

# **Multi-Academy Trusts:** Achieving successful and sustainable growth

A collection of MAT case studies



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# Introduction



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**Education Partner at Browne Jacobson**

The academy programme continues to be a key part of education policy; with the release of the ‘Educational excellence everywhere’ white paper, a ‘fully academised’ system will be in place by 2020 and that inevitably means more MATs. The Education and Adoption Bill gives the DfE and regional school commissioners (RSCs) greater powers to intervene in failing and coasting schools and academies.

“A significant concern for schools voluntarily converting is losing their autonomy.”



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Does the system have capacity to support increased interventions and conversions? At the beginning of 2016 there were approximately 900 multi-academy trusts. Of these, less than twenty operated 21 or more academies. No doubt there will be speculation about the number of MATs that will be needed in a fully academised system for some time, but it is clear that a significant number of new MATs will be needed. There are undoubtedly substantial obstacles in growing the number of MATs. Whilst leaders grapple with the day job of ensuring the quality of care and education for their young people, a significant concern for schools voluntarily converting is losing their autonomy. Concerns over leadership structures, developing a financially secure MAT with worries over funding levels and the fact that there is no structure in place to help schools find suitable partners are just some of the other challenges.



Policies such as reintroducing the primary chain development grant will help. The recent policy of allowing sixth form colleges to adopt academy status (and even speculation that this may expand to encompass general FE) may also help add capacity to the system. However, to reach a fully academised system it is clear that further policies and more expertise in academy finances, more business-minded CEOs and CFOs and more academy sponsors will all be needed. How far reaching will new policies be in encouraging development of groups?

For those leaders developing a MAT the relationship between your MAT and your RSC will be important, as RSCs will play an increasing role in shaping the local landscape through the approval of academy projects. There is no doubt that the current landscape provides leaders with the opportunity to shape local solutions. However, developing MATs also face a number of challenges, including succession planning for CEOs and executive principals, as well as growing your trust sustainably from a financial and educational perspective. This report will provide welcome guidance and insight into the lessons learnt to date for those leaders looking to develop their MAT over the coming months and years.



**STEPHEN MORALES** [@stephenpmorale1](#)  
**Chief executive of NASBM**

It appears the policy trajectory is firmly set for this parliament. David Cameron stated quite boldly that his ambition is for a fully academised education system during his tenure and with the recent white paper this looks set to become a reality. We'll see all schools become academies by 2020, or be in the process of conversion.

It is clear that in the coming months and years, the education landscape as we know it will be unrecognisable. A diminished role for local authorities will mean that schools and trusts will need to be far more self-sufficient. Schools operating in isolation will be few and far between and executive structures will preside over groups of schools. We perhaps need to ask the question: what will future leaders in the education system look like? What are the characteristics of an effective chief executive officer (CEO), chief operating officer (COO), chief financial officer (CFO), principal and head of learning?



The system's capacity to absorb such a scale of academisation rests with RSCs and their teams and the extent to which they can encourage and support the host schools and their MATs in acquiring other schools.

I think that the Department for Education has some work to do in terms of clarifying the role of the RSC. Ofsted's remit is clear: to measure performance of a school. It's a snapshot in terms of where that school is at a given point in time, given the information that they receive and the observation they make.

“A diminished role for LAs will mean that schools and trusts will need to be far more self-sufficient.”



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This is quite different from the role of the RSCs: they are responsible for ensuring that schools and academies within a locality are performing and providing optimum life chances for children in their care. I see RSCs and their teams as more about intervention, support and improvement rather than measurement.

The other kind of inspection that a school might be faced with is a visit from the Education Funding Agency (EFA). If there are concerns about financial viability or financial stability, for example, then EFA officials might visit the school to ask: 'How bad is the problem? What interventions might be negotiated with the leadership team? How can we ensure that the school doesn't fall off the metaphorical cliff-edge in terms of finances?'

Is it an inspection? Yes, but I think the emphasis is on: 'Can we move this forward?' rather than: 'We're trying to catch the school out.' I think it's: 'We've got some concerns. Are they as bad as we think they are? If they are, how do we fix them? And if they're not, some small interventions will change things.' I think the EFA and officials really want schools and their management teams to succeed so I think that should be the starting point.



# Bright Futures Educational Trust



DAME DANA ROSS-WAWRZYNSKI [@BrightFuturesET](#)  
**CEO**

- Academy trust established in 2011.
- There are nine member schools in the trust, based in northwest England.
- Member schools include primary and secondary schools, sixth form and a special school.

## What are the key elements involved in creating a business plan for the rate of your expansion?

Initially, when expanding from a standalone school to three schools in a MAT, the business plan is quite small. It can be maintained with the three schools working together without too much change, especially to finance plans.

When you grow to a medium MAT between five and 14 schools, with different sizes and needs, the plan is different. You have to restructure and you have to centralise some services. Bringing in new systems and focusing on procurement also means you have to spend more money initially to save money in the longer term. These systems of managing finances don't bring larger amounts of money into the trust but they do bring in efficiencies.

The business plan is very much driven by the structure that you operate and the efficiencies that you want to bring about across a group of schools. When we first started this MAT we felt we had to get to a minimum of ten schools and possibly work up to slightly more than that. We wanted ten schools because we knew we wouldn't then need to bid for capital grant – once you were ten schools and above, the capital grant would come through, depending on pupil numbers.

About two years ago it was agreed that the capital grant could be given to MATs with five schools and above, which has meant that we've been accessing it for the past year and the need to have ten schools in the MAT has lessened.



When we look at growing our MAT it always goes back to our values, our vision and what we want to achieve as a MAT. Our ambition isn't to have hundreds of schools; it simply becomes unmanageable. We want to provide the best quality of education for the pupils in our MAT. We want to develop a system where we're helping people to become better teachers; better subject specialists; to be more innovative in the classroom; and to be engaged with research into what works best for learners, not just in this country but internationally. We want to encourage collaboration with practitioners locally, nationally and internationally to improve our understanding of best practice.

At this moment we don't plan to grow to larger than around 13 or 14 schools. In the MAT we currently have primary and secondary schools, those which cater for sixth form pupils and post-18, as well as a special school.

“When growing our MAT it always goes back to our values, our vision and what we want to achieve.”



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We want to have enough capacity within our organisation to enable us to bring in the best resources we can, as well as experimenting with new ideas around practice and learning. We're still evolving and concentrating on what we need to be able to provide the best all-round education for our pupils.

## **Is there sometimes a cynicism around joining a MAT, particularly from smaller primary schools? Are the benefits of collaboration made clear?**

The key to encouraging collaboration is explaining the benefits. If the rhetoric being used is that there are lots of coasting schools who are struggling and we want you and your school to improve and sponsor those coasting schools it is no wonder that suspicions arise. It sounds like struggling schools are made to sit on the naughty step.

This gives the wrong message to good headteachers who run good schools but haven't been prepared for and don't understand what is involved in running a MAT. It isn't just running another school with departments (i.e. with schools as the departments in this case). This is a completely different way of thinking: you need to consider how you take an organisation and ensure everyone understands and buys into the vision of that organisation.



It isn't about sending a super head into a struggling school to take over. I think this is why primary schools are often sceptical, as joining a MAT can feel like a takeover. They may be concerned that it sends a message to stakeholders of being worried about continuing to run the school alone.

This rhetoric is wrong and the messages given out in this way are misleading. None of us are 'hero heads'. No school leader will want to run a school and have it fail. There are very complex schools in our system and very vulnerable schools for many reasons, but all too often the main area of focus is the grading from Ofsted or having the right GCSE outcomes, with a lack of real understanding around why schools are in a challenging position. The message cannot be: 'This is a failing school and needs a hero head sent in to solve all its problems.'

Collaboration in a MAT is the right direction for schools in the current landscape but we have to remember that we're all in the relatively early stages as trusts. None of us have a magic wand to turn every school into a beautiful swan just because we've become a MAT. There are many, many different issues to face for each organisation.

## **How do you deal fairly with staffing issues and restructures that can result from adding schools to a MAT?**

Before making any staffing changes you need to be fully aware of the issues in the school. If leadership in a school is struggling, why is that the case? What has changed? What can we learn from the struggles? Can we help the school leader to become a better head? You can't make swift, sweeping changes and remove staff.

The Greater Manchester Challenge and London Challenge worked very well. Headteachers who may have been struggling were given lots of support and time to develop and learn. Making someone feel supported rather than threatened provides the capacity to grow. It's all very well Nicky Morgan announcing that heads of failing and coasting schools will be sacked but, if we do, where are we going to find their replacements?

I give my heads, those in a difficult position, around 18 months to two years to show improvement. If they're really struggling then the first thing I would do is look to move them to somewhere else in the trust, should they wish to, to upskill further.

Sometimes a very difficult conversation is needed – someone may not be at the level needed to run that particular school but they'd make a great SLT member somewhere else. We would give them the support in the trust to develop and upskill. It's a tough conversation but must be had where necessary. It's very much about the way it's handled: with courtesy, openness and respect. The worst thing you can do is make a rash decision to get rid of a head in the first couple of months.



## **In terms of due diligence, a lot of schools are concerned if they're doing it right. What key advice would you give from experience?**

One MAT will not be the same as another MAT: the aspirations and values will be different. It's all about school-led improvement and the key thing about due diligence is having a robust process which identifies any potential risk to your MAT in taking on a new school. My advice to MATs in the early growth stage is don't punish yourself by taking the most difficult schools on board immediately. They will affect your reputation, drain your resources and you haven't yet been able to demonstrate your ability to make and sustain improvement in a struggling school.

A school in special measures might be ready to join a MAT and able to move quite quickly. Here, your due diligence process is crucial and you have to be very, very careful: do you fully understand why that school is in special measures or requires improvement? Do you understand what it will take for that school to improve? Do you have the capacity in both personnel and financial resources to give them that support?

At the moment I know that a lot of MATs, including my own, are reluctant to take on any school that's got a PFI (private finance initiative) because, if it's in an area where there's a falling roll, you could be left with very hefty bills and you will not have the numbers to resolve the costs. If a school is being built for 1,200 pupils but only has 800 and it looks as if this number may still fall, how is your MAT going to afford to manage it? If you take on that school you take on that responsibility.

If you're taking on a school and the building is falling apart, patching it up is going to be an expensive and likely ongoing process. Where are you going to get the money for that while also managing resources across the rest of the schools in the MAT?

For me, effective due diligence determines what the school needs to improve and whether your MAT has the capacity to drive that improvement. It also asks questions around how you are going to manage costings and finances.

The due diligence process will uncover whether there are any other liabilities hanging over that school, from the poor state of the school building to the possibility of a parent or teacher suing the school. It will go through all the major areas and leave you with this question to ask: 'As a MAT, where are those resources required to improve this school going to come from?'



Every school leader wants to see a school improve and sometimes your heart might tell you: ‘Take them,’ but your head says: ‘No.’ If you’re taking a school on, you have an obligation to bring value to it and ensure the other schools in your MAT are not put at risk by having to spend so much money or resource on that one school. That’s why it goes back to understanding your vision and values – they’re so important.

## What are your biggest priorities in terms of growing your MAT?

The area which causes us a lot of turbulence, because it impacts on every part of our trust, is the finances. There’s a serious problem of a shortage of money coming into the trust. Rather than me arguing over every bid or going back and forth to the government when I know they’re not going to be able to provide enough help, I’m looking for a commercial arm to bring money into the trust’s national arm. I’m not talking about £10,000 here and Green Shield stamps there, but looking at what we are really good at. As a MAT we’re thinking about what we can market in such a way that in time we’re bringing a substantial amount of money into our organisation.

A question that the government has never addressed is the national insurance issue and the pensions issue. The pension funds have not been big enough so we’re all in deficit over them – who’s going to cover that deficit?

I think two governments from now will view this as ‘the MATs problem.’ The current government says: ‘Don’t worry about it. We know that this financial problem is an issue for MATs.’ I’m absolutely sure that 10-12 years down the line the government in power then will say: ‘But you’ve known that for the last 15 years. You should’ve done something about it. Where was your planning around it? You have to resolve that problem – you knew what you were taking on.’

I don’t think there’s a trust in the country that doesn’t have (because of inheriting from the local authority) a deficit in the pension fund. My MAT of nine schools has around a £6.5 million deficit. Take ten MATs: £7 million tenfold. Take every MAT around the country and you’re talking about millions upon millions of pounds in deficit. Who’s going to resolve that?

**Members can access more resources on MAT leadership from the Optimus Education Knowledge Centre including [Advice for leaders of a multi-academy trust: what you need to know](#).**



# Diocese of Salisbury Academy Trust (DSAT)



**MARK LACEY**  
**CEO**

- DSAT was established in 2013.
- The trust consists of seven academies across the diocese of Salisbury: six are sponsored and one voluntary conversion.
- All seven academies are primary schools.

## Growth plan

We are in the early stages of development as a trust but have grown to seven schools at this point. The trust is made up of schools across the diocese of Salisbury – there are six sponsored academies and a school who joined through voluntary conversion. We are a growing trust and envisage more schools joining in the near future.

Our strategic aim is to deliver good and outstanding provision in all our academies and we are expecting to bring a number of good and outstanding providers into the trust as we look to strengthen our current academies. We are working to bring new joiners into the trust with the support of our regional schools commissioner.

“Our growth strategy will ensure financial stability in the long term.”

**SALISBURY ACADEMY TRUST**



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We are initially working towards having 2000 pupils in the trust as part of our immediate growth strategy. This will ensure financial sustainability in the long term and allow us to offer a more comprehensive service to our academies as we secure greater economies of scale.



Our seven academies currently have a total of 1400 children. Our next growth target is likely to be 3000 pupils but this will be very much under review as we develop and progress.

We have to be flexible - we want to grow and we recognise the financial benefits of doing so but this growth must be at a rate that is right for us and that leads to the long-term success of each of our academies. All the schools currently in the trust are primary but this is not a matter of policy. This is the phase that we currently work in but we are open to a range of phases and structures, including the possibility of developing local hub models.

Again, although we have our roots within the diocese and currently consist only of church schools, we are not necessarily limited to that either. We are particularly interested in working proactively with clusters of schools which could potentially mean adding a group of schools together.

## **Ensuring quality across the MAT**

We are working hard to develop services and structures that centre on the school improvement model that we are developing. Deploying the right people in the right places is vital. Where we do not have the necessary expertise, we use a range of external consultants and support from teaching schools as appropriate.

We also have the benefit of the wider diocese to draw on. There are a lot of headteachers and former headteachers who work with and within the diocese that we can consult with. We are very careful about the people we work with and we have to be sure that they are going to be utterly focused on our improvement priorities.

We actively encourage and promote the development of our leaders from within and we want to continue to do even more of this in the future: grow our own leaders. We have deployed staff from one school to another on a short term basis where there has been a need and where it is viable, which is a great way of developing them and ensuring quality. One of our new headteachers was appointed from another academy within the trust.



## The growth journey

The trust has been through the process a few times now and has developed a good working knowledge of the conversion process. We are learning ways in which savings can be made during the conversion and have a developing skill-set among the people we use to ensure that tasks are completed efficiently and effectively. We want to be involved with those schools that want to join us as early as possible, even prior to conversion. We want to be involved in their school improvement journey so that we can learn from their strengths and support them with their areas for development.

## Risk management and due diligence

When in discussions with schools considering conversion, we look at areas such as standards, inspection outcomes, finance and leadership within the school as part of our due diligence process. Concerns in any one of these areas will not necessarily prevent us working with an academy but we need to be sure that we can mitigate any risks and have the capacity to work with the school as part of their improvement journey. Sometimes we have had to say that we are not able to work with a particular school because at that stage, the risk factors were too high and would put the rest of the trust at risk.

## Geographically diverse

Our academies are spread widely across the diocese but this does not stop us working together. If the work you are doing is good enough then the distances don't seem quite so huge.

We work around the distance by having some headteacher meetings on Skype which saves so much time. We also build strong links with teaching schools and other providers locally to the academies so that support and networking is available at a more local level where that is beneficial.

## Priorities for next year

Our first priority is the improvement of the academies already in the trust and securing good outcomes for each of these schools. This has to remain the first and ongoing priority. We want to make sure we continue to do the best for the academies who are already with us.

We have a strong focus on developing leadership within the trust, starting with governance of the trust and going all the way down to local leadership in the individual schools.



Then the priority is the growth of the MAT and adding strength to the group as we move forward. As we grow we continually review our structure and schemes of delegation that we have in place to ensure that we have the best fit for all the schools in the trust. It is a wonderful journey to be a part of as we seek to create a legacy that will last for many generations to come for the children within the diocese of Salisbury.

**Members can access more resources on MAT development from the Optimus Education Knowledge Centre including [Planning strategic improvement as a MAT CEO](#).**



# Victoria Academies Trust



ALISON BEVAN

**Director of Finance and Operations**

- Victoria Academies Trust was established in 2014.
- The trust consists of five academies in the West Midlands.
- All five academies are primary schools.

## What's involved in creating a strategic business plan for the rate of your expansion?

My main recommendation is that a trust shouldn't expand too quickly and make sure you have a very firm basis for expansion before embarking on a growth plan. This is critical in terms of financial management, as we need to improve our systems and processes to expand on a sure footing. Initially our trust expanded quickly. We became a MAT with four schools in the space of three months and didn't have the right financial systems and processes in place to do so. A key thing is making sure you have the right system in place right from the outset.

A priority for us at the moment is making sure we do have these systems in place so we have a solid foundation from which to expand further. I'm working on several projects at the moment to introduce PS Financials and HCSS budgeting software which will enable me to effectively and clearly report to the board, together with streamlining payroll providers and moving to use a single bank account. I started here in September 2015 and my first term was very much a fact-finding exercise, doing my own due diligence and making recommendations to the board. This term it's about implementing the projects that the board have approved.

“You really can't underestimate how important the due diligence process is.”

**VICTORIA ACADEMIES TRUST**



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## How have the learnings during the rapid growth of your trust impacted due diligence now?

It's had a massive impact and this is where it's vital that the CEO and financial director work closely. A CEO may wish to take on a sponsor school quickly to begin educational transformation. But it's important as a trust that we ensure we are doing thorough due diligence before we take on a school.

A huge learning from attending the Optimus MAT summit last year was the importance of a due diligence checklist, which I've started creating for our MAT and will be in a position to use when we look at adding the next school. The due diligence process would also involve some work from our accountants and lawyers – you really can't underestimate how important this process is. There is no guidance or blueprint from the DfE so it really is something you need to pay a lot of attention to.

I referred to the [Academies Financial Handbook](#) when I started thinking about an action plan for due diligence. I was in a new role when I started, I didn't take over from anyone so there was little in the way of handover and I definitely thought: 'Where do I start?' The handbook is what I've used to drive my reviews and sense-check to then come up with systems and processes to put in place to ensure we're compliant. Everything needs to come back to that initial question: 'Are we compliant?' Once we are compliant we can look at how to become more efficient.

## What are the most important factors in managing risk and how do you handle these?

We didn't have a risk register when I started so I created one very quickly. We have a school that is under-roll, and there is, of course, a risk there that if the numbers don't increase quickly enough costs will become a drain on the trust reserves. So financial forecasts really need to be regularly reviewed. You need to make sure that you have the financial means and reserves in place if you're taking on a school that doesn't have a healthy budget like others already in the MAT.

I've made sure that the risk register is a standing agenda item now for each board meeting to ensure the board and senior leaders are very aware of any risks and how we mitigate against them. You need to be confident that any school you take on is not going to put your trust in a vulnerable position because you haven't carried out due diligence thoroughly. I'm very clear with the board and open in presenting financial information – risk management has to be a transparent process.



## **What advice would you have for those wanting to generate income? Does innovation play a key part?**

Innovation definitely plays a part and we've struggled with that in the past. Our trust academies are all in the primary sector and we probably don't have the same range of facilities as bigger secondary schools in terms of a big sports hall or gym studios. We're quite limited in terms of resources we could utilise but we are bringing in an external adviser to look at where we can apply for grants and access more income from.

Our school business managers are very good at accessing things like National Lottery grants for specific projects but bigger income generation plans are definitely something we need to work on more.

Where we're at right now is still getting the basics right so we have firm foundations to build on. Being compliant comes first and everything else follows on from that.

## **How do you deal with staffing issues such as restructures?**

We've been very fortunate so far that we've not had any issues with restructures with the schools we've taken on. It's not always a pleasant experience though so it needs to be handled in an open and transparent way. The key thing is having a robust business case behind the restructure; one that is clearly well thought through, has timelines and is clearly evidenced. You need to be able to demonstrate how and why this is the best direction for the trust to deliver educational benefits and to make the process as smooth and reassuring as possible for staff.

Don't underestimate the impact it will have on staff morale at that time and while changes are being implemented. There will inevitably be a period of staff being unsettled so it's vital to manage change effectively to move forward successfully. As budgets are squeezed it is inevitable there will be more transformation across the sector.

## **How much collaboration is involved, especially in terms of staffing and procurement?**

This is an area I'm currently working on, certainly in terms of procurement. I'm looking at expenditure lines with the highest spend across the trust and picking those out as areas to focus on getting the best possible deals for. These areas include energy and insurance.



There are certain things that will inevitably have to be procured at school level and I think that's really important, particularly when you've got schools in different areas in a trust. We're across three different local authorities and sometimes you need local procurement. It's great for building links with businesses in the local community.

In terms of collaboration, we're sharing staffing across the schools a lot more. If a school in the trust needs support, other members of staff across the trust are the first port of call rather than going externally. The schools will recharge each other for staff time but this way the money remains in the trust. It's on an informal basis at the moment as we're not a big trust.

## What are your current priorities and plans for growth?

Definitely creating a firm foundation for growth. I'm concentrating on finance management in the first year and then moving onto HR and the MIS for next year. We need more integrated systems across the academies. They currently all have a standalone system for finance which you can only access by being in the school and this isn't always practical.

I've introduced regular business manager meetings and updates to try and build the feeling of everyone being part of one trust and working together.

Growing the MAT is definitely in our long-term plan but the focus at the moment is on getting all the foundations right to be able to do that successfully and sustainably. The regional schools commissioner is working with us regarding expanding the trust, we hope to take on more sponsor schools as this was the reason the trust was formed. However, we are also open to approaches from other schools. It's important for us to create geographical hubs, as this will lead to greater efficiencies and collaboration.

**Members can access more resources on financial management in MATs from the Optimus Education Knowledge Centre including [financial responsibilities in a new multi-academy trust](#).**



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