



# MAT mergers

## A guide for academy trust leaders and trustees

November 2021



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# Introduction

## What is a merger?

A merger combines two or more separate organisations into one single and distinct legal entity. This remains a fairly new concept for the English education system, characterised by a few large, well-established MATs merging with smaller, less successful MATs. However, it is likely that voluntary mergers between MATs will become more prevalent as the education landscape continues to develop.

Mergers can provide a positive and strategic step forward to help secure the realisation of an organisation's vision. The process can be lengthy and complex; not all come to fruition. A successful merger will result in one clearly established organisation with a singular, distinct identity, ethos, culture and set of values.

## Government drive for strong trusts

In 2021, the government set out a vision "for every school to be part of a family of schools in a strong multi academy trust". It was stated the government would be investing in "strong multi academy trusts... so they can support even more schools", with a focus on the "strongest leaders" taking responsibility for more schools.

Academy trust mergers are a key element of the Department for Education (DfE) focus on strong trusts, as captured in their [Building strong arate organisa4FD\(1 4Langsthe gover\)--GBmu/Lango4FD\(1 4jEMC /P 4Lang \(en-GB\)/r\)--GBmu/Lango4FD\(1 4jEMC /P 4Lang \(en-GB\)/MCID 96 r\)18.3 \(e 4Lang \(en-GB\)/MCID](#)



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# Preparing to merge

The governance of a newly merged organisation will likely look different to the existing arrangements for each trust. It is important to ensure that all involved in the governance of both trusts understand the proposals, how it will affect them and the potential benefits – an effective communication strategy between the tiers of governance is key to any successful merger.

## 2.1 Understanding roles and responsibilities

A secure understanding of roles and responsibilities is fundamental; all parties involved in the merger should have a shared understanding of where decision-making lies.

The trust's chief executive officer (CEO) usually instigates the earliest discussions with the board and will drive the merger process forward. Their role as part of the merger is wide-ranging but will include:

- Shaping the rationale to merge and ensuring this is clearly articulated to all stakeholders.
- Identifying, approaching and engaging with potential merger partners alongside the chair.
- Allocating and overseeing individuals involved with the project, including trust staff and any external advisers.
- Anticipating and addressing opportunities and barriers





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# Implementing the merger





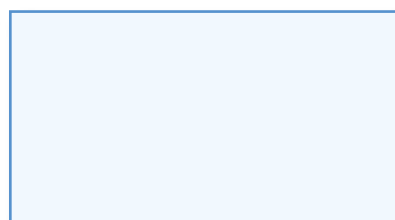
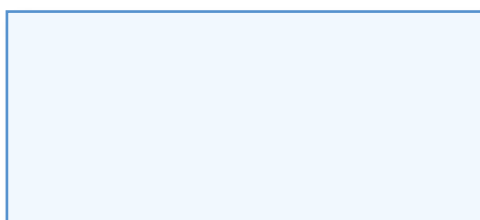
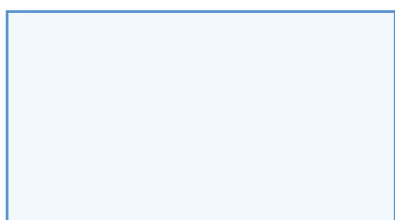
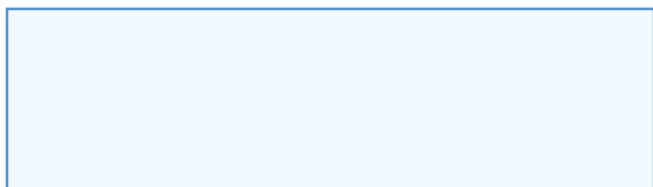
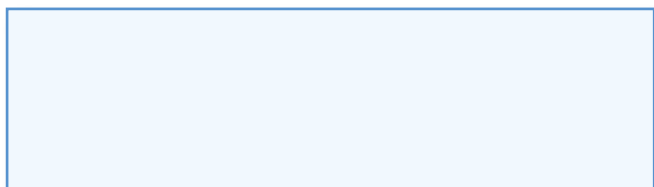
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Due diligence is undertaken to:

- obtain sufficient information about the joining schools to decide whether the project should proceed

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When conducting a consultation, the general law on public consultation applies and so the trust must operate the process in accordance with the principles set out below.

The consultation should:

- Be undertaken when proposals for the subject of the consultation are at a formative stage and concluded before any final decision is taken.
- Provide enough information to those consulted to enable them to comment intelligently on the proposals.
- Allow enough time for those consulted to enable them to properly consider the proposals – we recommend a consultation period of four to six weeks which should take place during term time.
- Ensure that consultation responses are specifically considered by the decision maker (the trustees) when deciding whether or not to implement the proposals.

The easiest way to consult and provide the relevant information to stakeholders is via the trust and academies' websites. In addition, you may wish to send letters to the parents of pupils, briefly outlining the proposal. We also recommend that meetings are held with trust staff.

Responses must be formally considered before the final decision to proceed with the transfer is taken. If a significant number of responses are received, these should be summarised in a report and made available to the trust board.

## E. Execute the legal transfer

At this stage, the board will need to instruct a legal adviser(s) to support with the legal mechanics of the transfer. Ensure you appoint legal advisers who are education sector specialists and who have experience in supporting academy trust mergers.

The transfer of any academy from one trust into another involves the transfer of the business and assets of the academy/ies from one legal entity into another. That means all of the assets, property, rights and liabilities must be transferred to the receiving trust and this is documented in an agreement commonly referred to as a transfer agreement.

Before transferring assets in a merger, the receiving

trust should not undertake any final decisions to proceed.

Trusts should ensure that the balance sheet is transferred to the receiving trust.



