



Department
for Education

Local authority- established multi- academy trusts: registration of interest

**Information to support registration of
interest for a test and learn exercise in
2022 to 2023**

May 2022

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Summary

This publication provides non-statutory guidance from the Department for Education. It has been produced to help local authorities (LAs) to understand the process for registering their interest in establishing a multi-academy trust as part of a test and learn exercise.

The registration of interest will close on 31 July 2022.

LAs that have proposals approved in principle will be invited to work with schools to submit applications to convert, including securing school governing body resolutions to convert.

Review date

This guidance will be reviewed before September 2023.

Who is this publication for?

This guidance is for:

- Local Authorities

School leaders, school staff, governing bodies and governance professionals in all maintained schools may also be interested in the guidance.

Introduction

1. The Department for Education is inviting local authorities (LAs) in England to register their interest in establishing a multi-academy trust (MAT) as part of a test and learn exercise. We expect to support a small number of projects and are looking for a broad mix of high performing LAs which, together, reflect the geographic diversity of the country and a mix of school types and phases.
2. The test and learn method will allow the department to evolve its approach over time. We will work with LAs on the development of the first new academy trusts and learn from that to inform future policy development.

Test and Learn Approach

3. The aim of this test and learn approach will allow the department to work with a small number of LAs initially that have registered their interest to test the concept of an LA-established MAT. We are keen to review and refine our approach before any further decisions are taken on proceeding with the wider roll-out.
4. LAs interested in establishing MATs will follow the same process as any proposal for a new MAT. However, during the process we recognise there may be some issues that arise and are distinctive to LA-established MATs which may require different handling; a test and learn exercise should allow us to identify these issues early. The test and learn will also feed into the development of our approach to area-based commissioning for the future.

Local Authority-established multi-academy trusts

5. We know our strongest trusts achieve consistently strong outcomes for their children and have been able to support teachers and schools where the challenge is greatest. MATs can increase the opportunities for teachers to develop and build sustainable careers, extend the impact of the strongest school leaders to deliver sustainable school improvement and are shown to improve outcomes more rapidly. We want to move to a unified system, where all schools are enabled to benefit from the support of a strong academy trust. We know that many maintained schools value the support of their LA and would like to continue to work closely with it. Thus far, LAs have not been permitted to establish MATs. The Schools White Paper, [Opportunity for all: strong schools with great teachers for your child](#) signalled that this will now change, in areas where too few strong trusts exist.

What is an LA-established multi-academy trust?

6. In an LA-established MAT, the LA takes on the responsibility for proposing and forming the MAT. As with any other proposal for a MAT, this will involve:

- Establishing the building blocks of a new academy trust, such as setting out the proposed governance, leadership and finance arrangements.
- Identifying and appointing the members of the academy trust.
- Identifying and proposing academy trustees of the initial academy trust board.
- Working with the academy trustees to identify schools to join the academy trust and working with those schools to secure governing body approval to convert.
- Supporting academy trustees in the setup phase to consider the relative strengths, and areas of need, in each school in the academy trust and developing a school improvement strategy to respond to those strengths and areas of need.
- Working with the schools that are looking to join the academy trust on their due diligence.
- Working with the schools to submit applications to convert and establish an academy trust. The schools will need to submit the application themselves here: [A2C – GOV.UK](#) (apply-convert-academy.service.gov.uk).

7. If the proposal is approved, the LA will work with the academy trustees and relevant schools to:

- Complete the Memorandum of Understanding and Articles of Association and submit them to the regional office. Model Articles of Association for LA-established MATs will be published on gov.uk.

- Support them with their application to convert to academy status in line with the normal process.

8. Once the MAT is established, it is the board of academy trustees who will oversee, and be accountable for, the strategic direction of the academy trust while the CEO and executive leadership will run the academy trust on a day-to-day basis.

Academy trust members

9. All academy trusts are founded by members, whose role it is to safeguard the academy trust's governance and to put in place an academy trust board that is the academy trust's strategic decision-making body. The members of an academy trust are responsible for safeguarding its governance but are not involved in the day-to-day business of the academy trust and will not assume the powers of the academy trust board. Members have a limited number of powers set out in the Department's [Model Articles of Association](#) and in company law. The Department's minimum requirement before entering into a funding agreement is that academy trusts have at least three members, although the Department's strong preference, wherever possible, is for academy trusts to have at least five members. As with all new academy trusts, and in line with expectations set out in the [Governance Handbook](#), we expect LAs to identify members who have capacity to oversee the governance of the academy trust. Members of the academy trust should bring a diverse range of perspectives to enable well-informed decision-making. Further information is available in [Academy trust governance – structures and role descriptors](#).

10. The Department's policy has hitherto been able to limit LA involvement in academy trusts to a maximum of 19.9 per cent of academy trust members being Local Authority Associated Persons (LAAP), i.e. being either elected members of an LA or persons who have been in the past four years; or currently employed by an LA or as an officer of a company which is under the control of the LA. Further details can be found within the [Local Government and Housing Act 1989](#). This was achieved through the Model Articles of Association. We will remove this restriction on the proportion of academy trust members who can be associated with an LA in new LA-established MATs. However, we do require at least one member to be independent of any association with the LA.

11. By virtue of LAAP constituting more than 19.9 per cent of its members, an LA-established MAT may meet the legal threshold for being an LA-influenced or controlled company. Other criteria also apply. An LA-influenced or controlled company is subject to additional administrative requirements, details of which are contained within the [Local Government and Housing Act 1989](#). LAs should seek legal advice when developing their proposals.

Academy trustees

12. The academy trust board, led by a Chair, is the strategic decision-making body of the academy trust and is accountable and responsible for all the academies in the academy trust. Academy trustees are the people who make up the academy trust board. They are both charity trustees and company directors of the academy trust. Academy trustees are obliged by charity law to run the academy trust solely in the best interests of its charitable purpose.

13. The Department's policy in relation to academy trusts is that a maximum of 19.9% of academy trustees can be LAAP. Consistent with the role of LAs in the school system, as set out in [Opportunity for all: strong schools with great teachers for your child](#), the 19.9% cap will continue to apply here. This is to reinforce the separation between the role of the LA and academy trustees in the management of the MAT and to minimise conflicts of interest, which are discussed further below.

How an LA-established multi-academy trust should operate

14. LA-established MATs will operate in the same way as any other MATs; they will receive the same support and be subject to the same oversight, intervention and other arrangements, including those set out in [Building strong academy trusts: guidance for academy trusts and prospective converters](#). As set out in [Opportunity for all: strong schools with great teachers for your child](#), we plan to bring together existing requirements on academy trusts, currently set in regulations and contract, into statutory academy standards. New statutory intervention powers will underpin the standards and provide a robust framework for ensuring we can tackle any academy trust which fails to achieve the expected outcomes by managing and governing their schools effectively.

Conflicts of interest

15. Any potential conflicts for both the academy and the LA (with its broader role in the school system locally) will need to be identified in the academy trust proposal and carefully managed, both at establishment and on an ongoing basis. In particular, related party transactions will need to be declared in the usual way, and these are likely to include services the LA provides to the LA-established trust, if any. LAs are well accustomed to managing conflicts of interest in their education and other responsibilities. Once the MAT is established, any potential conflicts of interest will need to be managed by the LA and the academy trust on an ongoing basis. The LA should treat all academy trusts and schools with equity and fairness in carrying out its wider duties in the education system.

Where we will support an LA-established multi-academy trust being set up

16. In many parts of the country there already exist strong MATs which are looking to expand in order to realise the benefits of scale. These MATs have much to offer maintained schools, especially those which would benefit from the school improvement opportunities these MATs bring. Our starting position will be that maintained schools should, where possible, join such MATs rather than form new ones, whether established by an LA or not.

17. All maintained schools (primary, secondary, special or alternative provision) and academy trusts are eligible to be part of a LA-established MAT. We will manage the size of new trusts to ensure they are strong before considering growth. We expect LA-established trusts to be small initially, with fewer than 10 schools or 7,500 pupils. The Department's expectations for MAT growth are set out in [Opportunity for all: strong schools with great teachers for your child](#). An LA-established MAT could also apply to be a sponsor, if there were a need for new sponsors in the area. Any sponsor application would be subject to the approval of the relevant Regional Director, in line with the usual process. We would not typically expect LA-established MATs to sponsor schools from the outset. We recommend an early conversation with the regional office to determine if a new sponsor is needed in the area and when it might be suitable to submit a sponsor application. Guidance on the sponsor process is available on gov.uk: [Sponsor an academy](#).

18. It is our expectation that the majority of schools with a religious character will continue to join MATs which are led by their diocese/relevant religious authority. LA-established MATs can include schools with a religious character, but only where there is the express consent of both the academy trustees and the relevant religious authority.

19. We are keen to work with high performing LAs, especially those in Education Investment Areas (EIAs), as part of the new area-based strategic commissioning approach set out in [Implementing school system reform in 2022/23](#). We are looking for a diverse range of contexts, including different phases of education, types of school and geographical locations.

Access to support and funding for LA-established multi-academy trusts

20. As with any application to convert, if approved by the Regional Director each school will be able to claim the £25,000 support grant to spend on the conversion process. LA-established MATs may also be eligible for support from the Trust Capacity Fund (TCaF) and may have access to the discretionary fund for LA conversion costs, where the concentration of conversion activity is exceptional (see [Implementing school system reform in 2022/23](#)). LA-established MATs will also be able to access a range of

regional activities, comprising events, networks and peer reviews, which will be available through partner organisations and delivered through the new trust development fund. We will agree a bespoke package of support with the LA, especially around governance and finance.

How proposals will be assessed

21. As with all proposals to form a new academy trust, Regional Directors will consider the criteria set out in [Building strong academy trusts: guidance for academy trusts and prospective converters](#). We will assess the need for new local capacity and if that test is met, consider the strength of the proposal itself. We will want proposals that can demonstrate how the new MAT will meet the five elements of the definition of a strong academy trust as set out in [Opportunity for all: strong schools with great teachers for your child](#) (paragraph 143). We will consider the expertise of the individuals being put forward as members and trustees, and the strength of the plan for the proposed trust to support its schools, including looking at the LA's plans, capacity and capability to support the MAT, which could include looking at relevant Ofsted and CQC reports alongside other information. Decisions will be made on the overall strength of the proposal.

Registration of interest for LAs interested in establishing multi-academy trusts

22. Before any schools apply to convert, LAs that are interested in establishing an academy trust should:

- Read the annex which sets out the process for an LA wishing to establish a new MAT;
- Contact their [DfE regional office](#) to discuss their ideas, including whether there is a need for new academy trusts in the area and how an LA-established MAT supports the implementation of the [Schools White Paper](#). This discussion should take place prior to engaging with schools on the proposal. The LA might want to include this discussion in any area-based commissioning conversation it will have with regional teams during the summer term.
- Following the discussion with the regional office, submit a Registration of Interest by sending responses (guide of 2500 words) to the following questions to their regional office **by 31 July 2022**. An LA can withdraw their Registration of Interest at any time.

23. Proposals will need to demonstrate how the new MAT will meet the five elements of the definition of a strong academy trust as set out in [Opportunity for all: strong schools with great teachers for your child](#).

The vision

- Why do you want to form a MAT? This should include how the academy trust will fit within the local landscape and could include the expected benefits or existing links you are building on.
- What is the vision and ethos for the MAT?

The approach

- When do you envisage the MAT being established, and with how many schools initially? Please refer to the guidance above which states that LA-established trusts should be small initially, with fewer than 10 schools or 7,500 pupils.
- What geographical areas and communities will the academy trust serve?
- Do you envisage incurring any exceptional costs that would require DfE financial support to establish the MAT?

Strategic governance and senior leadership structures

- An overview of the proposed governance and senior leadership structure, including who you intend to approach to be academy members and academy trustees of the MAT where known. The [Governance Handbook](#) and the [Academy trust governance – structures and role descriptors](#) provide further information on MAT structures. Please specify how the governance structure will manage any potential conflicts of interest.

Finances

- An overview of the proposed financial arrangements for the academy trust.

School improvement strategy

- An overview of the academy trust's school improvement strategy, and how the capacity is derived and maintained. Please indicate whether you intend to submit a sponsor application here.

Responding to interest

24. Regional Directors, on behalf of the Secretary of State, are responsible for approving or declining applications from maintained schools to convert to academy status. The [regional schools commissioners decision-making framework](#) sets out the criteria Regional Directors use in their decisions on applications.

25. Regional Directors will consider the written responses to the questions set out in the previous section and confirm with the LA if the proposal is approved in principle. The exercise will be competitive, and we expect more applications than the small number of projects we will initially support. We will talk to those LAs which are not included in the test and learn projects about if, or how, proposals could be taken forward in future.

Annex: Process for Local Authorities interested in establishing a multi-academy trust

To set up a new LA-established multi-academy trust (MAT), you should follow the steps set out below.

1. Contact the DfE regional office

Contact the regional office to understand:

- The Department's priorities for the region;
- Whether there is need for a new academy in the area; and
- Guidance and support on the process to establish an academy trust.

2. Consider the role of an LA-established MAT

Consider how an LA-established MAT will:

- Fit into the region's priorities and the local academy landscape; and
- Demonstrate it will meet the five elements of the strong academy trust definition.

Consider what the schools can:

- Gain from, and bring to, joining the LA-established MAT, including what it needs to be able to:
 - Sustain and improve education outcomes; and
 - Secure financial stability.

3. Register your interest

You can register an interest in setting up a new MAT by submitting a Registration of Interest with answers to the questions in the section: Registration of interest for LAs interested in establishing multi-academy trusts within this publication.

4. Plan how to run the trust

Use the feedback from the DfE regional office to form shared plans on how the new academy trust will be run, including:

- Governance;
- Leadership;
- Finance;
- Workforce; and

- School improvement arrangements.

5. Find out if it is eligible for support

Explore whether the trust is eligible for the [Trust Capacity Fund](#) to support its plans, and whether it can access the discretionary fund for LA costs.

6. Plan the academy trust's contribution to local education

Form shared plans on how the new academy trust will work with other academy trusts to drive school improvement and high quality, inclusive education in the local area.

Consider any conflicts of interest, including related party transactions, and how these will be managed and mitigated.

7. Gather opinions from the school community

Take opinions from people affected by the school, including parents and staff, and conduct consultation. The Confederation of School Trusts (CST) has produced [guidance on engaging stakeholders](#).

8. Apply to the DfE regional office

Work with the schools intending to join the academy trust to submit an application to our regional office.

9. Complete your paperwork

If your application is approved:

- Complete a Memorandum of Understanding and Articles of Association and submit them to the regional office;
- Register the new academy trust with [Companies House](#); and
- Consider applying for the [Trust Capacity Fund](#).

10. Convert schools into academies

The schools joining the new trust begin the process of conversion, following the guide for [schools converting to become academies](#).



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