

Academy Chains

There has been some confusion in how the Department for Education define academy chains with terms such as academy federation, academy chain and academy group all being used interchangeably. In essence an academy chain refers to all of these and simply means a group of schools working together under a shared academy structure that is either an Umbrella Trust or a Multi-Academy Trust.

Academy chains are not new. Many sponsored academies operate within a chain structure and an increasing number of converter academies are opting to establish their own chain or join an existing one.

In basic terms, chains are defined by their governance arrangements and these fall in to one of two types -the Multi-Academy Trust or the Umbrella Trust.

The Multi-Academy Trust is the model adopted by all sponsored academies, i.e. those schools subject to an intervention and where the existing governing body is dissolved and replaced by a structure determined by an external sponsor. The sponsor could be a charity, philanthropist, FE College or, as is increasingly encouraged by DfE, another school.

Governance in a Multi- Academy Trust consists of a centralised Board of Governors (also sometimes referred to as directors) the majority of whom are appointed by the sponsor. In many Multi-Academy Trusts, back office services and school improvement services are managed centrally on behalf of all schools in the chain. Each school in the chain has its own Local Governing Body – the key difference being that the Local Governing Body is a committee of the main Board of Governors and decision making powers may be limited.

Although Multi-Academy Trusts have until recently been the domain of sponsored academies, the model should not be immediately dismissed by converter academies considering structures within which to collaborate with other schools.

The benefits of the model include clear lines of accountability – schools entering this arrangement voluntarily can agree at the outset the structure of the Multi-Academy Trust and the make-up of the Board of Governors. In addition:

- All funding is directed through the overarching Multi-Academy Trust meaning that although budgets for each individual school in the Trust are ring-fenced, there is some flexibility for funds from each school to be held centrally to provide essential services for all schools in the group in a more efficient way.
- All staff in the Trust has the same employer – enabling colleagues to move between schools to support areas where it is most needed; providing enhanced CPD opportunities; and to develop an approach to talent management on a scale not easily achievable in a single school.
- The Multi- Academy Trust also offers a structure within which the role of an Executive Head can be readily utilised.

The Umbrella Trust provides for a less hierarchical collaboration model. Each school retains its own Board of Governors and establishes its own Academy Trust, but becomes a member of an additional charitable Trust termed an 'Umbrella' Trust.

The principal role of the Umbrella Trust is to appoint some governors to each of the academies in the chain. When academies in the chain are deemed by DfE to be 'performing well' the Umbrella Trust is required to appoint a minority of governors only. If an academy is not performing well the Umbrella Trust must appoint a majority of that academy's governing body.

Beyond this requirement, the Umbrella Trust, can take on a wider purpose as determined by the member academies. Many primary schools are interested in the opportunities the Umbrella Trust provides to collaborate with other small schools on shared services, commissioned or delivered by the Umbrella Trust. The Umbrella Trust also avoids sometimes uncomfortable issues linked to ceding autonomy to an overarching Multi-academy Trust. The model offers many similarities to Trust Schools and options for re-aligning existing Trusts in to an Umbrella Trust can sometimes be possible.

The Primary Chains Grant

Schools considering forming an academy chain can apply for a £25,000 grant from the DfE. The grant provides the required resource with which to build and formalise the proposed partnership. For example, the grant can be used to increase the chain's expertise or to carry out any work required to explore and form their preferred type of chain – Multi-Academy Trust or Umbrella Trust.

In order to claim the grant schools must meet the following conditions:

- the group of schools applying to convert must all be primary schools (or Special schools with primary age pupils);
- there must be three or more schools intending to join the chain;
- the chain must intend to use either a Multi-academy Trust or an Umbrella Trust governance model; and
- at least one school in the chain must also meet the performing well criteria for converting schools.

In addition to the £25,000 Primary Chains Grant, each school converting to academy status can also apply for its own individual grant of £25,000 to offset against its own conversion costs. To illustrate, the total grant available to 3 schools applying together as a chain would be £100,000.

For further advice on academy group structures or to arrange a briefing for your school or a group of schools contact:

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