

## School Collaborations: Umbrella Trusts, Strategic Learning Partnerships and Multi Academy Trusts

### Benefits of collaboration

The changing relationship between local authorities and schools brought about by the academies programme has provided the catalyst for schools to increasingly look to each other for support. Greater collaboration has many benefits:

- it facilitates the transfer of skills allowing for the sharing and development of leadership and management capacity;
- it encourages the pooling of resources with a focus on shared procurement, leading to efficiencies and cost savings;
- a common identity focuses messages and a shared vision and values engenders a sense of belonging and responsibility;
- it promotes consistency without necessarily losing identity and uniqueness;
- it facilitates strategic thinking and long term place and resource planning.

### Formal collaboration

Whilst informal collaboration is common and effective, we are increasingly seeing a desire to formalise the way in which schools work together. In the past schools wishing to collaborate formally would have federated but since 2010 the Department for Education expect to schools to form a “multi academy trust” and hence become academies. In the 2015 version of the Governance Handbook and now restated in the version published in January 2017, John Nash states:

*“These benefits are most fully realised when school-to-school collaboration is consolidated through formalised cross-school governance arrangements.”*

The need to formalise collaboration may be in response to an agreement to jointly fund a specific project or to facilitate the longer term planning of resources, whether to protect provision or to support teaching and learning. Collaboration need not be dependent on academy conversion and there are a number of ways for schools including academies to work together. Examples include:

- a strategic learning partnership
- an umbrella trust
- a teaching school alliance
- a multi academy trust
- a trading subsidiary

There is often confusion in the terminology. The solutions can be very different. It's important to understand the legal implications of the model being adopted and the degree to which the vehicle being used to collaborate is separate from those collaborating.

### Strategic Learning Partnership

This will generally be location focussed and may be restricted to a particular type of school. An SLP is usually not a “partnership”, in the legal sense of the word. It will often be characterised either by an agreement to work together (typically a Memorandum of Understanding or Partnership Agreement) or by the forming of a separate legal

entity. The SLP is then the vehicle through which the schools who are members of it collaborate. The benefits of separate incorporation are:

- the opportunity to ring fence risks thus avoiding potential loss for an individual school
- the ability to attract funding/income in its own right
- less dependence in the longer term on a particular school or schools
- the promotion of a common but distinct brand or identity
- the ability to employ staff directly
- the ability to contract with third parties.

An SLP need not be restricted to academies and can allow both academies and maintained schools to work together, though the requirements of the School Companies Regulations 2002 will need to be taken into account if the latter are involved in the governance of the SLP. There is also scope for a local authority to participate.

As well as the incorporation question, the schools need to consider whether the vehicle is to have a charitable purpose and indeed whether it should be formally registered as a charity. This can have tax advantages as well as tax implications. Having charitable status will remove any risk of concerns being raised as to why the schools are financially supporting the partnership and it also enables the partnership to bid for grant funding in its own right.

Typically a formal SLP will be a company limited by guarantee and care will need to be taken drafting the Articles of Association and any overarching “participation agreement” or “membership rules”.

### **Umbrella Trusts**

Similar to SLPs, umbrella trusts are also usually charitable trust companies, regulated by the Charity Commission (not the Department for Education), and not academy trusts. They are often used where schools want to become academies under a supported arrangement but without setting up a multi academy trust. Again any type of school can be involved, i.e. academy or maintained school, as well as other strategic partners and religious authorities. The focus may be less geographical and more values based. As

the DfE have little control over umbrella trusts, they will not approve of a school becoming an academy where an umbrella trust will have governance or intervention powers. There are some limited exceptions but these tend to be where there is a diocese involved.

### **Teaching School Alliance and Trading Subsidiaries**

Teaching School Alliances are led by a lead school or schools who will have been approved by the DfE to be a Teaching School. The Teaching School is expected to play a leading role in the training and professional development of teachers as well as contribute to the raising of standards by supporting and facilitating school to school support. The lead schools will be supported by schools in the alliance who will provide additional capacity and who may access services.

Whilst many teaching school alliances operate purely by agreement, it is becoming increasingly common to formalise at least some of the activities of the alliance using a separate vehicle, typically a trading company. This reflects the fact that the activities of the alliance may in fact be more trading than charitable (or educational). The trading arm may be set up as a trading subsidiary of the lead school or of the alliance itself.

### **Multi Academy Trust**

A multi academy trust is an academy trust (a company limited by guarantee) set up to run more than one school. As with other forms of collaboration, a commitment to a shared ethos or set of values and principles is essential. A multi academy trust is likely to be a required solution for any school that is to be sponsored. Given the trust is the employer of all staff, this model lends itself most readily to strategic decisions about resource planning. The trust is directly accountable for the standards in all the schools.

We have advised a number of local authorities and groups of schools looking to collaborate and can advise on options as well as guide schools through the process.

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