National College
for School Leadership

# The growth of academy chains: implications for leaders and leadership

## Executive summary

**Resource**

Chains of schools have grown at a phenomenal pace since 2004 and while they still represent less than 3 per cent of schools nationally, it is clear that they will become increasingly central to the structure of the school system in England. The evidence that chains make a positive difference to pupil outcomes and school performance is growing and this report sets out some of the ways in which chains are achieving this.

Chains are by no means all the same, not least given the different ways in which they are developing through both 'sponsored' and 'converter' academies. Nevertheless, the most effective chains have a shared vision and ethos across their schools backed by robust governance with clear lines of accountability. They use their people and resources to drive focused school-to-school support and professional and talent development, making them greater than the sum of their parts.

Leaders in chains and policymakers face a series of challenges if chains are to fulfil their potential. These range from managing rapid rates of expansion to ensuring effective collaboration, both between chains and between chains and other schools, and developing an appropriate accountability structure for chains.

## The sponsored academy chain landscape

Academy chains have grown rapidly since the first chain came into being in September 2004. At the beginning of 2012 nearly 350 mainly sponsored academies[1] were in the 48 sponsored chains comprising 3 or more academies in the chain. Three-quarters of the academies within chains are secondary schools, though this is changing as more primary schools become academies.

A total of 9 chains comprise 10 or more academies, accounting for some 182 open or planned academies. The growth in the number and size of sponsored chains has been driven by the:

— desire and ethos of the sponsors and academies to extend their school improvement model and expertise to more schools

— need for chains to expand in order to create a cost-effective operating model

— view of successive governments that structural solutions make a significant contribution to raising attainment in schools that are performing poorly

— adoption by a small minority of local authorities of a strategy to introduce academies as part of a broader local school improvement agenda

— promotion of free schools by academy sponsors

Chief executive officers (CEOs) of chains have sometimes had to turn down requests from the Department for Education (DfE) to take on academies beyond the capacity of their chain to support.

## The converter academy chain landscape

By January 2012, nearly 1,200 schools had converted to being an academy. Around a quarter of these schools are doing so as part of a converter academy chain. The DfE defines an academy as being part of a converter chain if it is part of a multi-academy trust, an umbrella trust or a collaborative converter partnership/chain[2].

Of the 122 converter chains that fall within the DfE's definition, 68 are secondary-to-secondary chains, 27 primary-to-primary and 27 cross-phase chains. Around 93 converter academies have become part of sponsored chains. This has come about as result of:

— outstanding schools wanting to be part of a wider school improvement initiative

— some converter academies needing help with school improvement and support services

— academy conversion being used by local authorities and the DfE as an express route to bring an underperforming school within a chain

— over 30 converter academies sponsoring other schools as academies

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1   This figure includes academies that are open, approved or being planned with the Department for Education.
2   The full report provides definitions and examples of these terms.

Collaborative activity between academies is being led and governed on a loose-to-tight spectrum, with informal collaboration at one end of the spectrum and formal chains working to a shared teaching and learning model at the other.

## The impact of academy chains

The advent of chains is a recent phenomenon and so any assessment of their impact is at this stage provisional. However, between 2008/09 and 2010/11 the proportion of pupils gaining 5 A*-C grades at GCSE, including English and mathematics, increased by 15 percentage points in chains of 3 or more academies, compared with 12.2 and 11 percentage points for standalone and 2-strong academy chains, respectively[3].

An analysis of Ofsted inspections of academies between September 2009 and July 2011 shows that chains of three or more academies had a higher proportion of schools classified as outstanding by Ofsted than other academies. However, being part of an academy chain is no guarantee of success or insurance against weakness.

Some academy chains have developed from performance federations[4]. These federations share fundamental similarities with academy chains and as they have been in operation for longer they provide a useful evidence-base as to the potential impact of academy chains. A National College study[5] found that such federations have a positive impact on student attainment at GCSE, though there is a timelag of two to four years before the impact is realised.

The study also found that secondary federations with executive leadership outperform federations with one headteacher leading one school, suggesting that federations should consider developing executive leadership structures. In a finding that is significant for the development of converter academy chains, the impact of performance federations is greater than that of more informal school collaborations, where the governing bodies were not merged together. Equally, there was no positive impact identified in all-though federations or federations of small schools.

## The future growth and development of academy chains

Larger chains, with one or two exceptions, have more ambitious growth plans than smaller chains. CEOs of sponsored academy chains see some increase in the number of secondary schools in their chain but envisage most of the growth being in the primary sector. Some intend to take on clusters of up to six primary schools at the same time, seeing this as the best means of providing cost-effective school improvement support, though smaller groupings of converting primary academies are also proving viable.

The growth of converter academy chains is more unpredictable and will depend on: the role of church diocesan boards; the development of collaborative chains; whether primary academies become more mainstream; how hard DfE ministers push chains when schools convert to academy status; whether financial pressures force standalone academies to come together; and how many outstanding converter academies and teaching school alliances choose to become sponsors.

The **advantages** reported by CEOs of expanding chains include an increased capacity to improve attainment for more young people; a broader base for developing leaders; greater scope for sharing school improvement expertise and CPD; more opportunities for staff deployment and promotion; increased economies of scale; a bigger platform for supporting innovation; and a stronger brand to attract parents and applications for admission.

The **risks** reported by CEOs from expanding chains include reputational damage to the chain if one of its new academies fails to improve; too many new schools being taken on at any one time; increased bureaucracy; central services becoming overstretched; existing schools in the chain slipping back as energies are focused on new joiners; and the increased size of chains making it harder to operate local school-to-school improvement effectively.

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3    The average increase for all secondary schools for the corresponding period was 8.5 percentage points.
4    In a performance federation a high-performing school partners one or more lower performing schools and they adopt a single federated governing body.
5    Chapman, C, Muijs, D & MacAllister, J, 2011, *A study of the impact of school federation on student outcomes,* Nottingham, National College for School Leadership

## Geography and spans of control

Of the 28 sponsored chains responding to the survey, 22 see it either as 'absolutely essential', 'very important' or 'important' for the academies in their chain to be in close proximity to each other. Chains use geographical proximity to deploy senior and middle leaders across the chain, to hold joint training and CPD sessions, coach and support leaders, develop shared practice among staff and conduct visits as part of quality assurance systems. Geographical proximity is also fundamental to how most converter academy chains are operating.

Geography is related to spans of control, ie the number of schools that can be managed or overseen by one person. It is not uncommon for executive heads to oversee between three and five schools, though in most chains the exact number depends on the particular local circumstances. As sponsored academy chains move to having many more than five academies in a chain they are using one of three models to oversee their academies:

— academies are being grouped into pairs, threes or fours with each geographical cluster having an executive principal who oversees the work of each academy

— regional directors oversee a broader regional grouping of academies of, say, seven or eight academies (each of which has a principal or executive principal), with the regional director reporting to the CEO

— academies in the chain are led by a principal and overseen from the centre

## Sponsorship and governance of academy chains

Sponsors often play a key role in shaping and driving the vision and ethos of the chain and are often the driver behind the decision to expand a chain. Successful schools are emerging as the sponsorship powerhouse driving the growth of chains.

Sponsored chains that have either an umbrella or multi-academy trust exercise governance at two levels: at academy and overarching trust level. Many chains have formal procedures setting out the responsibilities of the respective tiers of governance. They use their governors to focus on monitoring performance and support them with training and by presenting data in a standard format.

Achieving the right balance between autonomy for academies and accountability to the chain can be an issue. If the balance is not right governors and principals feel disempowered. Generally, however, academy principals are empowered to run schools.

Converter academy chains operating as multi-academy trusts have governance structures similar to those of sponsored chains, though generally they seem to be tweaking rather than radically rethinking the governance model they inherited. Formal joint governance of collaborative converter chains is rare, though they recognise that as joint activity and procurement develop, more robust governance systems might be needed.

Constructing governance arrangements that enable maintained schools that convert to academy status to work with converting church schools – particularly where they are voluntary aided – is challenging.

## Leadership of academy chains

All but 2 of the 9 larger chains (containing 10 academies or more) identify either a CEO or a director of education as the focal point of educational leadership. In smaller chains, principals and executive principals are often the key leaders, though some have deliberately invested in a strong central leadership resource, despite being relatively small, because they plan to expand.

CEOs identify finding and supporting academy leaders as their highest priority. But overall leaders of larger chains tend to see their role in terms of the bigger picture – building and leading an organisation – while those leading smaller chains tend to be hands-on in supporting and developing leaders in schools. The skills required of CEOs and executive principals overlap but each role has its own distinctive focus. Interpersonal skills are intrinsic to both roles.

Where converter chains have executive heads they see their role in very similar terms to those of executive principals in smaller sponsored academy chains. Converter collaborative chains tend not to have executive heads, preferring to use meetings among themselves as the means for leading their partnership. These arrangements do not extend to exercising leadership responsibility for each other's schools.

## Appointing, developing and deploying leaders of academy chains

Most chains are recruiting new principals from a combination of homegrown and externally appointed talent.

The structure and operation of sponsored chains and federations provide a stronger basis than standalone schools for implementing the key principles of good leadership development. There is also lots of potential for converter academy chains, including collaborative chains, to develop the leadership development agenda as positively and imaginatively as sponsored academy chains.

Collaborative chains do not, however, have the capacity to assign and deploy leaders from one school to another. They are therefore constrained in being able to offer a comprehensive pathway through all stages of leadership. The advent of teaching school alliances and specialist leaders of education may help to make this possible.

## School improvement models and strategies

There are four distinct elements to how sponsored chains approach school improvement:

— They develop a set of strategies covering attendance, behaviour and teaching and learning that evolve to become the chain's defined school improvement model. Some areas of the model involve being prescriptive about specific policies to be followed: in some areas the chain will set the general approach and leave the application to individual academies, while in others it is left to individual academies to decide what practice to adopt.

— They maximise the advantage that comes from having different academies in the chain to move leaders and specialist staff around the chain to tackle hard issues.

— They systematically develop capacity across the chain through joint practice development[6].

— They are consistent and demanding in applying quality assurance processes across the chain.

The converter chains that have previously been federations and are now multi-academy trusts are operating in ways not dissimilar to sponsored academy chains. Collaborative converter chains are also engaged in and planning lots of joint school improvement activity that promises to be beneficial for pupils and staff. However, the strong sense of responsibility of one school for another that one finds in a federation or sponsored chain is either not there in a collaborative chain or, even if a sense of mutual obligation is present, the systems are not in place to deliver support.

## The organisation and management of academy chains

The top five non-educational services provided centrally by over half the sponsored academy chains that responded to the survey were human resources, insurance, legal services, audit and ICT services. Education support staff centrally employed by chains focus on delivering specialist improvement support, data analysis and internal quality assurance and inspection.

Academies in more than half the sponsored academy chains are contributing 3 per cent or less of their general annual grant (GAG) to the chain to cover central running costs. In more than three-quarters the contribution is 4.5 per cent or less and there are only 2 academy chains where the contribution is higher than 6 per cent.

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6    Joint practice development describes a way of working together that moves beyond transferring knowledge or skills from one teacher to another and involves groups of staff working together to test, assess and evolve more effective approaches to teaching and learning.

Converter chains are continuing to use local authority central services where they represent good value, but making their own arrangements where they can obtain better value for money. The list of support functions being procured jointly by converter chains is broad and includes behaviour services, careers advice, supply cover, education welfare and CPD, as well as insurance, HR and grounds maintenance.

Academies in converter chains are in general only contributing small amounts, if anything, to the central costs of organising collaborative activity. However, there is a recognition that if partnership activity is to be meaningful it will need resourcing.

## Working with others

Most sponsored chains reported that it was either 'not a challenge' or 'quite a minor challenge' to engage effectively with schools outside the chain. Other schools do not always see the role of sponsored chains so positively and perceive some chains to be only concerned about the schools in the chain.

There are few arrangements in place that enable chains to learn from each other in a systematic way, though some chains have taken imaginative initiatives to engage with other chains.

Sponsored chains mostly consider working with local authorities as either 'not a challenge' or 'a minor challenge' and cite positive experiences of collaboration. However, some CEOs consider that some authorities are failing to identify and deal with underperforming schools and that these authorities are resistant to engaging with sponsored chains that want to offer a solution.

Many converter chains have adopted an inclusive approach to working with schools beyond their chain. However, the formation of converter chains has also disrupted some previous collaborative activity such as well-established primary clusters.

Many leaders of converter academy chains are not so much hostile as frustrated at what they perceive to be the inability of some local authorities to relate effectively to the new world of academies. For their part, some local authorities question whether some converter academy chains are sufficiently grounded in good school improvement principles and practice.

## Challenges for chains

The major challenge facing academy chains – and sponsored chains in particular – is the very rapid growth in the size of chains. Experience from other sectors suggests that it will need only one project to go wrong for a chain's reputation to be damaged, potentially irreparably. Sponsored and converter chains can manage the risks of expanding chains by:

— being clear about the strategic future of the chain in terms of its geographical spread and the balance between different phases of schooling

— adapting governance arrangements so that they can accommodate additional academies and balance accountabilities between academies and the chain

— developing leadership and management arrangements so that spans of control do not become too stretched, eg using local clusters to make a large chain feel small

— supporting the development of executive principals and senior and middle leaders in order to build sufficient distributed leadership across the chain

— ensuring there is sufficient breadth and depth of school improvement expertise in the chain to support the number of academies being incorporated into the chain

— carrying out due diligence on each project before sponsoring an academy and avoiding having too many new academy projects on the go at the same time

— reviewing the organisation of support functions to ensure they can support extra academies and can maximise increased economies of scale on procurement

— championing the vision and culture of the chain to help sustain the ethos of chain and the quality of relations between member academies and the chain's central office

— maintaining strong quality assurances processes in order to ensure that existing academies do not slip back while leadership energies may be directed elsewhere

Chains will also be in a stronger position to support school improvement if they are clear about what an effective school chain looks like. They should focus on developing an operating model that meets three key criteria:

— a clearly defined shared ethos, vision and set of values that are evident in how the chain works on a day-to-day basis

— systems and governance for areas such as admissions, attendance, behaviour management, target-setting, data tracking, performance management and quality assurance and ensuring that there is a balance between central direction and local autonomy

— a teaching and learning model based on a shared approach to curriculum content and design; a shared understanding of and support for what constitutes excellent teaching and learning; and the application of joint practice development

Converter chains particularly need to address the challenge of resourcing their joint work by being clear about what they want to do together, assessing the resource implications alongside the projected benefits and making decisions accordingly.

## Challenges for the National College

The National College has a crucial role to play in keeping abreast of developments so that its programmes continue to reflect the challenges academy leaders are facing. It can do this by:

— supporting the leaders of successful schools and converter academies that are just taking on the role of academy sponsor

— developing and licensing the delivery of programmes for executive principals in academy chains based on the design of the existing programme for primary executive headteachers

— developing appropriate programmes to support directors of education and CEOs of chains

— ensuring that academy chains designated as teaching schools engage with other schools as well as supporting the development of their own staff and leaders

— exploring with CEOs options for developing more systematic ways of promoting chain-to-chain learning

## Challenges for the wider education system

The DfE can help promote the right environment for the development of academy chains. The most immediate priorities are to:

— ensure that chains have the capacity to deliver each new academy project and that cumulatively a chain's growth at any one time is realistic and manageable

— continue the dialogue with leaders and chairs of governors in the primary sector about how best to promote federations, chains and other formal partnerships to support the development of primary schools and their pupils

— ask for stronger evidence that converter academy partnerships are well structured, including having the skills and commitment necessary to promote improvement and to set outcome indicators for the effectiveness of their joint work

— address the complexities of faith school governance, including making wider use of binding agreements that enable academy chains to run church academies while guaranteeing to preserve the ethos, practices and interests of the diocese

— publish information on the performance of academy chains and use this to take early action where chains are struggling to deliver improvements

In the longer term the DfE may also wish to consider whether and how to:

— review the process for awarding new academies to chains to ensure it is increasingly competitive

— give Ofsted a mandate for inspections to involve executive principals and CEOs

— cluster together academies in the same chain for inspection purposes wherever this is practicable

— inspect chains as a whole

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