity to share knowledge and teaching and learning between schools. Through sharing resources, schools can achieve lower running costs, reduced environmental impact, stronger safeguarding and improved communications, all on a more manageable and secure platform.
21. MATs are companies, limited by guarantee, and registered with the Charities Commission as a charitable company. They are formed by members who propose the Trust and the purpose is defined by Objects. Articles of Association are in place to cover the internal management of affairs. The MAT is the accountable body, with the governing body/directors having ultimate responsibility for each school within its Trust, the employment of its staff and the control of all assets. It is very much a top down governance arrangement. The Trust may establish a local governing body or advisory body at each school and delegate powers accordingly.

Delegation of Responsibilities

22. MATs can adopt various structures. The Board of Directors, or Trustees, will sit at the top with ultimate responsibility for the governance of the Trust. The Board of Directors will usually comprise key individuals from the larger academies within the Trust. The directors are accountable to the members, who are the top level of governance and have certain rights under company law. Members are the equivalent of shareholders, meeting at least once a year, and as 'owners' of the academy control its formal constitution. Subject to the Articles of Association, members generally have powers to appoint directors to the Board and hold the Trust Board to account for school performance. Trust members should be individuals, or corporate sponsors, who intend to be involved for the longer term. It would be the norm for an Executive Headteacher, or Chief Executive, to be appointed as one of the directors. Trust members will receive an annual report from the governing body, approve annual accounts and appoint auditors.
23. Most MATs have their own Local Governing Board which is responsible for making day to day decisions at their academy, with support from the academy's Headteacher and Senior Leadership Team. There is no statutory requirement to have a local governing board, but it is considered useful to support the management of good relationships with parents and the local community. It is key to establish and agree a balance between central direction and local autonomy whilst ensuring that across the Trust there are common systems and procedures where required.
24. Academy Governors are charity trustees and have duties as such. They also have strategic leadership, act as a critical friend of the headteacher and provide support and challenge. The Companies Act 2006 also imposed specific duties on academy governors as directors. In terms of the recruitment of MAT

governors, the DfE's current academy school model recommends a two/three tier governance structure of a members' board, trust board and local governing board:

- The Members Board has a 'limited and distinct role' which should avoid duplicating the role of the Trust Board or assuming the role of Trustees. This has the responsibility for the appointment of other members and trustees.
- The Trust Board has strategic oversight of the MAT (and each school where there are no Local Governing Boards). The Board can appoint other Trustees and will appoint Local Governing Board governors.
- The Local Governing Board has some strategic oversight of an individual school, usually without the delegation to monitor its finances. Where there is no Local Governing Board, there is a requirement to have two parent representatives on the Trust Board.

25. All three tiers are 'school governors' and all are essential to school improvement. The recruitment of governors is the same as for maintained schools in that volunteers are enlisted. It is considered quite difficult to recruit existing local authority governors who could bring local knowledge as governor appointments need to take account of the skills required for the position. The Panel gave consideration to how to ensure that governor appointments were taken up and felt that, as the relationships with MATs develop, elected members should be encouraged to fill the role, both at a local level and as a representative of the local authority.
26. In 2017, the DfE had published two guidance documents which set out the requirements and expectations for all individuals sitting on school governing boards – the Governance Handbook and the Competency Framework – both of which raised the bar for all governing boards. In addition, academies are subject to the Academies Financial Handbook.
27. The Education and Inspections Act 2006 (Chapter 1, paragraph 5), which covers maintained and academy schools, states that local authorities have a duty to maintain education by promoting high standards of education and ensuring fair access to education. It also states that they are responsible for securing that sufficient education is available to meet the needs of the population in their area.

MAT Performance and Ofsted

28. Evidence on the performance of academies compared to local authority schools is mixed. Although a number of academies have done well, some have failed to thrive and some have been placed in special measures. In 2017, research by the Education Policy Institute found turning schools into academies did not automatically improve standards. More recently, a Public Accounts Committee report said that local authorities' ability to fulfil their statutory responsibilities, including the duty to provide school places, was 'undermined' in areas where a high proportion of schools have become academies.

29. Individual schools/academies are inspected under the Ofsted framework and those responsible for governance are invited to participate in any inspection and to feedback. The local authority is informed by Ofsted of all inspections but has no right to attend inspections in academies. However, there is now greater engagement and partnership working to increase the local authority's knowledge and the ability to provide support. The local authority, although not directly informed, is now being invited to observe MAT inspections, and there appears to be better communication between MAT leaders and the Regional Schools Commissioner.

The Role of the Regional Schools Commissioner

30. Regional Schools Commissioners (RSCs) were introduced in 2014 to approve academy conversions and monitor standards at academies in their areas. Each RSC works with a small board of Headteachers. They cover quite a large geographical area and act on behalf of the Secretary of State for Education. Leicestershire forms part of the East Midlands and Humberside RSC region.
31. The main responsibilities of an RSC are:
- Taking action where academies and free schools are underperforming
 - Intervening where governance is inadequate
 - Improving underperforming maintained schools by providing them with support from a strong sponsor
 - 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.

The Education Landscape in Leicestershire

32. There are currently 282 state funded schools and other educational establishments in Leicestershire, of which 191 have converted to academy status. This equates to 98% of secondary schools, 63% of primary schools, 50% of special schools and the figure also includes 15 'sponsored' schools.
33. A principal driver in Leicestershire for schools to convert to become an academy had been the age range change, which had created additional pressure on feeder primary schools and had led to some schools creating individual alliances. The School Organisation Service leads on matters relating to academy conversions.
34. The School Effectiveness Team was established within the County Council in 2018 to work with MATs, the Regional Schools Commissioner, the Department for Education and other organisations regarding school performance and leadership/governance matters. Regular meetings now take place to consider

issues locally and the team manages the relationships with Leicestershire schools. Members are encouraged to feed any concerns they have regarding a school to the School Effectiveness Team and it is acknowledged that further work will be required around ensuring that elected members are aware that they can raise an issue and how information can be fed back to members.

MATs in Leicestershire

35. Within Leicestershire, there are 30 MATs – 8 from outside of Leicestershire and 22 local, ranging in size from 2-57 schools. Those that are local are likely to have a greater link with the local community compared to the national MATs. A large proportion of MATs feature various types of school and this helps to ensure that there is good diversity and choice delivered through a mixed economy.

Evidence of Good Practice

36. The Panel heard from two CEOs about their experience of being involved in a MAT.
37. Mr Chris Parkinson, Executive Headteacher/CEO of LiFE Multi-Academy Trust attended a meeting of the Panel. He provided an overview of the ethos of the LiFE MAT, which currently contained four schools. The key issues he raised were as follows:
- In order to achieve genuine collaboration, it was necessary to have a clear model of operation. Key was appreciating that issues were not always the same at every school in a MAT.
 - The LiFE MAT did not want to disempower communities in terms of what they wanted from a school and local relationships were valued. The LiFE MAT aimed to be more inclusive as this led to greater challenge and provided a wider picture than just results. It was acknowledged that there appeared to be an increased picture of schools displaying 'zero tolerance' to those with more challenging behaviour.
 - Pupils were able to visit the different schools within a MAT for specialist subjects and to use the different facilities available. This was seen as positive as the young people provided one to one support to each other and fed into the strengths of different communities. There was evidence of older pupils helping younger children, and the MAT had seen some success in taking Year 9/10 pupils to A-Level taster sessions at another school within the MAT in order to encourage those who might not have previously considered A-Levels as an option.
 - Support from parents was considered essential and Mr Parkinson had explained that the LiFE MAT wanted to ensure that it kept local governing boards in order to engage more with local communities. By taking away the responsibility for financial decisions (undertaken by the Board of Directors) it was the aim that more parents would become involved in the

governing body of the school. The Panel had agreed that it was important that academies had a strong educational ethos, but that they should choose what they used to draw on this ethos. The Panel had also agreed that the school should be the focal point of the community.

- Mr Parkinson had agreed that there was a real potential for MATs to regrow the relationship with local authorities and welcomed any help and involvement. He acknowledged that there was a general lack of awareness around the role of elected members in the community and felt that they could prove to be the vital link in the relationship between the MAT and the local authority. However, in order for this to be successful, it needed to be a two-way relationship – MATs should invite local elected members into schools and members should offer their help. Mr Parkinson agreed to raise the possibility of arranging visits to schools for elected members with the Academy CEO Network meeting as it was important to develop and maintain the local link.

38. The Panel had also welcomed Mr Peter Merry, CEO of Oadby, Wigston and Leicestershire Schools (OWLS) Academy Trust to a meeting. This MAT currently comprised six primary schools and its governance arrangements had been in place since 2012. The policy of the MAT was to work for its students and staff and despite areas of commonality, each school had its own ethos. The main points arising from the discussion with Mr Merry were as follows:

- The MAT was currently going through the process of taking on a new primary free school in Lubbethorpe. There were currently 38 pupils in this school and these were provided the same opportunities as pupils at other schools within the MAT. The communication structures allowed children to liaise with their peers and teachers from the other schools.
- The MAT ensured that its schools were community-based. At Lubbethorpe, a community area had been created and the school was open in the evenings for the community to use. Work was taking place with the local authority and Ofsted around implementing the Ofsted framework and the MAT was keen to pursue its governance arrangements to create a greater locality ethos.
- Each school within the MAT was challenged and school-to-school support was available. In terms of finance, it was possible to track the position of each school individually. All schools within the MAT were requested to keep a certain amount in their budgets, but the whole MAT would support an individual school if it suffered an in-year deficit.
- The MAT held an annual Trust Review day for trustees to consider the current policies and update them where necessary. Local governing bodies had the opportunity to ask questions and raise any issues at this meeting. Mr Merry also attended local governing body meetings, and video conferencing took place which gave the local governing body the opportunity to speak with the CEO. The MAT also had an annual local authority health check.

- Mr Merry explained that he worked very closely with the local authority as he was a national leader and was part of the Leicestershire Education Excellence Partnership. He was also a member of an external panel for appointing centrally employed teachers.
- Mr Merry felt that the MAT had a good relationship with its local communities. At Lubbethorpe, a community pioneer had been commissioned to work with the community during the building of the school, and this person was now a member of the Trustees for the school. Obtaining the views of the local community was considered important and local support was welcomed at local governing body level.
- If a complaint was received, it was usual practice to get the local elected member involved and keep them informed of local issues. Mr Merry stressed that open dialogue with the local member was essential.

Current Engagement with Local Communities

39. Elected members have a pivotal role in their local communities, and this has traditionally involved a connection with the local school. Prior to schools becoming academies, many elected members also undertook the role of a school governor. The Panel felt that this connection, and indeed the link between schools and the local authority, is no longer as present.
40. As MATs become more established, there is an opportunity to reaffirm the relationship with local authorities. This could partly be achieved through elected members acting as the conduit between the two. However, the role of elected members as community champions is not necessarily fully understood by MATs and work therefore needs to take place to enhance their visibility and to promote the potential benefits of involving elected members in MATs. One option is inviting members into schools and in turn members offering their help within a school, to help enhance the relationship. The Panel agreed that **a discussion should take place at the Academy CEO Network meeting around enabling visits to local schools for elected members in order to develop and maintain the local link.**
41. In order to also promote the relationship between a school and its local community, local support at local governing board level is welcomed. This will provide the opportunity to report local issues of concern into the school more directly. The Panel also recommended **that MATs be encouraged to appoint elected members to their local governing bodies to ensure better engagement between MATs, elected members and the local authority.**
42. The Panel is fully aware that MATs cannot be forced to develop a relationship with either local elected members or the local authority, but it generally agreed that it would be good practice to promote the elected member role of managing community expectations and essentially acting as a critical friend to their local school. **Details of local elected members will be circulated to relevant schools to enable them to make contact, should they wish to.**

Conclusion

43. The Panel feels that it understands the role and remit of the local authority in relation to MATs better. Existing processes for accountability and engagement have been reviewed and, where appropriate, improvements have been identified for consideration. The Panel also acknowledges that the visibility of elected members as community champions needs to be enhanced along with the possibility for greater linkages with MATs in their local areas.
44. From the evidence provided and the comments made by the CEOs, the Panel felt reassured that more of a relationship was developing between the MATs and the local authority and that the County Council was clear about its role in holding bodies to account. It was recognised that this was still a learning curve for all involved, and **further work therefore needs to take place around ensuring that members are aware of where they can raise any concerns around a MAT.**
45. The Panel feels reassured that the School Effectiveness Team is ensuring that the local authority link with MATs is present and positive. It is recommended that **the Children and Families Overview and Scrutiny Committee receives an annual progress report from the School Effectiveness Team.**

Officer to Contact

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