

**MULTI-ACADEMY TRUSTS
MAT LEADERS
INSIGHTS REPORT 2017**

Context

The data presented in this report was collected during the period 5th Sept 2016 to 21st Oct 2016.

This report should be read in conjunction with the document **“The evolution of academies & establishing a context for MATs”**

The research and report was created by
The Education Company
On behalf of BESA
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Content

Definitions

Academies

Multi-academy trusts

Trustees

Funding the trusts

Procurement practices

Cost-cutting

Selling to multi-academy trusts

Opportunities and threats

Datasets



Definitions

An interesting fact or two



Definitions

Academies are state-funded schools in England which are directly funded by the Department for Education and independent of local authority control. All academies are run by trusts. Once a school has successfully converted to academy status they must either set up a trust or join an existing one. Once converted and in a trust, academies are completely free from LA control. Even if they are in a MAT all core funding is paid directly to the academy itself.

Multi-Academy Trust (MAT) is a legal body that has responsibility for the academies that are its members. Schools can become academies and a member of a MAT by compulsion or by choice. Academies that are in a MAT are generally referred to as sponsored academies.

Single Academy Trust (SAT) is the legal body that has responsibility for a single academy. A SAT can elect or be forced to join an existing MAT when it would no longer exist as a SAT. These are generally referred to as converter academies.

Umbrella Trusts (UT) may also sponsor academies to convert, but they do not have the responsibility for running them like MATs.

The anomaly - there are a substantial number of MATs that consist of only one academy. They are not SATs but have the legal constitution of a MAT and therefore can sponsor other schools to convert. In some cases, they are formed by the amalgamation of 2 or more schools into one new entity.

NOTE: This report only studies multi-academy trusts that run more than one school.

Methodology

How the research was conducted



Methodology and sample sizes

The numbers

738 multi-academy trust websites were analysed and data collected. This represents 100% of all true* multi-academy trusts.

Every multi-academy trust was invited to take part in the survey. 455 multi-academy trusts agreed and were interviewed.

252 teachers from multi-academy trust schools took part in surveys asking them about their views on procurement centralisation.

The data

All data was cross-referenced with official sources of data supplied by the DfE and supplemented by

market data provided by the Education Company.

The interviews

The interviews were conducted by members of the Education Company 3rd party sales and research team.

The surveys

The surveys were broadcast and analysed by the Education Company research team.

The Steering Committee

A steering committee of BESA members provided the framework and objectives for the research.

* Managing at least 2 schools

Academies

Size, growth and context



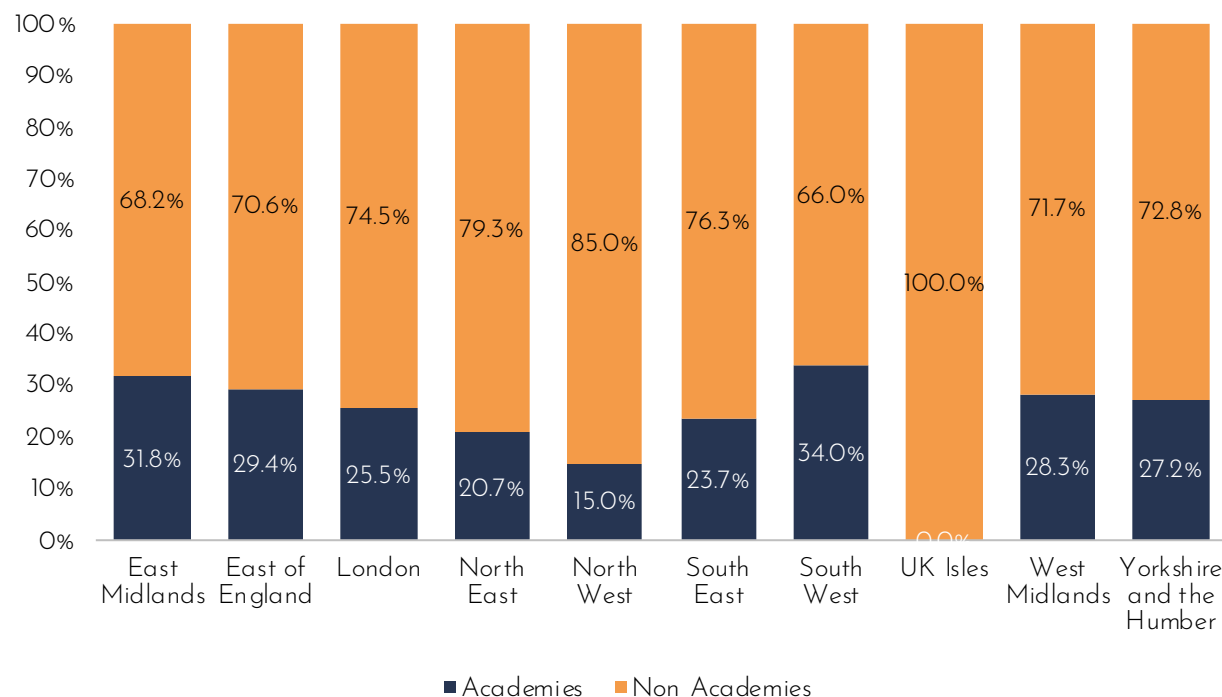
The number of academies

At the time of publication there were 5,776 academies in England and 1,024 in the application pipeline.

Over 60% of secondary schools have converted to academy status compared to 20% of primary schools.

One of the original objectives for the academy programme was to close the performance gap between schools in the south of England and schools in the north of England. It is clear, however, that academisation has been more popular in the south of England.

Number of academies	All Schools	Academies	%
Full Age Range	118	94	79.7%
Primary	16,960	3,275	19.3%
Secondary	3,556	2,137	60.1%
Special	1,637	270	16.5%
	22,271	5,776	25.9%



The effect of roll size

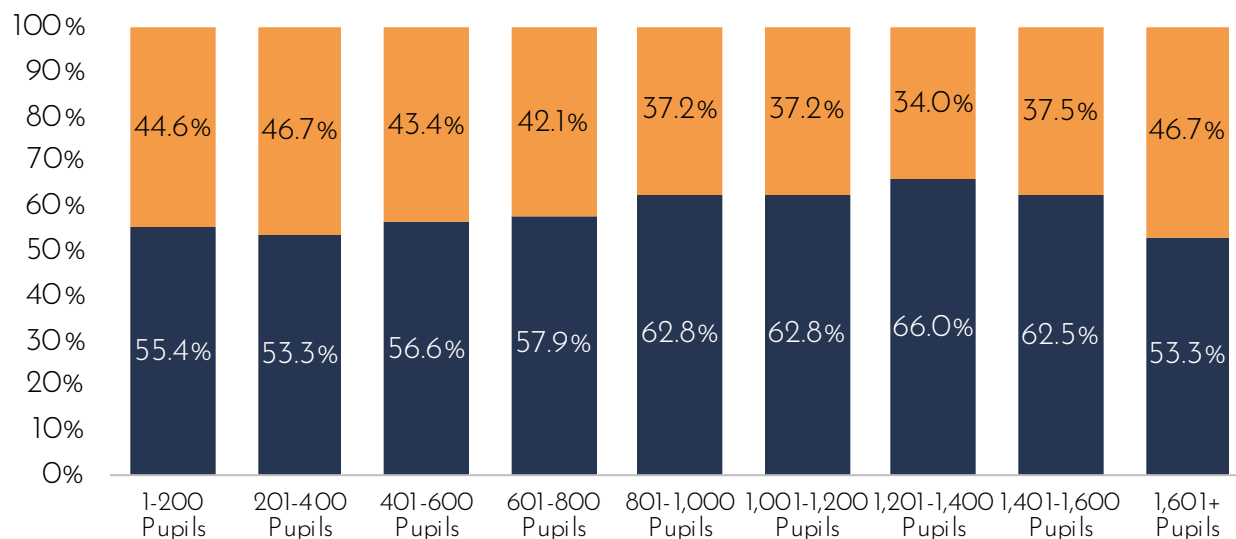
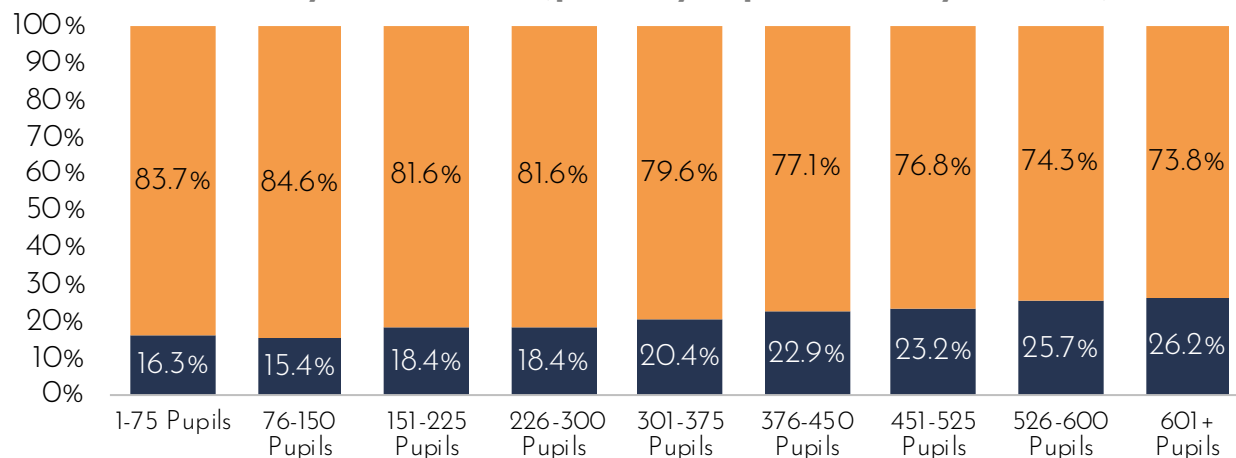
In March 2016 the then-chancellor George Osborne announced that all schools in England would be forced to become academies.

Before the May 2016 U-turn, much was made of the lack of interest in academisation from primary schools. Smaller schools were quick to point out that they needed the support of local authorities.

Analysis of the data shows that the size of a school is correlated with an historical decision to convert.

A primary school with more than 375 pupils is almost 40% more likely to have converted than a school with less than 150 pupils.

Conversion % by school size (primary top secondary bottom)



Performance profile

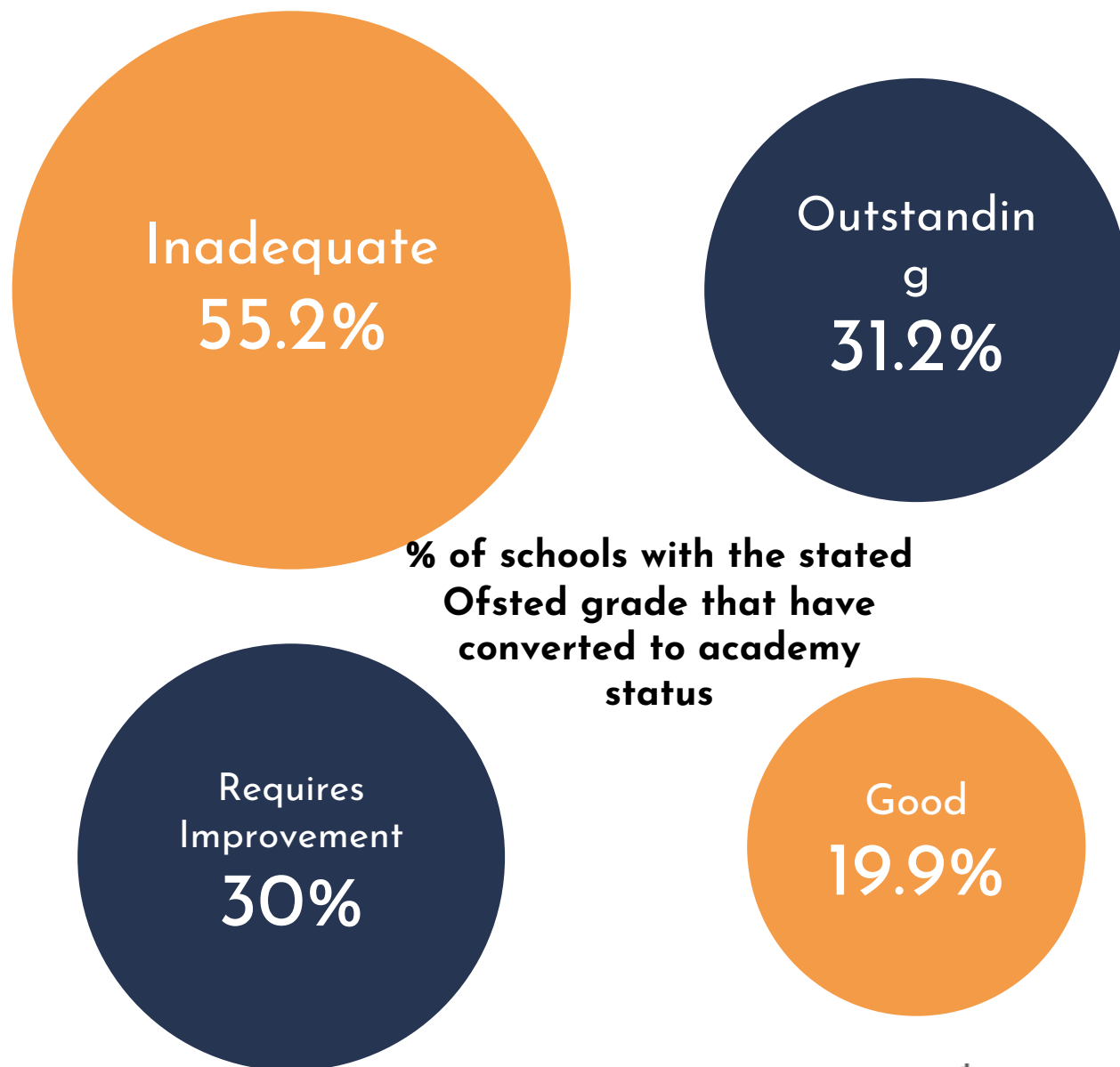
The academy programme was originally conceived to improve the performance of failing and under-performing schools.

For the first 13 years of the academy programme only failing schools could convert to academy status.

Only after Michael Gove stepped in and changed the rules were 'Outstanding' schools given the freedom to become academies.

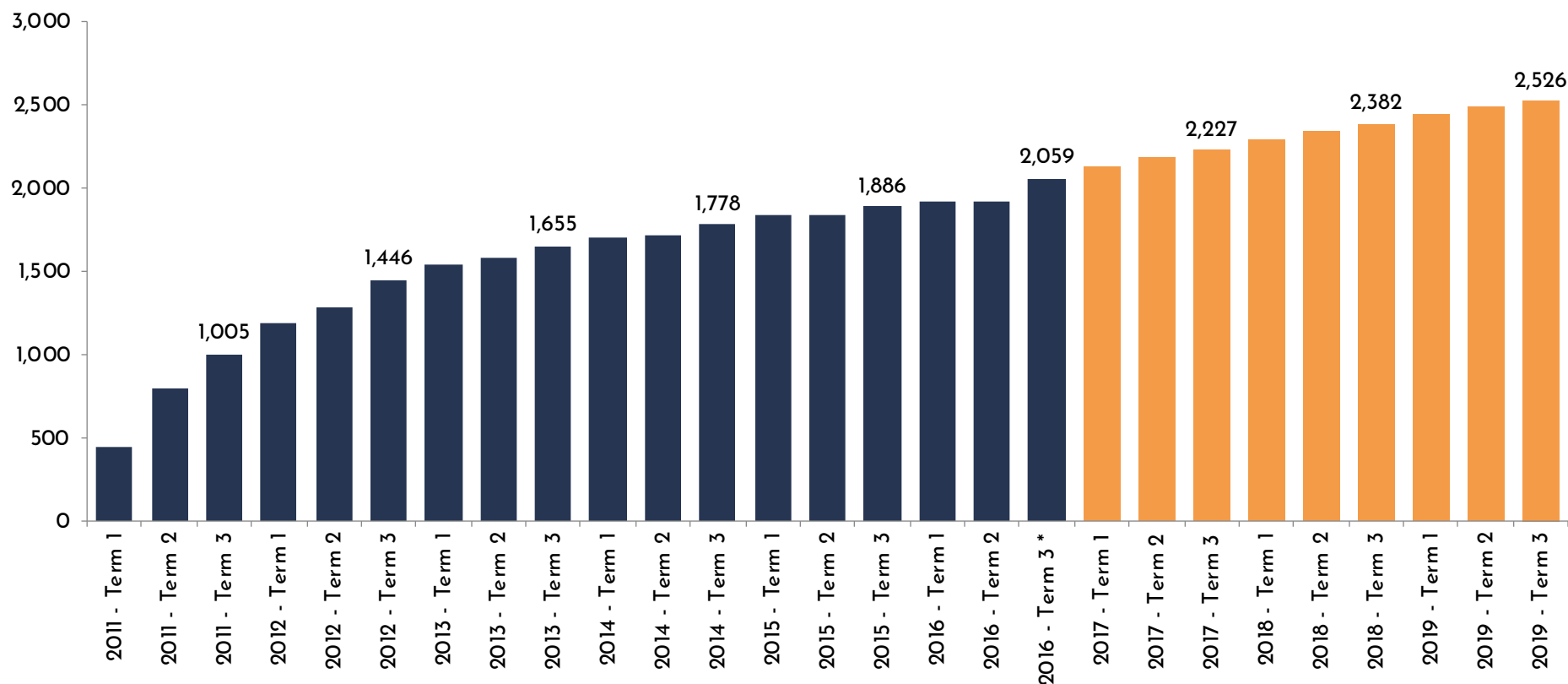
Over 50% of schools in England deemed inadequate by Ofsted have converted to academy status.

MATs will be under pressure to accept the remaining "Inadequate" schools into their trusts.



Growth trends - secondary academies

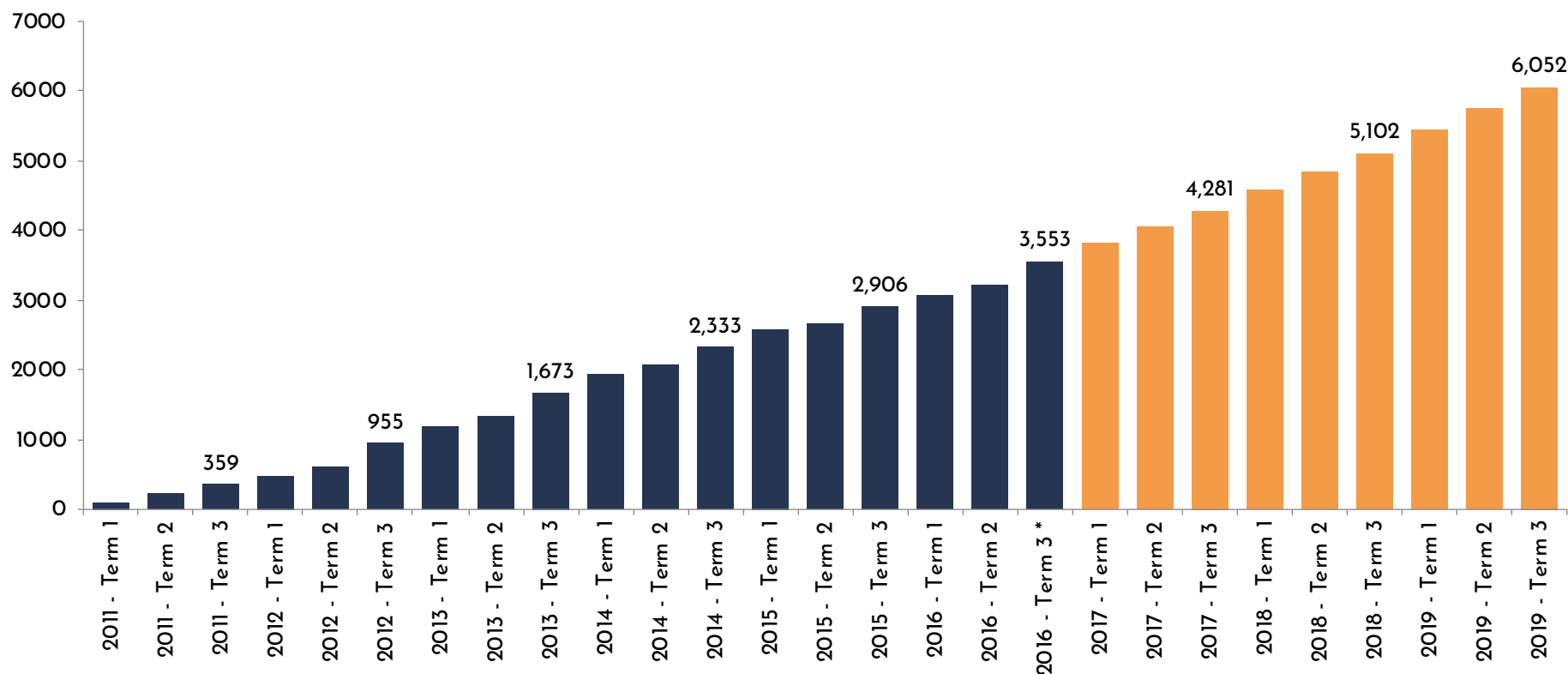
The number of secondary school academy applications has been reducing year on year. There are currently 168 secondary schools in the application pipeline. Based on current trends, and assuming **no** political intervention, within 3 years all but 500 secondary schools will have converted to academy status. This would represent 71% of the 3,556 secondary schools in England.



* Current term

Growth trends - primary academies

The number of primary school academy applications has been consistent over the last few years with the caveat that very small primary schools are less likely to apply. Unlike the secondary sector we are not nearing capacity so **without** political intervention the number of primary school conversions is likely to carry on growing steadily. The estimate of 6,052 would represent 36% of the 16,960 primary schools in England.



* Current term

Multi-academy trusts

Size, growth and context



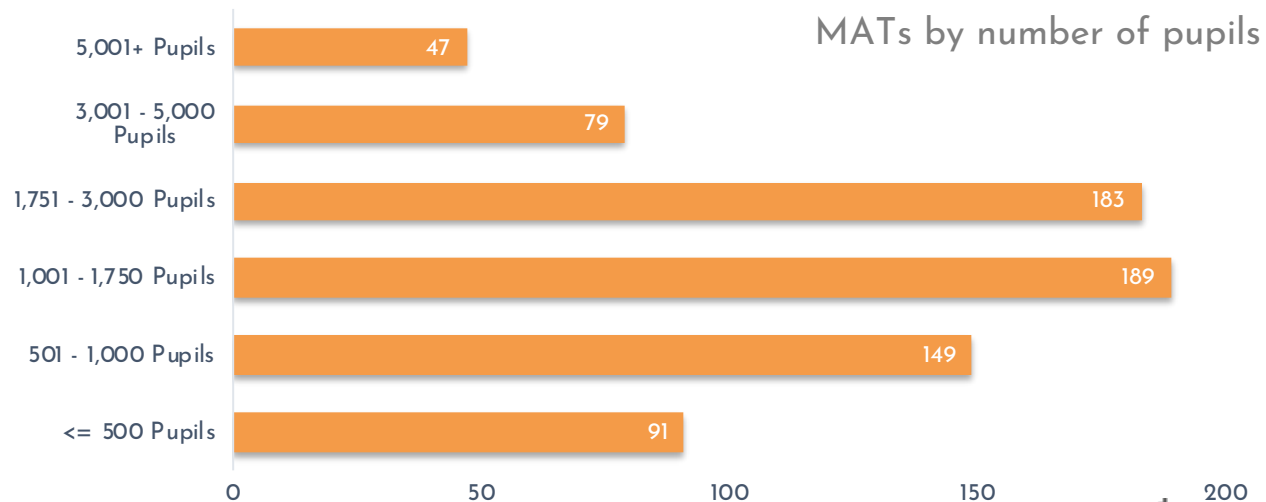
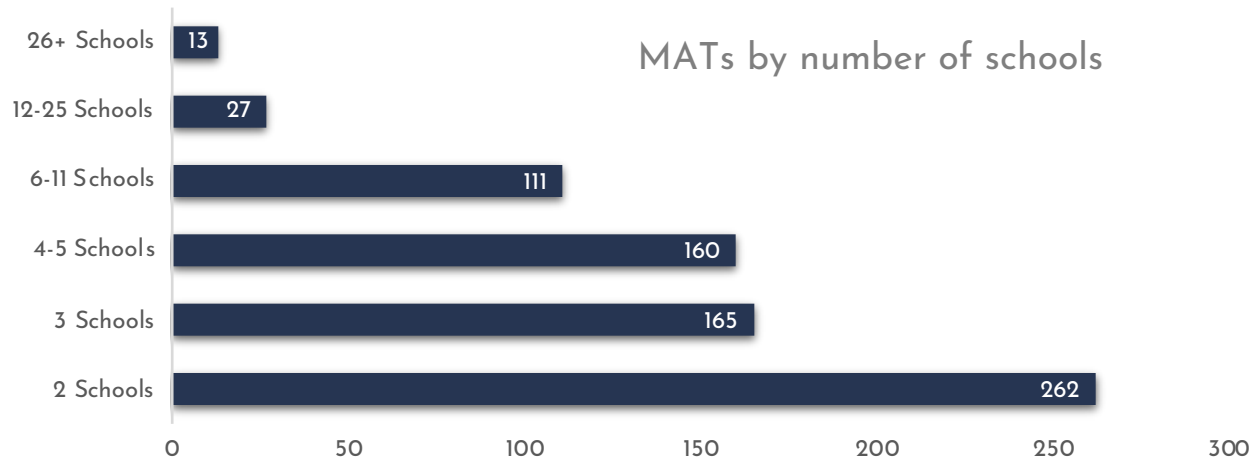
The number of MATs

At the time of publication there were 738 true* multi-academy trusts operating in England.

There are two ways to measure the size of a MAT.

- Number of schools
- Number of pupils

Where applicable this report looks at both, using the groups detailed here.



* Managing at least 2 schools

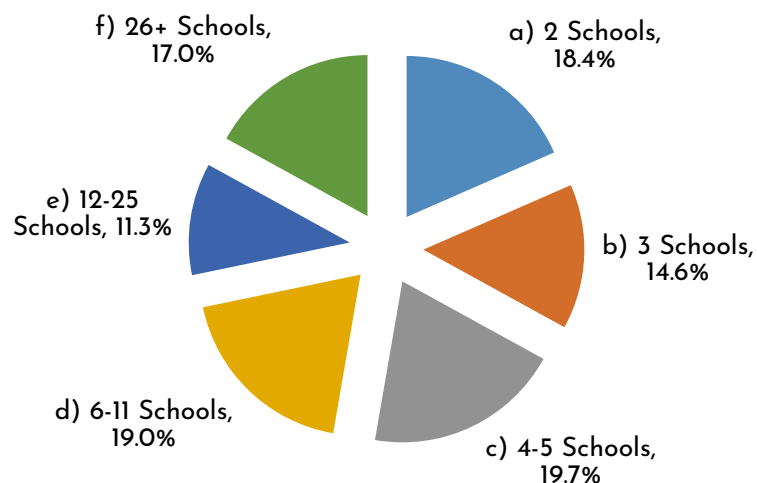
MAT income

Schools in England that are managed by MATs receive approximately 20% of the English schools budget.

The budget managed by MATs splits very evenly across the different sized MATs.

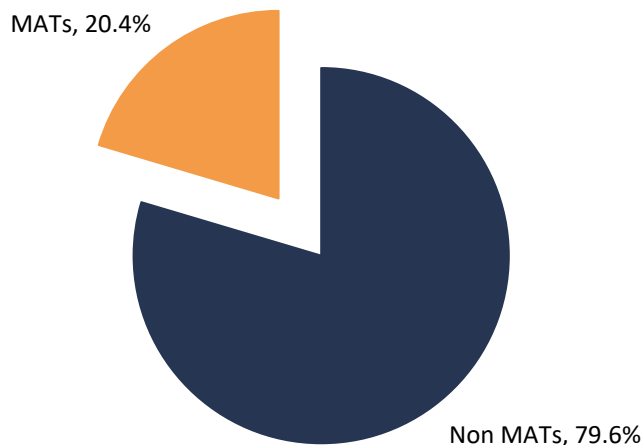
AET schools receive £14 million of Pupil Premium funding.

MAT Income Distribution



No of MATS by size

2 Schools	262
3 Schools	165
4-5 Schools	160
6-11 Schools	111
12-25 Schools	27
26+ Schools	13

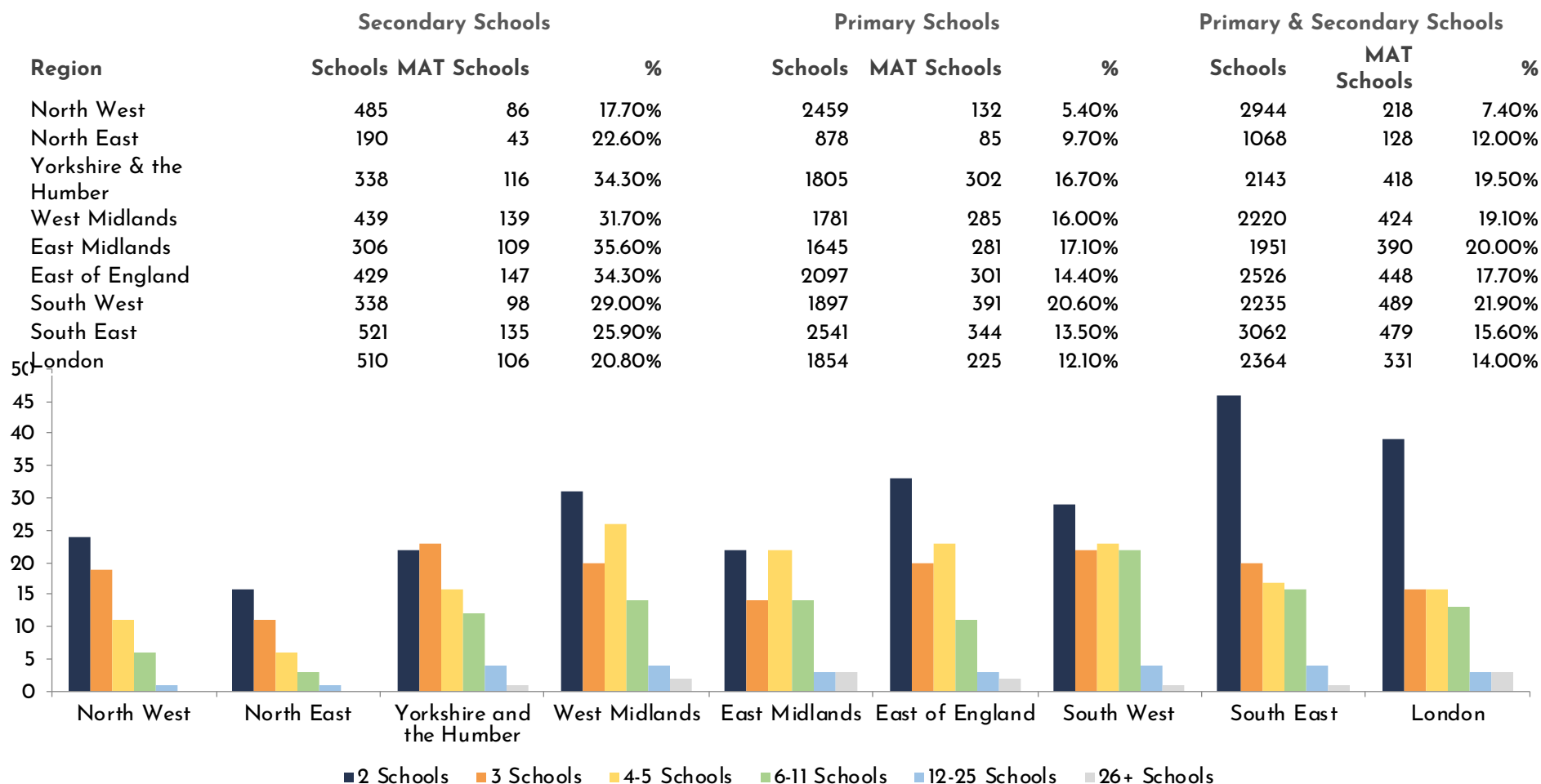


Pupil premium income for the top 10 MATs

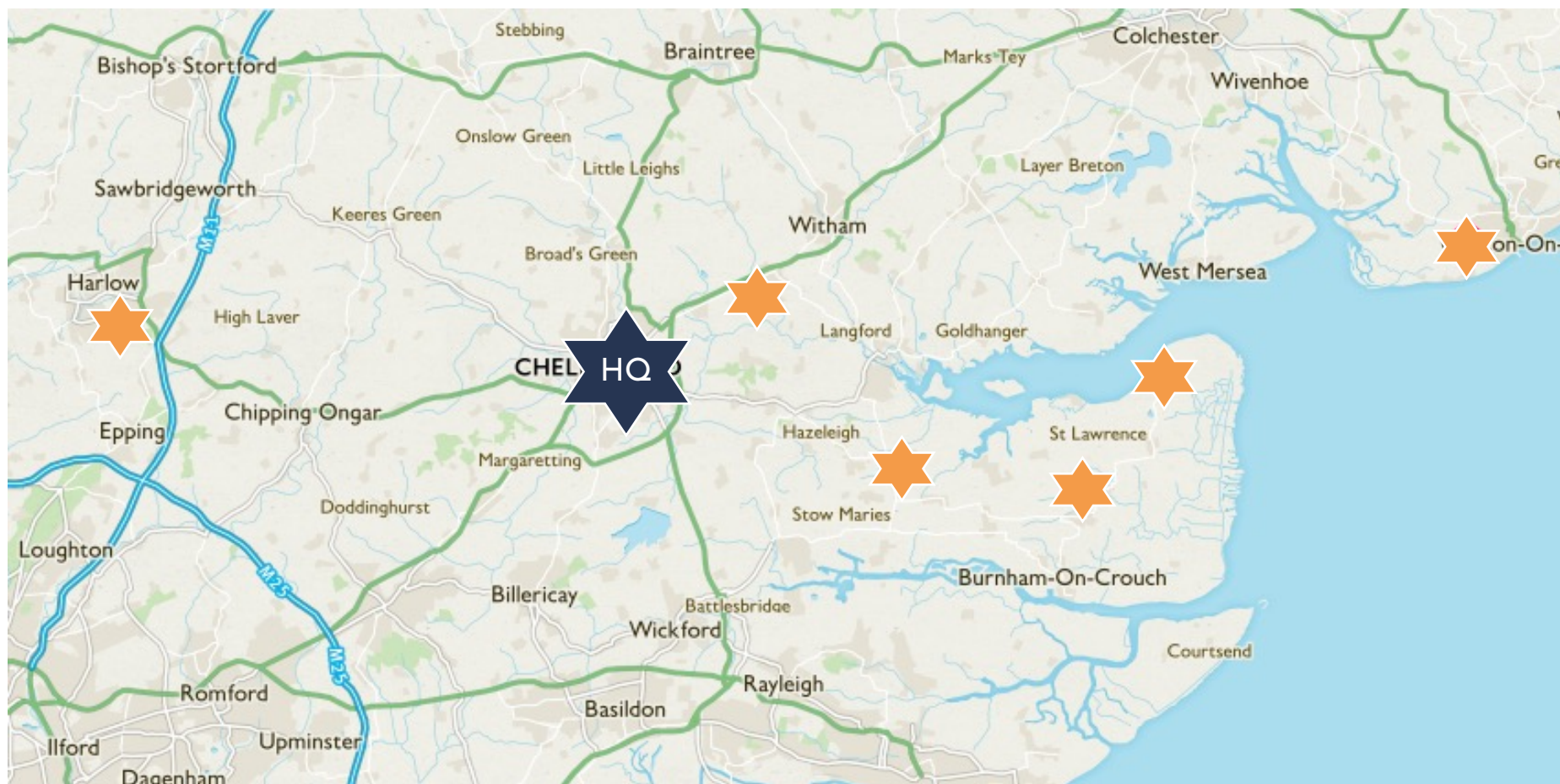
Academies Enterprise Trust (AET)	£14,417,000
United Learning Trust	£12,140,000
Oasis Community Learning	£11,630,000
ARK Schools	£9,204,000
The Kemnal Academies Trust	£8,762,000
Harris Federation	£8,229,000
REAch2 Academy Trust	£8,016,000
Ormiston Academies Trust	£7,908,000
Delta Academies Trust	£7,535,000

Regional variations

The regional spread of MATs shows a large a number of small MATs in London and the South East. The qualitative research suggests that many of these will merge to create larger MATs.

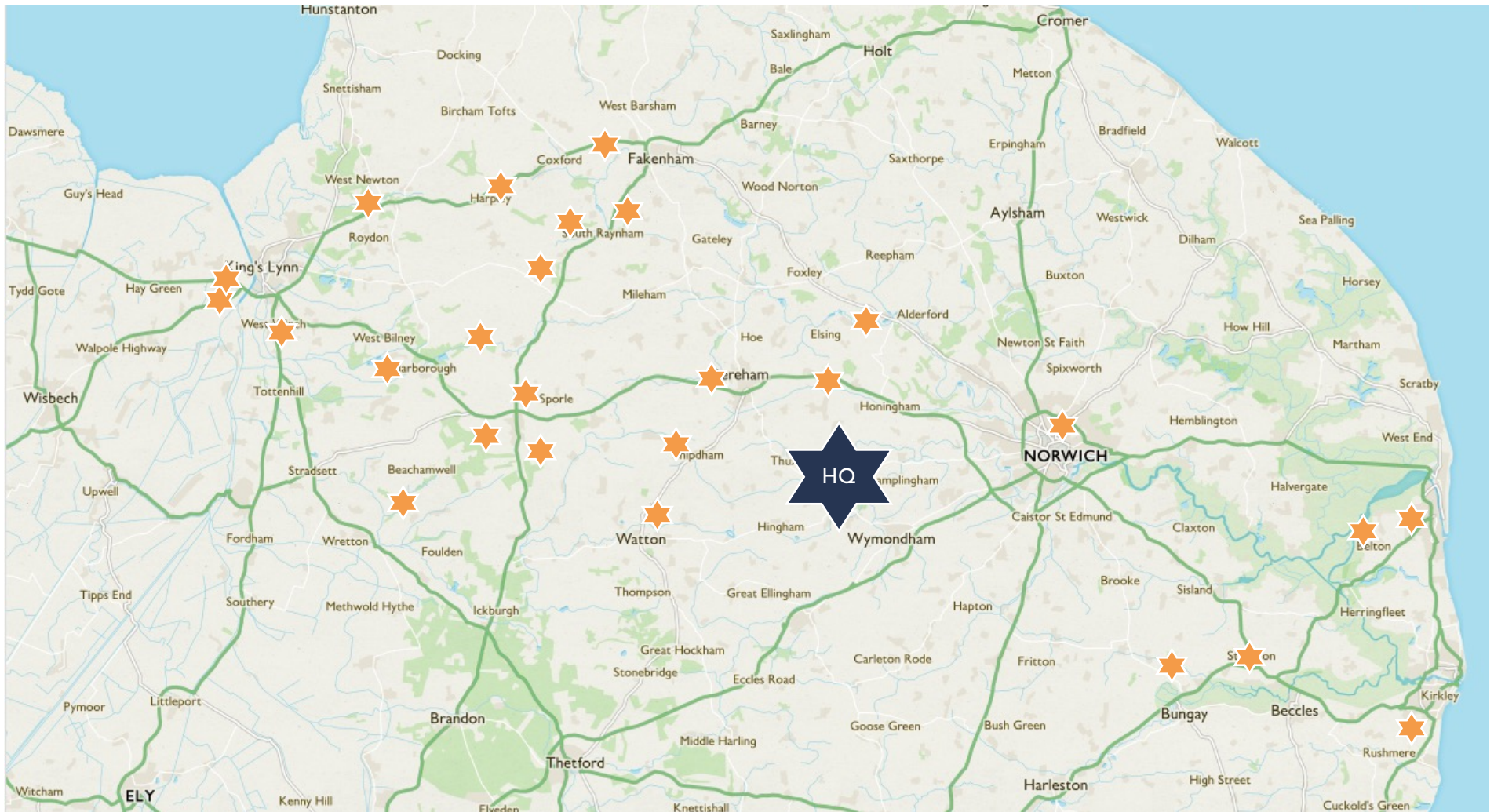


Geographical spread - a typical small MAT



The Diocese of Chelmsford Vine Schools Trust

Geographical spread - a typical large MAT



The Diocese of Norwich Education and Academies Trust

How many MATs will there be by 2020?

103 MATs shared their plans for increasing the number of schools in their trusts. The figures below are based on their predictions for the next 3 years. We also asked how large they felt the MAT could / should become. Very few detailed an ultimate size above 15 - 20 schools.

MAT Size Segment	Number of MATs	Current Academies	Avg 3 Year Growth Plan	Additional Academies	Projected Academies
2 Schools	262	524	3	786	1,310
3 Schools	165	495	3	495	990
4-5 Schools	160	691	4	640	1,331
6-11 Schools	111	831	8	888	1,719
12-25 Schools	27	438	9	243	681
26+ Schools *	13	527	11	143	670
		3,506		3,195	6,701

If we take our earlier prediction of approximately 8,500 academies by 2020 we can make some estimates around the number of MATs we need.

Our analysis, plus opinions and advice from government, MATs and commentators, suggests that a MAT needs between 8 and 12 schools before they become financially secure.

There are already 1,000 trusts that can technically operate as a MAT.

We already have enough MATs to deal with the predicted demand.

Trustees

Who runs the trusts?

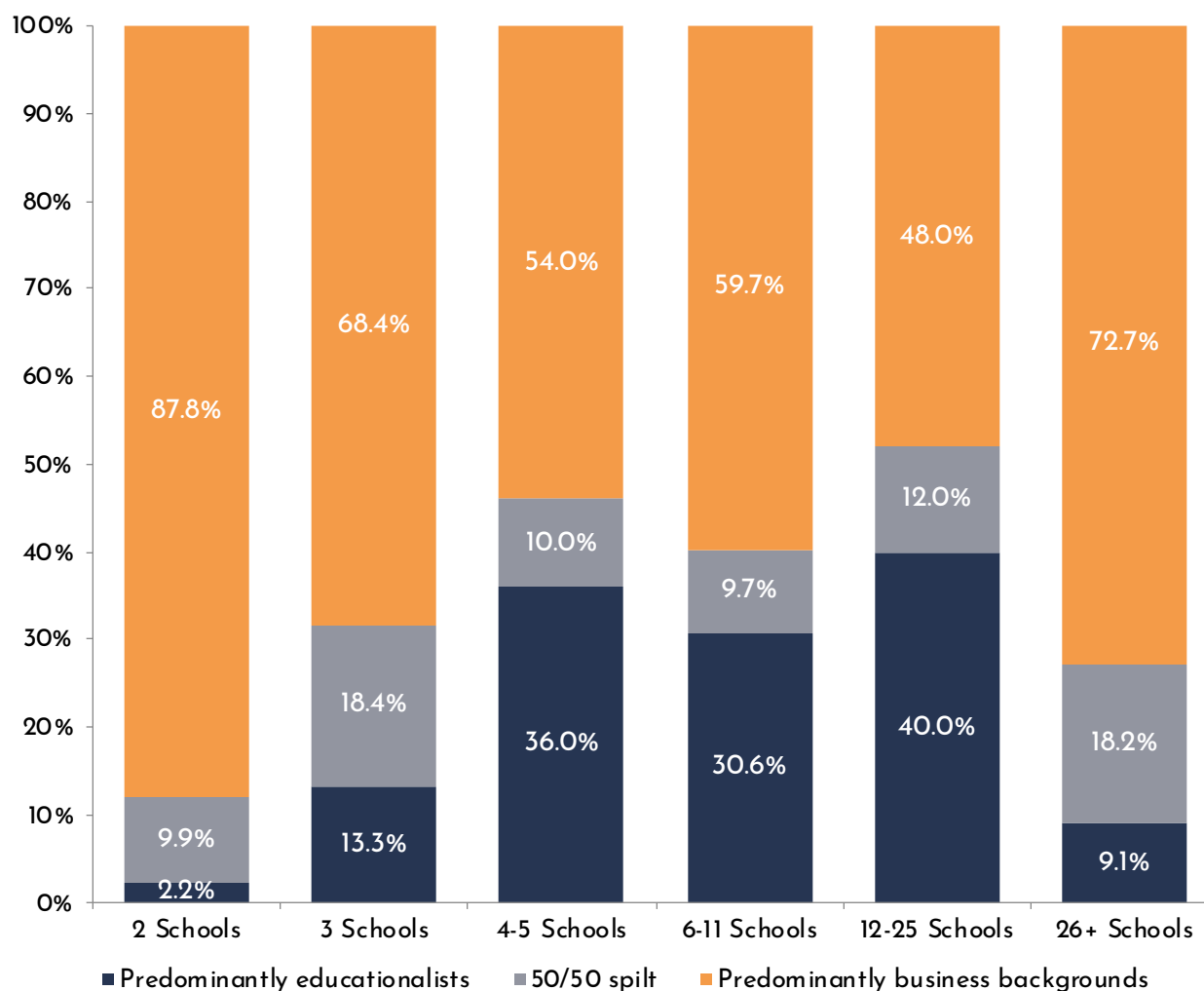


Who runs multi-academy trusts?

The study of who runs multi-academy trusts has been produced using an analysis of the board trustees. The analysis looked at the number of educationalists on each of the boards.

Small MATs have very few trustees with educational backgrounds. Further research has suggested that many of the original governors from the schools in the small MATs went on to join the Board of Trustees.

It is clear that MATs are not, on the whole, being run by people with a background in frontline education.



Funding the trusts

Top-slicing



Fixed or variable

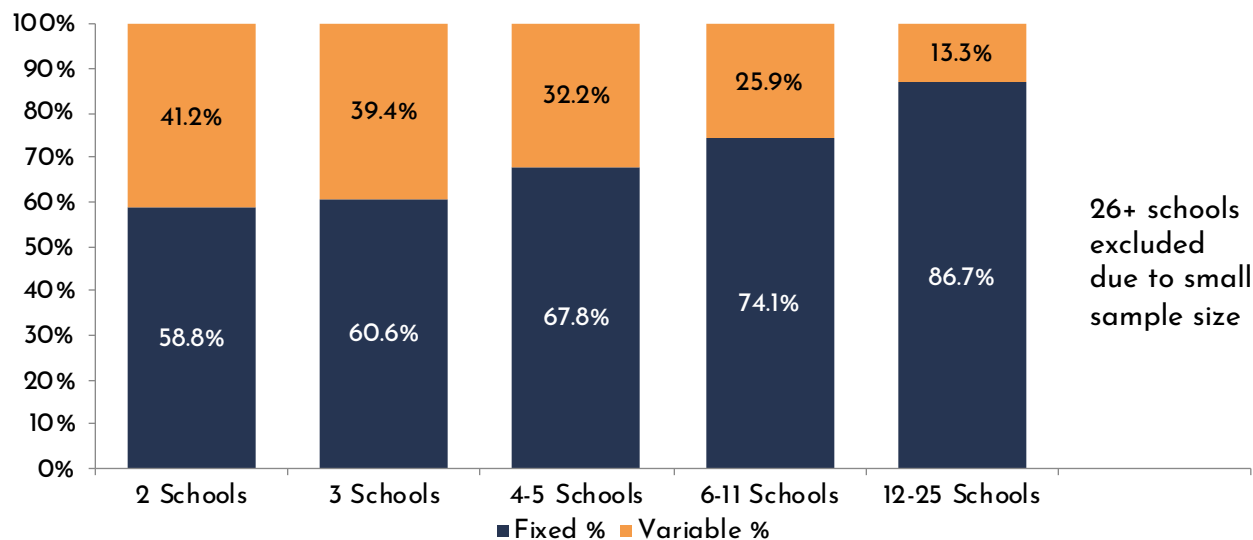
A common misconception is that multi-academy trusts pass money to the schools they manage. In fact, the flow of money is from central government to the academy and then to the MAT.

Each academy pays a fee to the MAT which covers the MAT running costs and any centrally provided services. This is known as “**top-slicing**”.

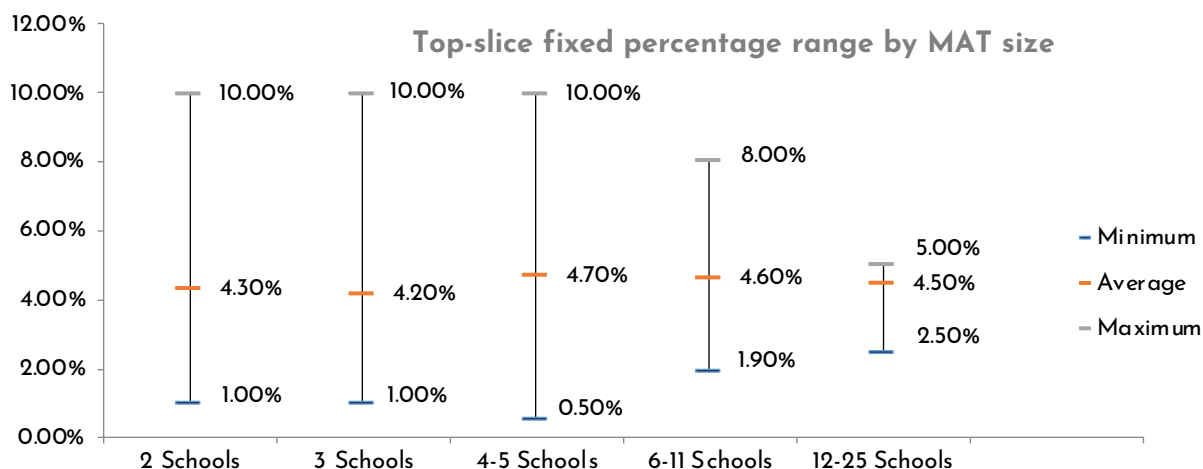
There are two common methods, fixed and variable.

The fixed rates vary greatly dependent on the cost of central services.

Top slice method by MAT size



Top-slice fixed percentage range by MAT size



The sentiment

Only 170 of the MATs interviewed were prepared to share their top slicing rules. What was very clear, however, is that they are constantly under review with interviewees overwhelmingly stating that the rules change every year.



"The top slice is variable and depends on each school's legacy Ofsted grade"

A very common method used for variable top slicing.



"Although the top limit is 8% all schools are currently working below this. The rate fluctuates depending on the circumstances. For example, one school was in special measures when it joined and needed more put into it."

A common sentiment that the rules are flexible

Procurement practices

Centralised vs Decentralised



A context for analysis

The analysis looked at 8 procurement areas, namely:

- Assessment
- CPD
- Facilities management & fixtures & fittings ("facilities")
- ICT
- Learning and curriculum
- Recruitment and staffing
- Teaching equipment and supplies
- Utilities - gas, water, electricity

Responders were asked to state which of the following three options best described their process of procurement in each area -

- **School** - the school makes the procurement decision
- **Trust** - the MAT makes the procurement decision
- **Collaboration** - the school and the MAT make the procurement decision together

397 MATs provided comprehensive responses.



Dedicated procurement officers

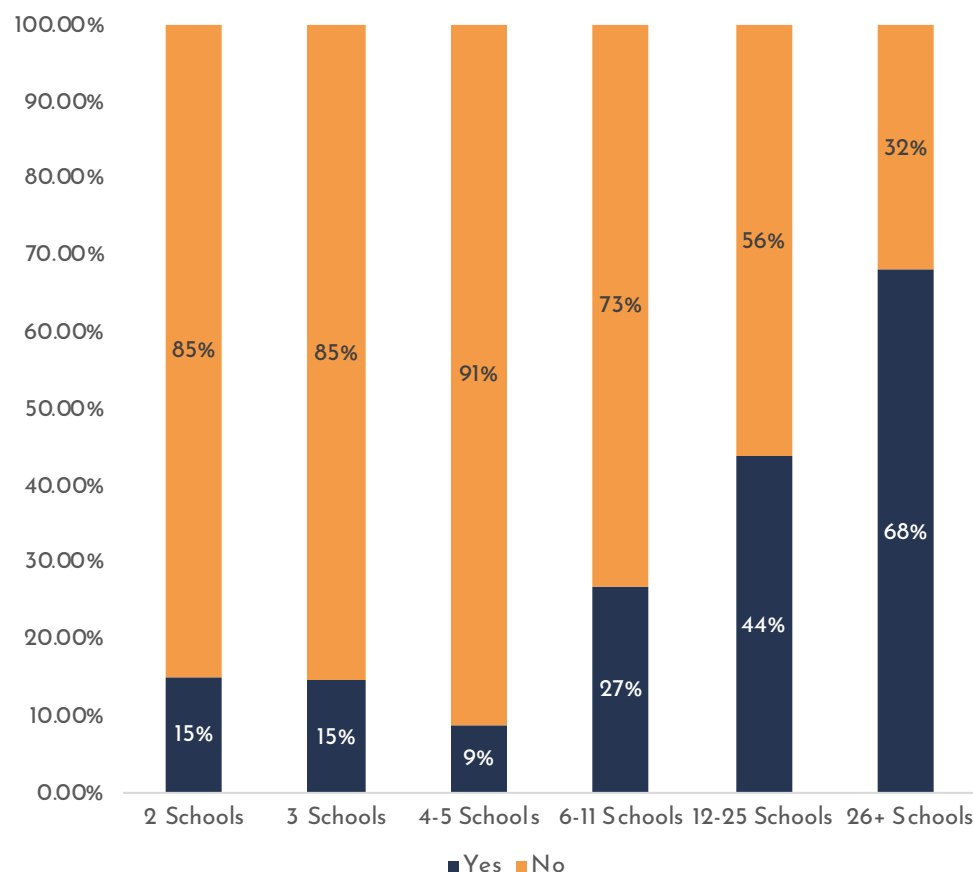
Dedicated procurement officers are appearing in MATs but they aren't likely until the the MAT is running at least 9 schools.

One of the largest academy trusts didn't recruit a procurement officer for the first 8 years of operation, citing academic performance challenges as the initial priority.

The average salary in the UK for a head of procurement currently stands at £64,000 per annum.

There is strong desire amongst most of the MATs to employ a procurement officer with approximately 1/3 of those interviewed detailing plans to appoint a dedicated procurement officer. The smaller MATs are encouraging their school business managers to assume the role of procurement officer.

Procurement officers in MATs



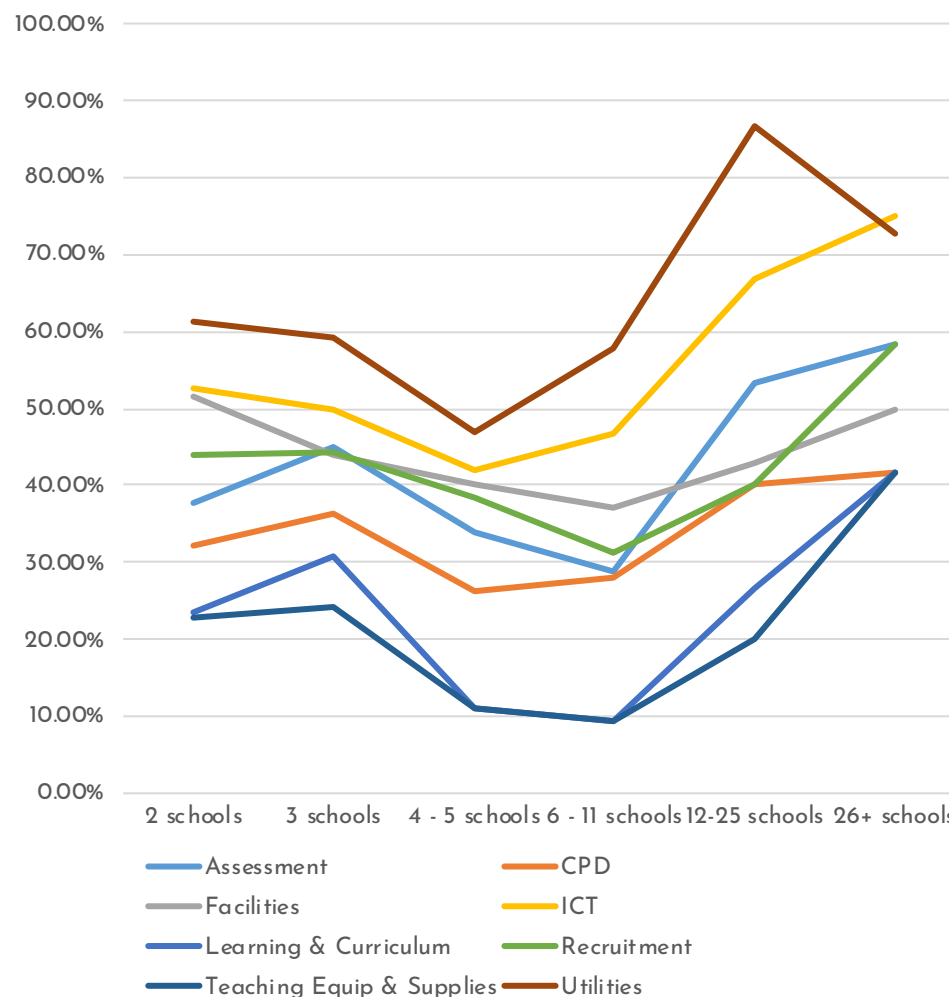
Overview

The likelihood of centralisation of procurement to the MAT follows a reverse bell curve; i.e. it is **more** likely that a 2 or 3 school MAT centralises than a MAT with 4 - 6 schools. However, as the number of schools in the MAT reaches double figures, the likelihood of centralisation begins to rise again.

Our interviews suggest that an explanation for this is the implementation cost vs potential cost saving.

For example, where there are just 2 or 3 schools, cooperation is straight-forward and centralised purchasing possible. As the number of schools increases, cooperation becomes more difficult and the lack of a central procurement process means the benefits are small. However, once the MAT reaches a significant size, cost savings make centralised purchasing very appealing.

Likelihood of centralised purchasing by the MAT



What is being centralised to the MAT?

The following section looks in detail at each of the procurement areas surveyed.

The league table of centralised purchasing contains very few surprises, with utilities the most likely and teaching and learning resources least likely.

Large MATs are finding the centralisation of procurement of "facilities" difficult because of their geographical spread.



59% of MATs have centralised utilities



51% of MATs have centralised ICT



45% of MATs have centralised "facilities"



41 % of MATs have centralised recruitment & staffing



39% of MATs have centralised assessment solutions



32 % of MATs have centralised CPD



21% of MATs have centralised learning & curriculum resources



19% of MATs have centralised teaching equipment

Most likely



Least likely

Utilities

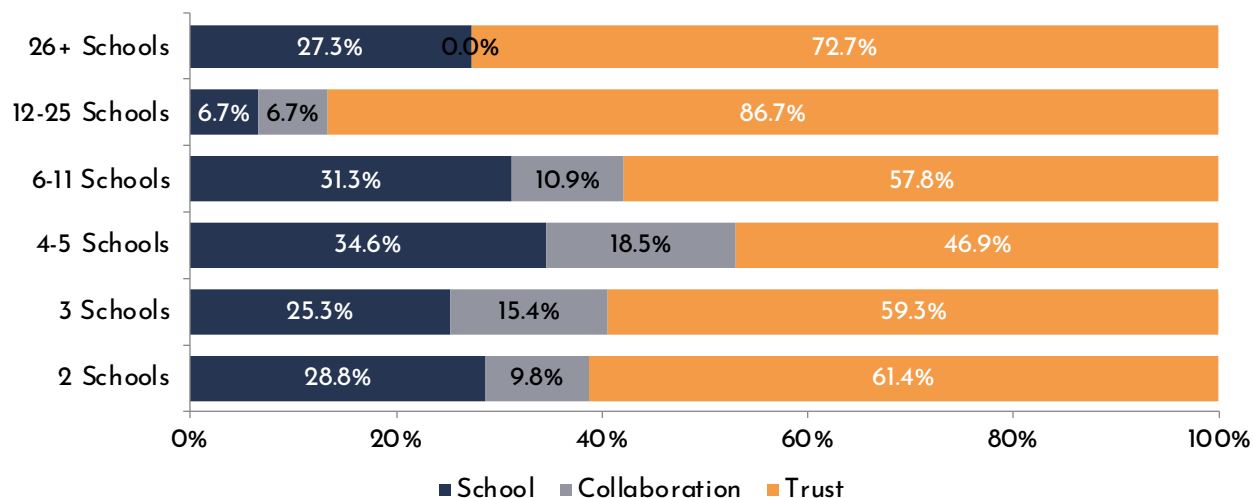
Unsurprisingly, utilities is the most likely service to be centralised.

School and MAT sentiment are aligned.

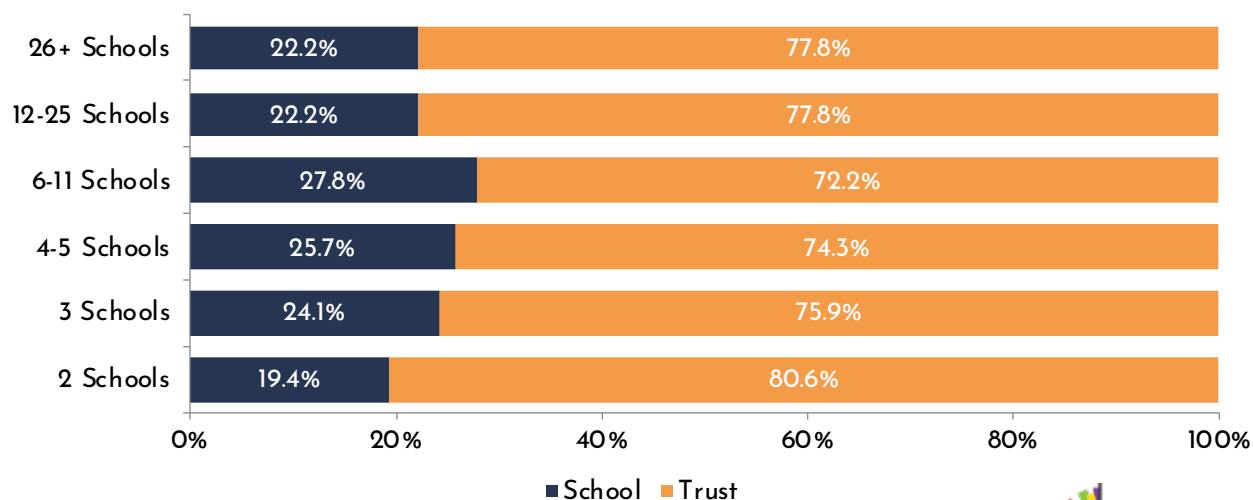
There is an interesting reversal of the trend when we look at very large MATs. Analysis of the qualitative data identifies geographical spread as a possible explanation.

59% of MATs centralise procurement of utilities.

Who is making the decision?



Who do schools think should make the decision?



ICT infrastructure and equipment

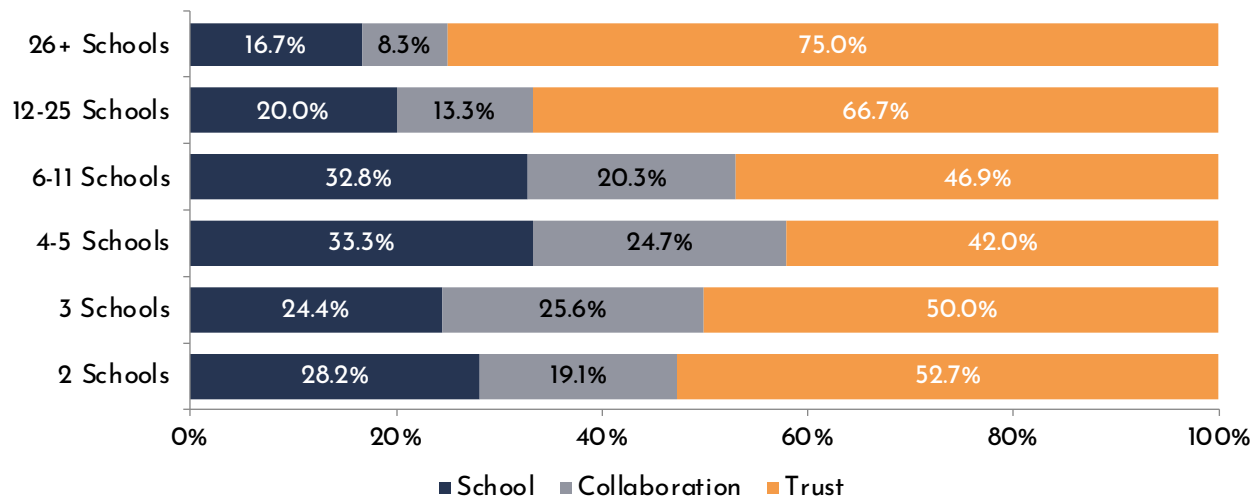
Of the 8 areas surveyed, ICT is the **2nd MOST** likely to be centralised.

School sentiment and MAT behaviour is strongly aligned. Schools overwhelmingly want the MAT to manage their ICT.

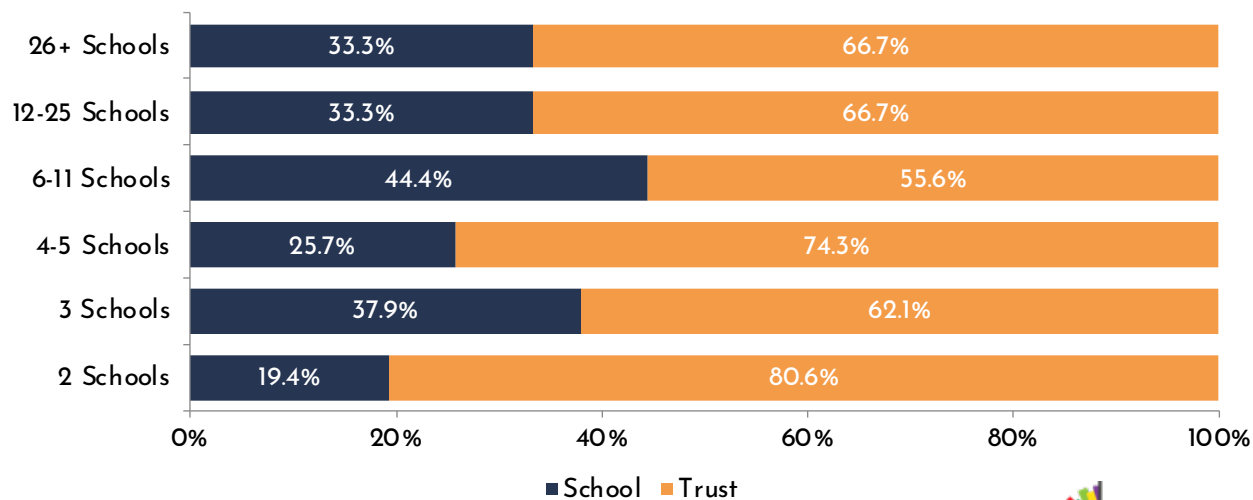
The size of the MAT appears to be an influence on central purchasing of ICT.

51% of MATs centralise procurement of ICT equipment and services.

Who is making the decision?



Who do schools think should make the decision?



Facilities

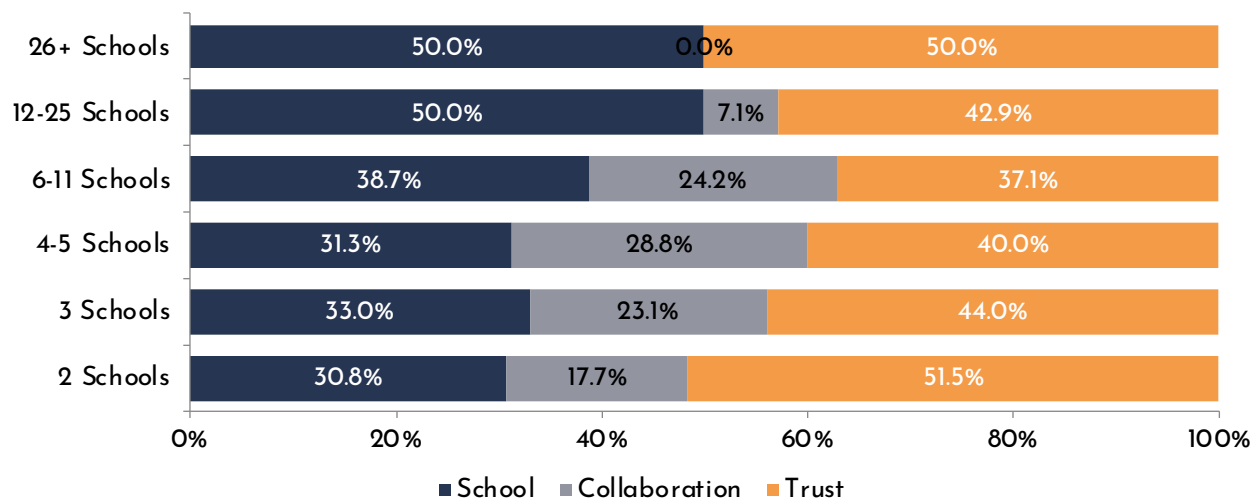
Of the 8 areas surveyed, "facilities" is the 3rd mostly likely to be centralised.

School and MAT sentiment is out of alignment, but in this instance it is because almost all schools would like to pass facilities management to their MAT.

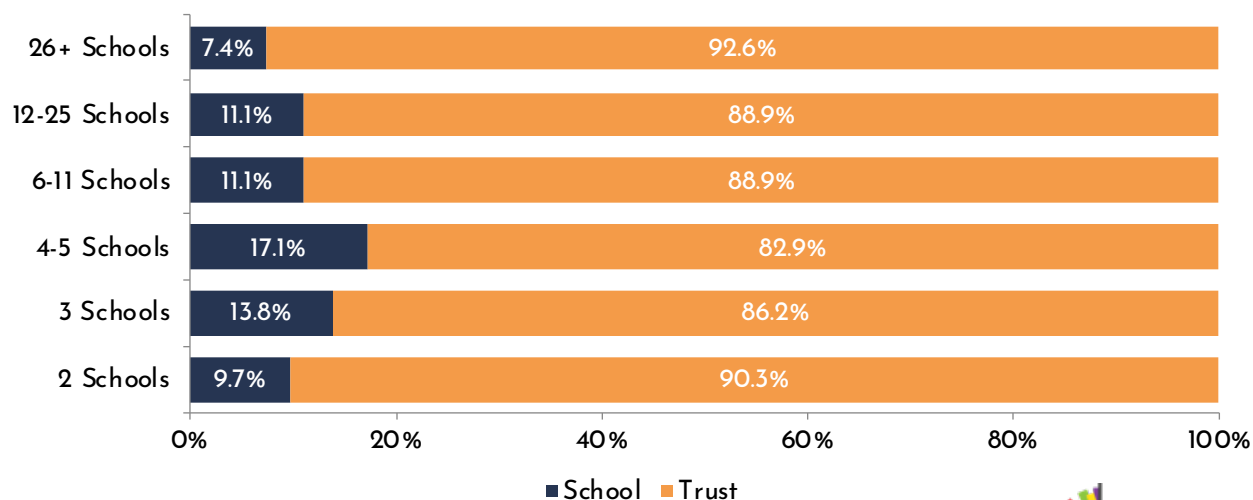
For the first time there is a reverse correlation between facilities management being centralised and the size of the MAT. Once again, this is probably a consequence of geographical spread.

45% of MATs centralise procurement of facilities management.

Who is making the decision?



Who do schools think should make the decision?



Recruitment and staffing

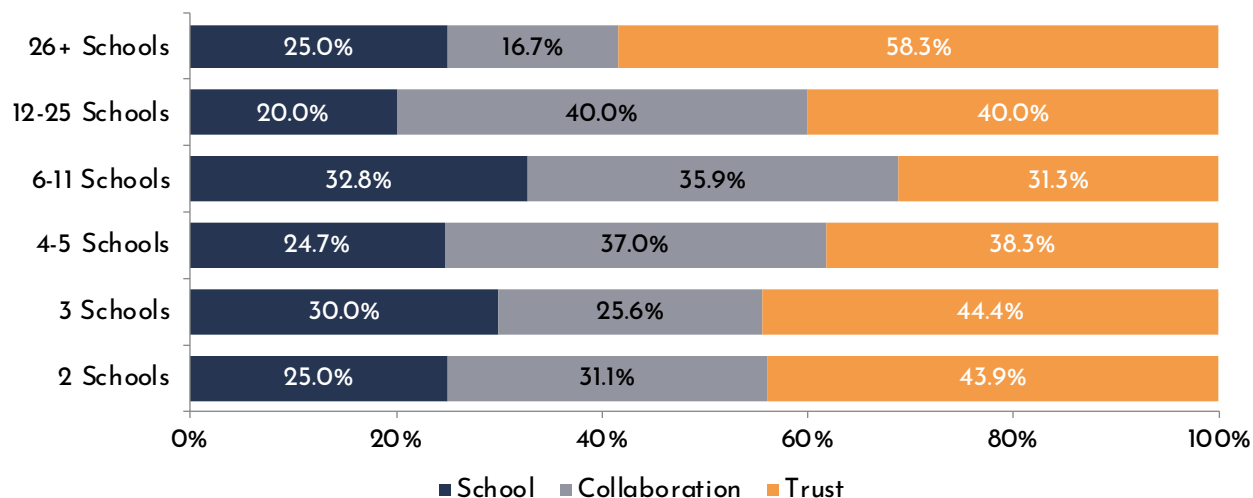
Of the 8 areas surveyed, recruitment is the **4th most** likely to be centralised.

School sentiment and MAT behaviour are out of alignment although there is clearly cooperation given the large number of MATs indicating that it is a shared responsibility.

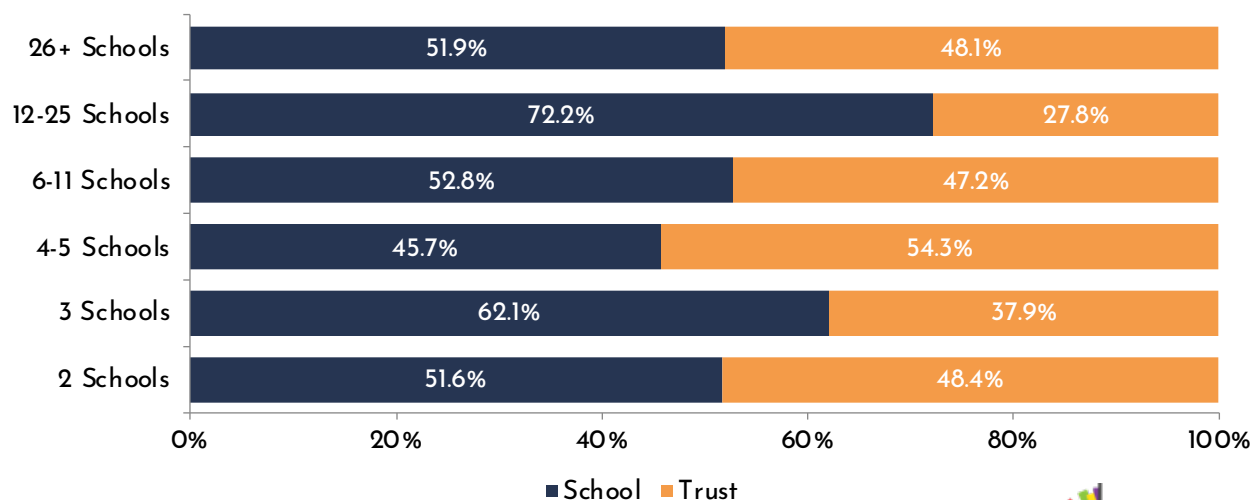
Anecdotally, the cost of supply teachers is an area of concern for MATs with many planning to use teaching assistants rather than supply agencies.

41% of MATs centralise the recruitment of staff.

Who is making the decision?



Who do schools think should make the decision?



Assessment

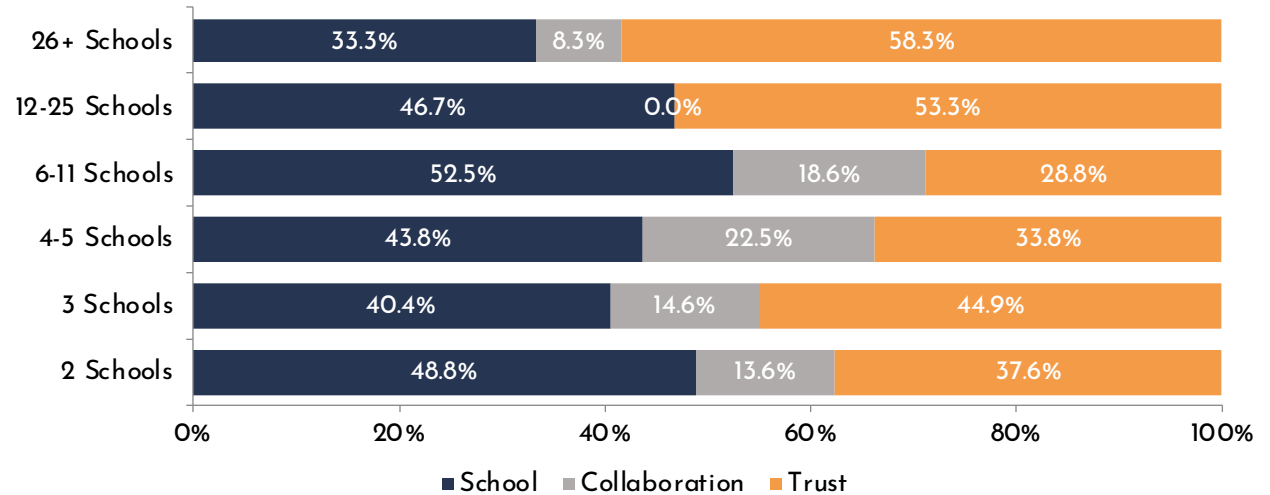
Of the 8 areas surveyed, assessment is the **5th** mostly likely to be centralised.

The size of the MAT does not appear to be a strong influence on central purchasing until the MAT becomes very large.

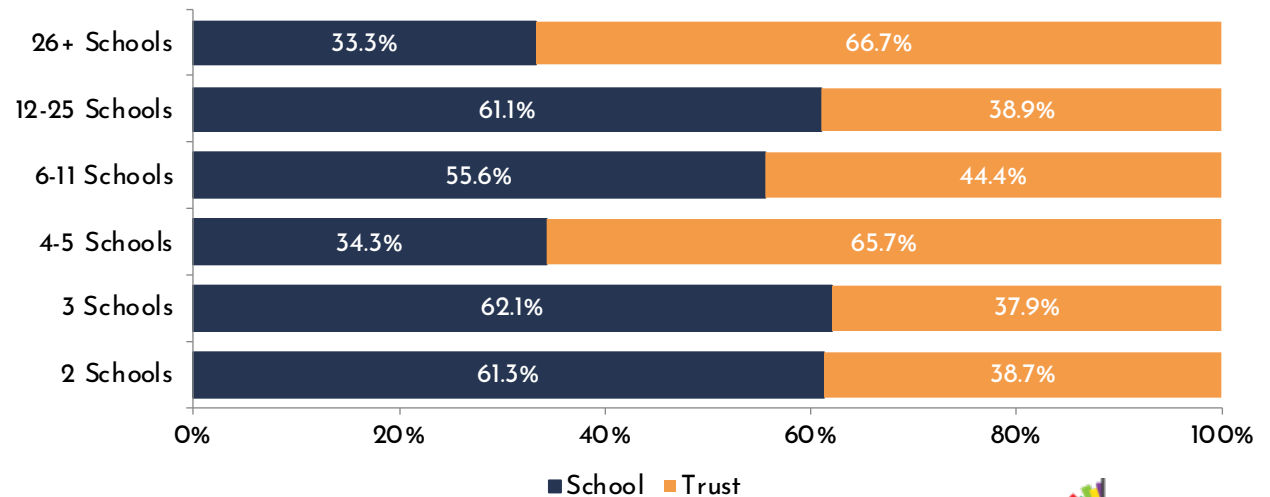
Most schools would prefer to choose their assessment provider.

39% of MATs centralise procurement of assessment solutions.

Who is making the decision?



Who do schools think should make the decision?



CPD

Of the 8 areas surveyed, CPD is the **3rd** least likely to be centralised.

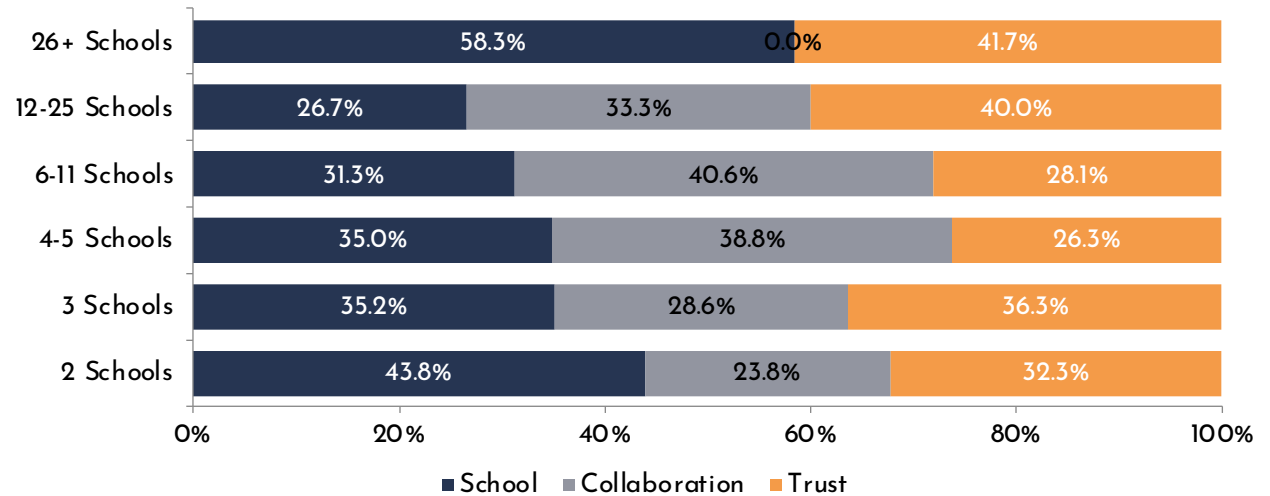
School sentiment and MAT behaviour are well-aligned.

CPD is an area where the schools and the MATs work closely together to find suitable solutions.

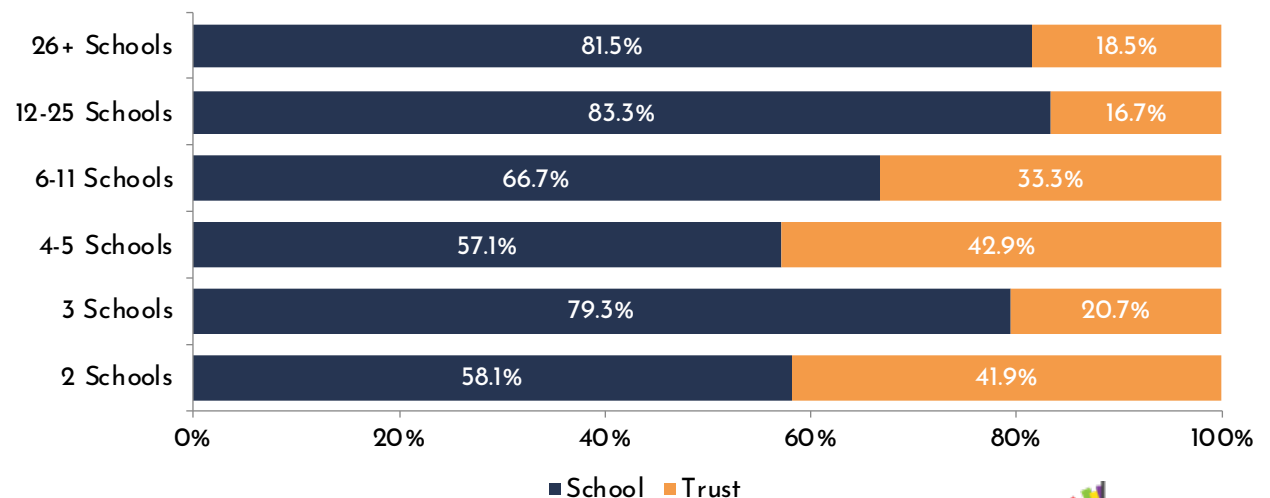
The size of the MAT does not appear to be a strong influence on central purchasing until the MAT becomes very large.

32% of MATs centralise procurement of CPD.

Who is making the decision?



Who do schools think should make the decision?



Learning and curriculum

Of the 8 areas learning and curriculum is the **2nd least** likely to be centralised.

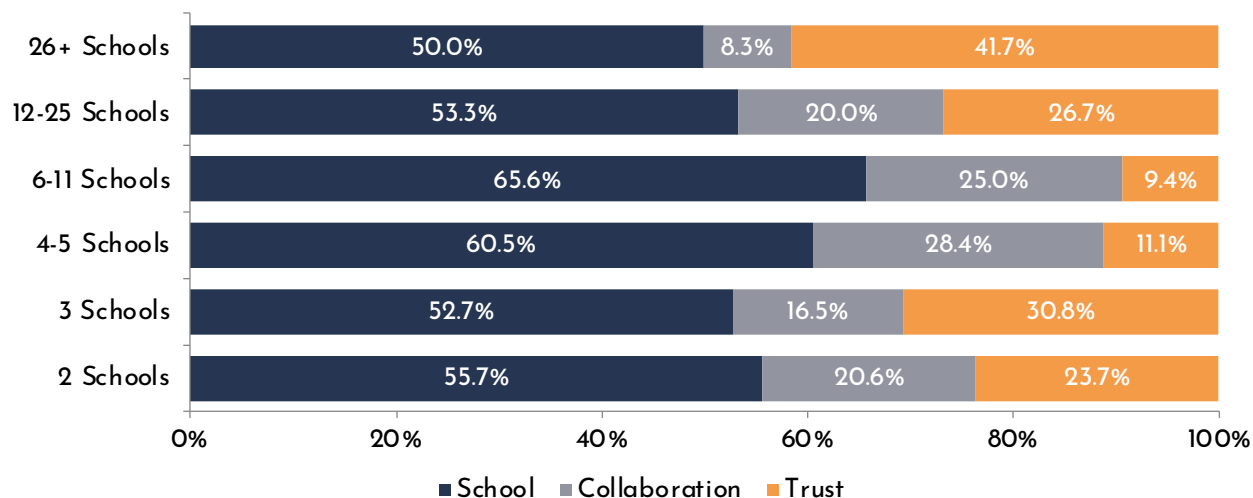
Most MATs are letting their schools make their own decisions on learning and curriculum resources.

The size of the MAT does not appear to be a strong influence on central purchasing and the reverse bell curve is strong here; i.e. small and large MATs centralise more than average size MATs.

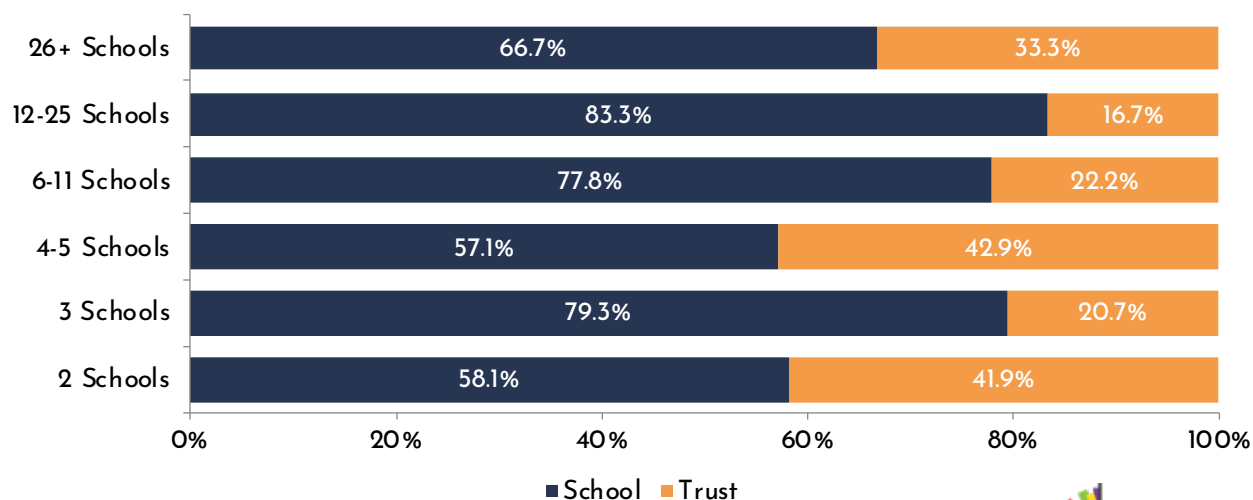
Most schools would prefer to choose their learning and curriculum resource providers.

21% of MATs centralise procurement of learning and curriculum resources.

Who is making the decision?



Who do schools think should make the decision?



Teaching equipment and supplies

Of the 8 areas surveyed, teaching equipment and supplies is **LEAST** likely to be centralised.

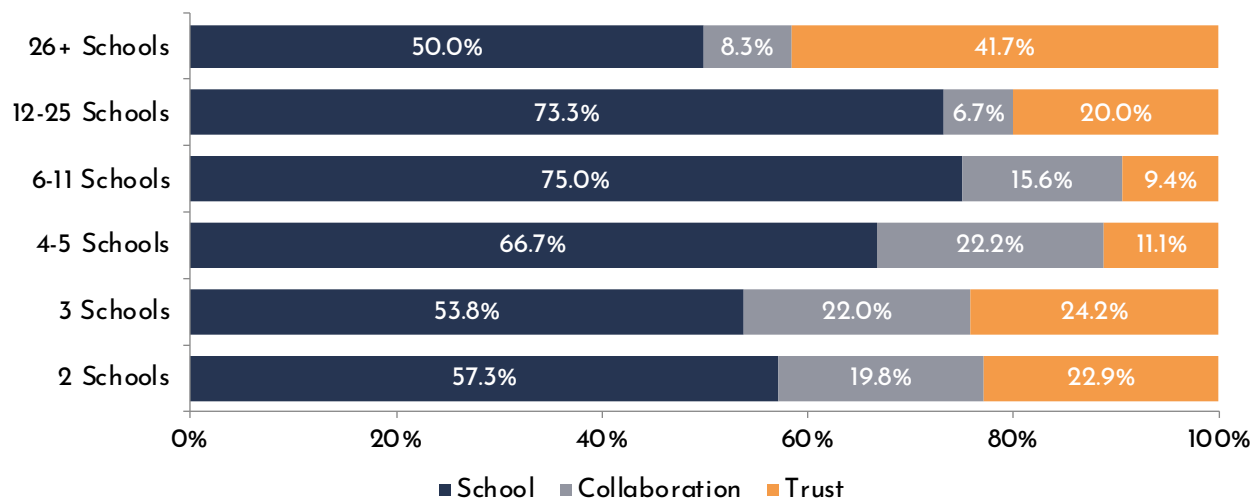
Most MATs are leaving their schools to source their own teaching equipment and supplies.

The size of the MAT does not appear to be a strong influence on central purchasing until the MAT becomes very large.

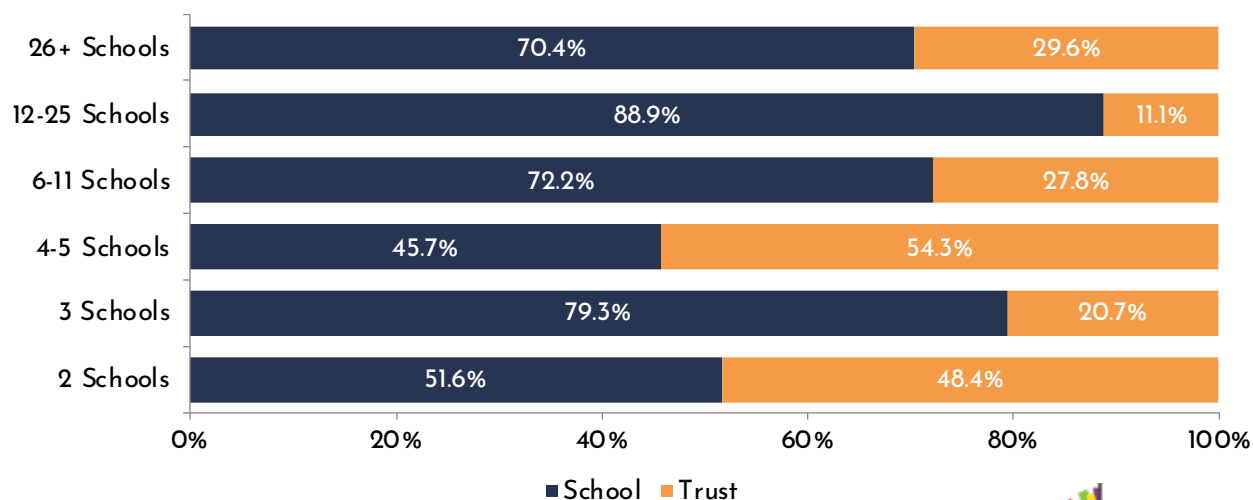
The vast majority of schools would prefer to source their own teaching and equipment supplies.

19% of MATs centralise procurement of teaching equipment and supplies.

Who is making the decision?

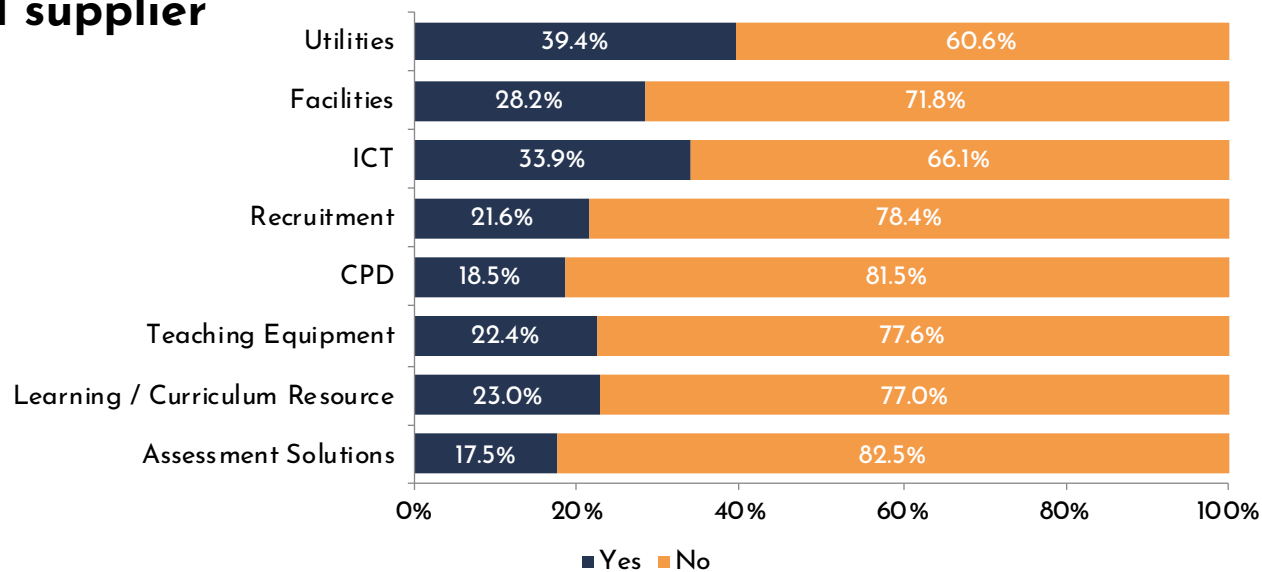


Who do schools think should make the decision?

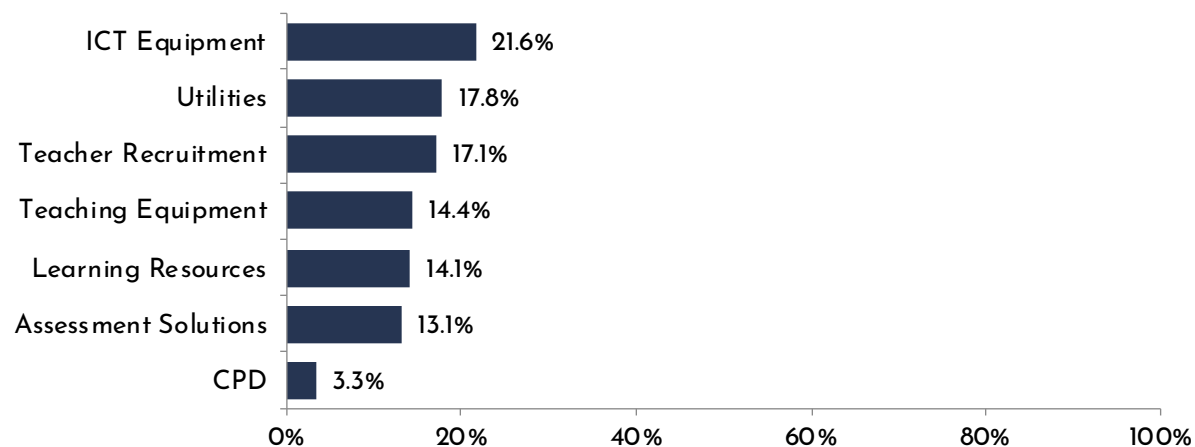


Frameworks and approved supplier lists

Most MATs are aware of frameworks and the potential benefits. Many are using them for at least some of their purchases. However, over 30% of comments about frameworks were negative with people citing lack of flexibility and cumbersome procedures.



% of MATs that have published an approved supplier list



Comments about frameworks



"The Chief Financial Officer has looked at the government frameworks and uses them as a reference point, but so far has not used them because they feel that their prices are fixed and that is not how the market works. Energy prices change quickly and they need a broker to negotiate the best price for them." - 18-school MAT

"The trust has improved financial control throughout their schools. They have reduced audit fees and avoiding overspending. They are not really using frameworks, and prefer to put things out to tender. They find frameworks anti-competitive." - 5-school MAT



"Lyn loves frameworks as they allow staff to get on with their job and spend more time teaching. Lyn has not seen any saving as yet but she feels that it is important to invest money to access future savings." - 2-school MAT

"The trust is not keen on frameworks as you do not have control of contracts and they are difficult to hold them to account." - 5-school MAT

"The trust is currently focusing on all areas and is looking to make savings elsewhere. Frameworks are something they will be looking to in the future when they are bigger. At present decisions are made at a school level with final approval by the trust, they try to approve school decision." - 3-school MAT

Common themes



"The trust uses frameworks and often use Official Journal of European Union as they are such a large trust and above a certain financial threshold. They are not planning to centralise entirely as this will affect their place in OJEC and delay procurement time. They use an approved supplier list but if a school wishes to make a purchase over £1000 from one of these suppliers they must get three quotes to ensure the trust is still getting the best value."

40+school MAT

"The Trust had made savings on ICT contracts and photocopying and they were looking to make more savings on other school contracts. They use a pool for CPD training utilising in-house skills when possible. Each school has the authority to spend up to £75,000 and anything over that must be approved by the Trust."

2-school MAT



"The budgets are managed by the Heads of each school but any purchases over £3,000 are made by the Trust."

2-school MAT

"The trust manages 12 schools in hubs, Charlotte runs finance for one of the Hubs which includes three schools. They use frameworks. The long-term vision is to procure as a trust, but this does not make sense at the moment as they are not geographically close enough."

12-school MAT broken into four 3 school hubs

"Spending over £10,000 has to be approved by Pam, with the exception of the Primary school who have a £20,000 limit. Pam has lists of frequent purchases the schools make and will procure items centrally if the need arises. Pam feels that smaller trusts should be provided with more information regarding procurement and frameworks. Pam is from a procurement background but admits she finds the frameworks complicated."

7-school MAT

"Recruitment decisions depend on the level of recruitment. Headteacher and SLT have to go through the trust. Lower posts are decided by the school. Large ICT contracts need to be sanctioned by the trust (eg. broadband contracts). The trust has a turnover of 24 million pounds. We have just recruited a Chief Operations Officer who will be in charge of procurement."

30-schools MAT

Cost-cutting

The targets for cost-cutting



Targets for cost-cutting

310 MATs shared their cost-saving targets for the coming years.

A very common idea (not detailed on the table) was that growing the size of the MAT would bring cost-savings. This sentiment was very strong amongst the smaller MATs.

Staffing covered multiple ideas from sharing staff with other schools to the reduction of non teaching staff.

Central contracts was a catch-all statement that featured heavily.

Listed in the top 5 targets for cost saving	%
Staffing	23.9%
Central contracts	23.2%
ICT	18.6%
Utilities	12.7%
Supplies	8.5%
Catering	7.2%
HR	6.2%
Printing	5.2%
Insurance	4.9%
Facilities	4.2%
Cleaning	3.9%
Curriculum	2.9%
Payroll	2.9%
Back office	2.6%
Recruitment	2.3%
Finance	2.0%
CPD	0.3%

Common themes



"The Trust feels that there has been a lot more expense involved since academisation along with a lot more responsibility. We currently outsource Human Resources and the teachers pay structure."

7-school MAT

"The Trust is currently composed of two schools. They have saved some money by sharing staff between the schools; for example the Site Manager and the SENCO."

2-school MAT



"The trust has 11 schools, 10 primary and 1 secondary. They have a teaching school for their own CPD and have bought a safeguarding specialist which then goes to other schools and MATs. Schools are offered money back from the Trust if they offer their staff to be used across the trust."

11-school MAT

"The Trust will only expand in the next few years if they can find a suitable Secondary School, as they already have three Primary Schools. They are looking to cut their budgets by 10% and are hoping to do this by the use of frameworks. The trust, so far, has been financed by Education Service Grants from the schools and savings from staff changes."

5-school MAT

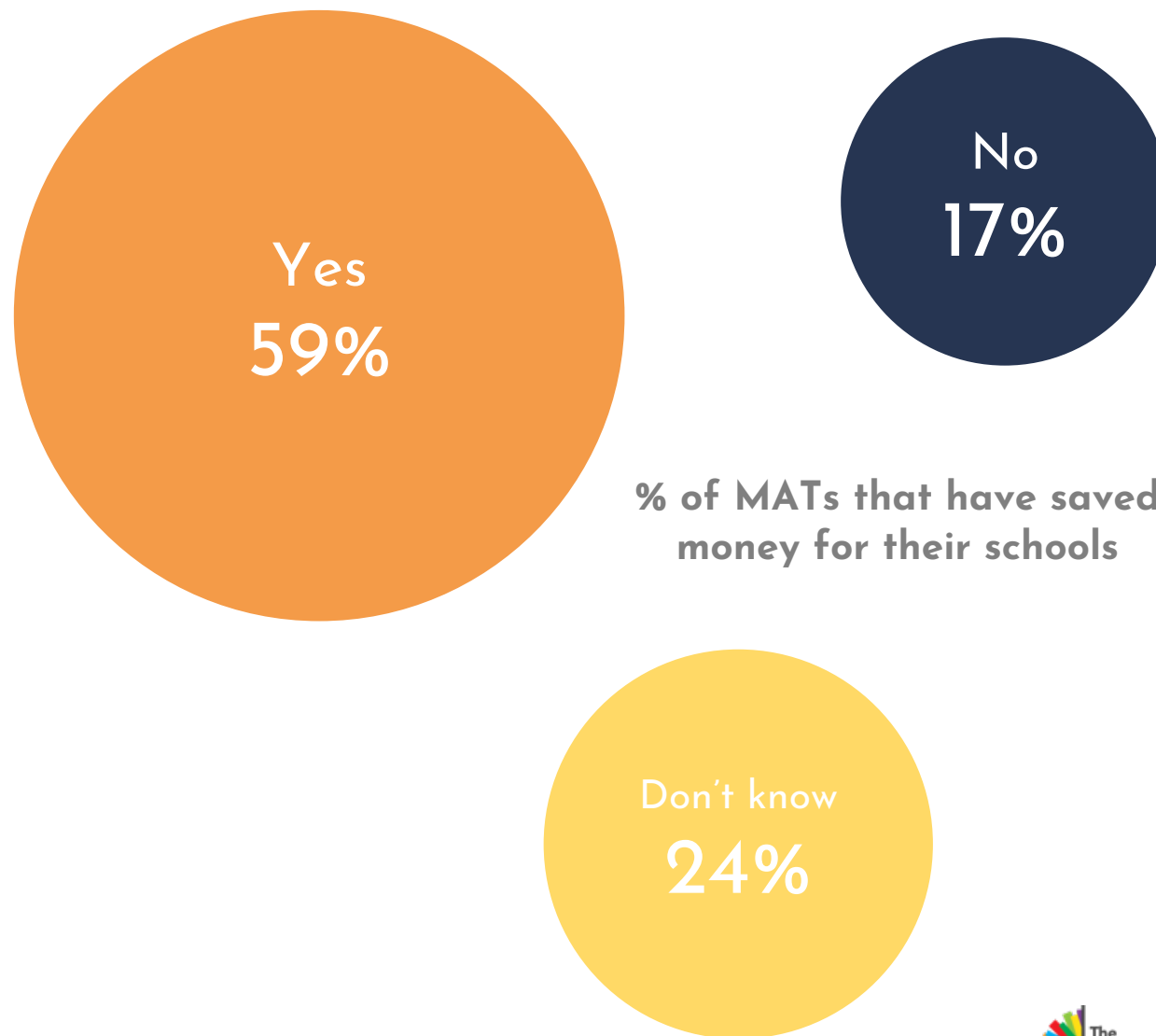
Have you saved money for your schools?

We asked the MATs whether they have saved their schools money since they joined their trust.

The majority of MATs were prepared to provide a YES/NO answer but very few could give us an actual figure.

Of the 330 that provided an answer only 60 could or would specify a value. Even then these numbers were clearly being rounded up. Consequently, this figure is almost certainly inaccurate.

Avg. figure quoted since the MAT was formed - £134,000



The End

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