



Insight report

# The 2030 MAT growth challenge

Effective strategies and systems

Supporting smarter MAT finance



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**Simon Smith**

CFOO

Arthur Terry  
Learning Partnership



**David Clayton**

CEO

Consilium Academies



**Dan Morrow**

CEO

Dartmoor MAT



**Lesley Birch**

Deputy CEO

Meridian Trust



**Julia Armstrong**

CEO

Prince Regent Street  
Trust



**Robert Kennington**

Finance & Business Director

The Constellation  
Trust



**Michael Cowland**

CEO

The Diocese of  
Coventry MAT



**Jim Bowyer**

CEO

The Skylark  
Partnership

# Preface

In the 2021-22 school year IMP Software launched **The MAT Growth Survey 2022**. We invited trust Chief Executive Officers (CEOs), Chief Financial Officers (CFOs), Chief Operating Officers (COOs) and business/finance/operations managers to share their perspectives on a range of issues relating to MAT growth and underpinning strategies and systems.

83 responses were received from February-March 2022, with most MATs having 5-9 schools (28) followed by 0-4 schools (27) and 10-14 schools (15).

## Here are our eight key findings from the survey:

1. 90% of MATs say they are “confident” that their trust (generally) is set up to deliver directives to onboard more schools.
2. 50% of MATs are targeting growth by one or two schools over the next 12-18 months. A further 33% are seeking between three and five new schools and 8.5% are aiming for five or more schools.
3. 30.5% of MATs report that they are considering a merger with another trust over the next 12-18 months (69.5% say they are not).
4. 94% of respondents feel that centralising more of their operations and/or funding could make them more effective organisations.
5. 32.5% of MATs are currently GAG pooling (mostly needs-based model/ICFP or reserves pooling) and a further 54.5% say they would like to adopt GAG pooling.
6. Of the 67.5% of MATs which do not currently GAG pool half of those trusts say they are not wanting to consider GAG pooling due to the negative impact this could have on schools joining their trust. However, among those trusts that already GAG pool, 71% say

their approach to GAG pooling or centralisation was either a positive or neutral factor for schools looking to join.

7. The majority of MATs (67.5%) have a four to six per cent top slice/central charge and a further 14.5% charge seven to nine per cent.
8. Overall, 39.5% of MATs report that when designing their strategy around centralisation and finance/budget management they do not consider the impact of this model on the attractiveness of their trust to new schools.

Following publication of the Schools White Paper in March 2022, we conducted in-depth interviews with a small number of MAT leaders. As well as reflecting on the findings of the MAT Growth Survey 2022, we asked them about the impact of the White Paper on their trust’s vision/strategy for growth, the key success factors around organisational strategy which led to a “strong trust” as defined by the government, and their views and personal experiences around centralising functions, pooling and top slice mechanisms to ensure effective and efficient operations across their group of schools.

**The 2030 MAT growth challenge: effective strategies and systems** offers expert insight on how trusts can grow effectively to at least 10 schools or 7,500 pupils. It includes the perspectives of those who have already hit that target set out in the Schools White Paper and smaller MATs who are starting their growth journey. It demonstrates practical strategies for growth, lessons learned on the way, and key advice to schools on assessing their options on which MAT they should join in the coming years.



# Foreword



## Will Jordan

Co-founder, IMP Software

There is a real challenge facing trusts, big and small, in developing a smarter approach to MAT finance. Whilst this has actually been a recurring theme for some time, political and economic events in 2022 have truly focused minds.

The Schools White Paper, which requires schools to be part of a MAT by 2030, stated a need to grow and presented a definition of a “strong trust” around high quality and inclusive education, school improvement, strategic governance, financial management, and workforce.

‘Financial management’, our area of expertise at IMP Software, has subsequently highlighted discussions on centralising functions, GAG pooling and top slice mechanisms as a way of supporting effective and efficient operations in trusts.

The desired outcome of the White Paper is shrouded in uncertainty in terms of the sector’s ability to meet the 2030 timeframe. At the time

of writing, this is still the political direction of travel (though we now know that the Schools Bill will not progress in its proposed form), but the immediacy of rising costs, energy prices and unfunded teacher pay increases means our value as a sector partner has also been helping MATs to quickly understand the scale of changes in a really difficult operating environment.

Both in the short, medium and long-term, trusts are under more pressure than ever before to adopt smarter MAT finance, and consider the impact of their chosen operating model on their attractiveness to other schools as they seek to grow.

IMP Software’s position is not to argue for or against centralising functions or GAG pooling in terms of ‘this is the thing everybody should do’. We are not here to point out the right way of doing things. In fact, there is no right answer, and there is no one-size-fits-all approach.

**Our objective with this report is to convene a range of perspectives from MAT leaders on the challenges facing trusts, and document how their approaches are working in practice. What we present is a combination of insight and experiences.**

So, centralising and GAG pooling is a trend. Our insight survey found that 94% of MATs feel that centralising more of their operations and/or funding could make them more effective. And among those trusts that already GAG pool, 71% say their approach to pooling or centralisation has been either a positive or neutral factor for schools looking to join them.

However, as highlighted by follow-on interviews, there are some very opposing views on these and other issues. In our work with 200+ MATs we have lots of interaction with trusts who are doing things differently, and our budgeting and forecasting software is designed to support whatever approach they wish to take. The common factor is degrees of ambition to centralise always lie with a trust’s organisational strategy.



We hope that readers will digest all of this – what they could do and how they could do it (or not do it) – in line with knowledge of their own trust’s strategic plan, vision and values. But in terms of the White Paper objectives, the baton has now been passed on to the sector. The general direction is set out, only “strong trusts” will be there come 2030, and therefore the sector must now get better at what it does and in explaining the benefits they bring as a MAT.



# Schools White Paper:

## A 'new' trajectory

**“By 2030 all children will benefit from being taught in a family of schools, with their school in a strong multi-academy trust or with plans to join or form one.”**

This headline target set out in the Schools White Paper, published in March 2022, came with an expectation that most trusts will be on a trajectory to either serve a minimum of 7,500 pupils or run at least 10 schools.

The MAT Growth Survey 2022 found that 50% of MATs are targeting growth by one or two schools over the next 12-18 months. A further 33% are seeking between three and five new schools while 8.5% are aiming for five or more schools. Movement appears slower than expected following the White Paper.

“Previously we were aiming to grow from three to five schools, and 3,000 pupils, as this would qualify us for additional funding to support the next phase of our growth, so now with 10 schools and 7,500 pupils as a target we have double the effect,” said Julia Armstrong, Chief Executive of Prince Regent Street Trust, an all-primary MAT based in Stockton-on-Tees. “However, some schools are seeing 2030 as the end point only, there is a sense that they feel they have lots of time to get there, and are not taking action. There is not much momentum yet in our region, especially amongst those Headteachers or Chairs of governing bodies who will have retired or stepped down well before then.”

Julia continued, “nevertheless, this is about legacy, their legacies and ensuring that once their custodianship is finished that the school continues to go from strength to strength with a trust with the most aligned ethos they can find in their region. It could only take a school to be

given an RI grading by Ofsted and then the decision about which MAT to join could be largely out of their hands. Schools are better off seeing who is out there now, who is the best fit, and taking control of their destinies and futures – but the 2030 target is a long time to put on a deadline and it does not seem to be having the desired effect.”

Whilst the Schools White Paper brought out an initial discussion on the viability of smaller MATs and whether they can be sustained, the MAT Growth Survey 2022 reported that nearly a third of MATs are considering a merger with another trust over the next 12-18 months.

One of those that did, shortly before the White Paper announcement, was the five-school Cambridge Primary Education Trust which completed a voluntary merger with Cambridge Meridian Academies Trust to become known as Meridian Trust. “For us, it was a very significant step, one that will deliver huge benefits for our children and staff,” revealed Lesley Birch, Deputy CEO of Meridian Trust, and formerly CEO of Cambridge Primary Education Trust. “As a result we can provide high-quality primary education for more children across the region, with pupils benefitting from the combined expertise and capacity of trust primary leaders at a time of significant recent growth within both trusts. Smaller MATs will be reflecting on whether they have gone as far as they could or should, and whether they can be stronger in a bigger organisation, but our decision was based on what would be best for the children rather than anything politically driven.”

The make-up of the existing portfolio of schools in a MAT can make attracting schools of a different phase and type particularly challenging. The Skylark Partnership, the only specialist hospital education MAT in the country, is one example. “Hospital education provision, which provides the best possible education for children with medical and mental health

difficulties, tends to be Good or Outstanding so the challenge is persuading others that they should be part of a trust as it will give the best outcome for children in the long term,” explained CEO Jim Bowyer. “However, we need to grow and if we do not we will not survive, so over the next 12-18 months we are looking for at least two schools to join Skylark and share resources that give academies the support they need to allow them to focus on teaching and learning and working effectively with the children and families they support.”

For larger trusts, including the 19 primary and secondary school Arthur Terry Learning Partnership, the message is clear. “The Schools White Paper has not changed anything for Arthur Terry Learning Partnership,” admitted Chief Finance and Operations Officer Simon Smith. “Our mantra is that children lie at the heart of everything we do and we feel we have something good to offer. We have been on a growth journey for the past 10 years, and we want to extend our education offer and expand in line with our strategic plan. The next phase of growth may include MAT to MAT alignment, including in other regions as well as enhancing our existing hubs where we have fewer schools. Since the White Paper was issued, there has been an increase in the number of schools prompting conversations between them and us. But everything we do must come back to that mantra about children being at the heart.”

David Clayton, Chief Executive of Consilium Academies, which has nine academies, agreed. “Our focus and vision remains the same following the Schools White Paper,” he said. “We are focused on equity, and offering the highest quality education that meets the needs of every community we serve. Every child at a Consilium school benefits from the same opportunities, and that is what drives us. We have eight secondary schools and one alternative provision school. We want to expand so we can offer these opportunities to more children, by welcoming primaries, secondaries, and alternative and specialist provision to our trust. We have no target for growth, but we have two red lines: one, we would only welcome schools who believe Consilium is the right fit for them; and two, we would never work with a school where we believe the move would be to the detriment of any child.”

For others, the Schools White Paper has brought a welcome endorsement of their current organisational strategy. “The White Paper has been useful in clarifying the government’s ambition for every school to be part of a strong MAT,” explained Michael Cowland, CEO of The Diocese of Coventry Multi-Academy Trust. “It supports what we as a trust are doing already, and the Coventry Diocesan Board of Education (CDBE), where our trust is based, has a clear 2030 vision for a fully academised system. We also believe schools are better off in a strong MAT and it is our job to ensure we can be the right place for a school that needs the support of a strong trust, but that does not necessarily need to be ours. The White Paper has reassured our Board that this is the direction of travel.”

With 19 primary and secondary schools, the trust’s current strategy is to grow by three schools every year. “As a Church Majority Trust we should not cherry pick schools, and our growth strategy guides us to take one school that is not yet good (either by a recent Ofsted judgement or by our own assessment) and one small school each year,” Michael added.

Dan Morrow, CEO of Dartmoor MAT, which has 19 primary and secondary schools, shared a similar perspective: “For our Board, the White Paper is confirmation that this is the direction of travel, that our part in the system is growing at pace, and that this is where we need to be. We have no numerical targets for growth. What is more important is the cultural and values fit, for us being assured we can add value to a school based on our approach to effectiveness and efficiency. Within that context, discussion on supporting a set number of schools is not a helpful one. For us, we may have a rural primary school with 200 children and a secondary school with 1,800 children. If our target is to go from supporting 5,000 pupils to serving 10,000 pupils then clearly we could achieve that more quickly through bigger schools. However, our civic responsibility is meeting the needs of the communities that we work within, so decisions on growth must be taken on a case-by-case basis.”

A period of consolidation is on the cards for The Constellation Trust. “The White Paper has presented an opportunity for us to take stock a little,” said the trust’s Director of Finance and Business Robert Kennington. “We have expanded rapidly over a short period of time and that has brought some advantages and disadvantages.



We are supportive of each school having its own unique identity and ethos that allows it to deliver the best possible outcomes for its pupils at a local level, but we would have wanted to have the systems in place to support our back-office functions much earlier. We have allowed more autonomy than larger trusts, and on reflection a more structured centralised approach would have been more beneficial.”

Robert explained, “when I first joined the trust, for example, we did not have an effective budget management system for a MAT and our HR system was not fit for purpose, both not necessarily at the forefront of where we wanted to be when we started expansion. Our focus is always teaching and learning, but if we do not have strong underpinning central systems it makes it more difficult and time consuming to make informed decisions which support schools. These services drive efficiencies and we had a mix when I arrived. We now want to ensure we have everything in place before expanding any further.”

“There are some important considerations when thinking about MAT growth or merger,” summarised Meridian Trust’s Lesley Birch. “One is that a MAT should not be dependent on one or a small number of people, so succession planning is key, and another is if you are too insular and need to widen your connections to benefit your communities. That may be especially important in some parts of the country, as well as factors such as who is running the MAT, financial viability and whether the local authority is still supportive. The White Paper certainly makes you think about these things a bit more. At Meridian Trust, we now have 28 schools, but our strategy is and never has been about collecting schools, it is about finding the right schools to work with in the right geographies.”

**“The White Paper is a menu, and it is down to us how we serve it up,” concluded Dartmoor MAT’s Dan Morrow. “It is an invitation for us as educators to step into the space and stage it in how we believe**

**it should be. It is an opportunity for us to bring about change. We can shape lived experience in the communities we serve.”**



# A “strong trust”:

## Centralising functions

The White Paper outlines how “strong trusts” achieve economies of scale, sharing resources, centralising functions, and ensuring robust financial governance, in order to build resilience and save time and money to reinvest into education. It goes on to say “we know that trusts use pooling or ‘top slice’ mechanisms to ensure effective and efficient operations across their group of schools”. Interviews with MAT leaders brought different perspectives on what defines a strong trust, beginning with organisational strategy.

“The concept of a strong trust is driven from a fundamental vision and ethos,” insisted Simon Smith, Chief Finance and Operations Officer at Arthur Terry Learning Partnership. “Then it is about the strength of the school improvement offer, which we have boosted to support our growth plans. Financial sustainability is clearly important – strong finances support proactive investment into areas that matter – and robust governance ensures that we bring people together in our collaboration journey. We believe that our schools are stronger together and what makes a trust stand out is the strength of collaboration. In our purpose and vision statement we talk about working together rather than in isolation which means we can accelerate school improvement. Sometimes you see people working together but not collaborating, often due to a competition between MATs, and we expect our staff to collaborate in a true altruistic sense to benefit all children.”

**“Whilst the White Paper drives MAT growth around the number of schools and pupils and sets out accountability and regulation requirements which we would largely welcome, I believe that those trusts with a**

**clear vision and organisational strategy will be the most successful,” said Consilium Academies’ Chief Executive David Clayton.**

“In my view, a strong trust is one which delivers positive life chances for every child in their care. 95% of children in their care is not enough – every child must get those same opportunities. Our ultimate priority is to address the inequalities in the education system, and I believe that should be the central goal of any trust. To measure the impact of trusts, that has to be based on the trajectory they are on – not just on where it is now. For example, we have moved four schools out of an Inadequate category in the past two-and-a-half-years. That should be measured differently to a trust which has, for example, taken on a Good or Outstanding school and maintaining that level.”

Improving outcomes for children, and supporting teachers and leaders to achieve that, is ‘top of mind’ for other MAT leaders. “A strong trust should be measured on the strength of outcomes for children – it has to be,” explained Lesley Birch, Deputy CEO of Meridian Trust. “This should include a combination of academic attainment and personal development, essentially the opportunity to try different things so that pupils become rounded citizens at each stage of their education which prepares them for their next phase. As part of this, trusts will look at staffing and what children need to achieve these things in practice, so that will always be part of a conversation in deploying resources.”

“In a strong trust, children will always come first,” agreed Prince Regent Street Trust Chief Executive Julia Armstrong. “Headteachers will be supported, and there will be a strong school improvement core. If the children are not getting the best possible education that is not a strong

trust. The White Paper's principles of a strong trust are sound enough, but ultimately it is about reinvesting time and money into education. The sole focus must be about teaching and learning in school. For Heads to concentrate on education, not roof leaks and toilet seats, and so the role of a trust is also about what is taken off them in effective back-office support."

Julia gave an example of how the trust's Estates Manager has already brought in £1.5 million in capital funding. The central team are also seeking to procure systems and services that help schools to save money, and then for new schools coming into the trust to benefit from these when they join.

Dan Morrow, CEO of Dartmoor MAT, added that "in its simplest form a strong trust is predicated on synergy – adding value and going beyond the opportunity that schools would have as single entities. However, in essence the role of a trust is strengthened accountability, collaboration and in our case cooperation, and that being part of a trust brings greater effectiveness, efficiency and expertise. There is a laser focus on the core business – quality of education and leadership – and a strong trust understands that education is at the heart of what they do. Working out strategically what policies are needed to ensure clarity and consistency of education to the public it serves, and what it needs to succeed, forms an essential role. Financial efficiency is a very important aspect of this as it enables strong education delivery."

**In The MAT Growth Survey 2022, 94% of respondents said that centralising more of their operations and/or funding could make them more effective organisations. It is a view shared by trust leaders interviewed for this report.**

Jim Bowyer, CEO of The Skylark Partnership, said, "it is no surprise to hear trusts saying they could be a more effective organisation if they were able to centralise more. Certainly when I was an Assistant Headteacher previously more cross-department cooperative and coordinated working would have made the job around teaching and learning easier. Focusing on what

is best for the students, not having to write a single policy, not having to attend monthly finance meetings and not worrying about the buildings, just getting on with the job of teaching children and having space for pastoral care is an attractive proposition for Heads. I was surprised by how some previous colleagues did not understand the budget/provision link and had no idea how their money was being spent – and they should do – but within a trust structure everything away from teaching and learning should really be taken care of for them."

"Centralisation works within our trust as all our 10 schools are based within an eight-mile radius, distance is not an issue," revealed Robert Kennington, Director of Finance and Business at The Constellation Trust. "The key to centralisation is freeing up school leaders to focus on teaching. The savings we have made on not having a School Business Manager or a large school improvement team in every school, for example, means that Headteachers have the resources to build on what their school really needs to enhance learning opportunities and deliver outcomes. As a central team we will add our expertise or capacity to ensure that every school has the same opportunities to thrive, supported by the best staff to do the job. There is no way that a trust can operate efficiently if they devolve responsibility to schools to do everything – that is a local authority way of working."

The Diocese of Coventry Multi-Academy Trust is moving to a more centralised model of support that is "adaptive enough to respond to changes in the external environment but which remains concentrated on the key issues that will ensure the organisation delivers our vision". CEO Michael Cowland explained, "we will centralise where it makes sense to do so: enabling our Headteachers to concentrate on teaching and learning; strengthening compliance; and increasing consistency. I am very much about getting experts to do stuff that requires expertise. With School Business Manager functions, for example, while recognising that every academy is different, we are moving towards standardisation in job descriptions to ensure that every Headteacher is supported in the same way and left to focus on teaching and learning."



One trust that does not reference centralisation is Dartmoor MAT. “We have no central office, and do not use the term ‘centralisation’, rather how we aggregate services to bring together activity that was previously siloed for the benefit of schools,” commented Dan Morrow. “This has been positive at every level. Initially school leaders were nervous and unsure about change, but now they can feel the benefit on learning and school improvement. It is the same with group purchasing. Increasing time for leadership of schools impacts on teaching and learning, and contributes to the quality of education. A measure of success is when people talk about ‘our trust’ and not ‘the trust’, where we are all responsible for all aspects of school improvement (teaching and non-teaching staff) and what the trust is doing is not seen to be different from what any one academy is doing.”

“A strong trust will put the interests of young people before everything else and ensure that provision is the best it can be for the local community,” said The Skylark Partnership’s Jim Bowyer. “Strong financial control is needed, but if you are students first and care about academic and social/emotional progress, with safeguarding and wellbeing on top of that, that is a solid organisational strategy. Our move to setting up a MAT was mainly driven by finance and local authority capacity, and also due to ongoing issues with funding hospital education. Whilst there is, in my view, no firm evidence that a MAT will deliver better outcomes than the local authority model, this is the direction of travel in the White Paper. Schools with a shared ethos or experiencing the same challenges are stronger working together in partnerships.”





# Operating models:

## GAG pooling and top slice

**According to respondents to The MAT Growth Survey 2022, 32.5% of MATs are currently GAG pooling (mostly needs-based model/ICFP or reserves pooling) and a further 54.5% say they would like to adopt GAG pooling in the future.**

In the same survey, of the 67.5% of MATs which do not currently GAG pool half of those trusts report they are not wanting to consider GAG pooling due to the negative impact this could have on schools joining their trust. However, among those trusts that already GAG pool, 71% say their approach to GAG pooling or centralisation was either a positive or neutral factor for schools looking to join. Opinions on, and use of GAG pooling, is mixed among MAT leaders interviewed for this report – but the principle of sharing resources was agreed upon.

“We pool our funding, and this is fundamental in supporting our vision and organisational strategy for equity for every child,” said David Clayton, Chief Executive of Consilium Academies. “Objections to GAG pooling often involve views on autonomy when actually I see this as less about finance and more about strategy and organisational culture. Some schools and trusts can place too much emphasis on the mechanics of GAG pooling, but centrally it is our responsibility to deliver education to every one of our 6,071 students. A collective pool of resources allows us to do that well for each school. It is about equity, and it cannot be right that a child in one school gets less opportunities than a child in another because of the nuanced national funding formula, something I am sure they have never heard of but something that can have a huge impact on their life chances.”

David continued, “I have never been challenged about pooling where I have underpinned those conversations with our clear vision and values. If

one of our core values is equity, and ensuring that every child can thrive and achieve anything they want to, tell me how pooling resources does not fit that? In our experience it is very possible to pool without disempowering individuals, while using our resources in the best way for our communities and their contexts. There is also a need to ‘trust the trust’, and in our case, trust in our values of equity.”

“Where we can, we pool everything, not just GAG,” explained Dan Morrow, CEO of Dartmoor MAT. “Pooling is simply an opportunity to empower school leaders to channel their skills into what they know best: educational outcomes. Ultimately we have a job in education and that is predicated on service. Too many discussions have been about power, and autonomy, and there are schools who may not want to GAG pool as they see it as ‘their’ money. Our responsibility is to get value for money from public spend. We have a duty of leadership to use public money to provide the best possible opportunities for our children and the communities we serve. We have to remove egos and cynicism from the discussion. There can be too much focus on the ‘how’ and ‘what’, not about the ‘why’. That ‘why’ is our civic duty, our role as public servants, and we need to focus the lens on the needs of children.”

**“The vision and values of a MAT must be lived not laminated. Pooling is not painful if you are clear on who you are, what you are becoming and what you believe is right for your organisation. The ‘how’ and ‘what’ becomes more transactional once you have agreed the ‘why’.”**

The Constellation Trust introduced GAG pooling two years ago, a strategic decision explained by Director of Finance and Business Robert Kennington. “There are significant variations in funding for primary and secondary schools, including two secondaries which have catchment areas which are in the Top 10% of the most deprived areas of the country, and we just had a very honest conversation about it with the schools,” he said.

“We were blunt on the financial situation – this is where we will be if we pool our GAG, and this is where we will be if we do not – and that, if we are judged as a trust on all our schools, then the model needs to be fit for purpose. We said there needs to be more money available to support schools’ individual needs, for example schools falling into a category or experiencing a decline in pupil roll, which would safeguard staff to deliver the best outcomes for teaching and learning. There were no objections, and when it came to a vote involving all schools it was a unanimous decision. GAG pooling has given us the flexibility to support our schools.”

Meridian Trust Deputy CEO Lesley Birch added, “at Cambridge Primary Education Trust we did not GAG pool officially, as this could potentially lead to less money for schools given differences in per pupil funding, but different schools received more money at certain stages if they needed that extra support. Sharing resources in this way is a principle of being part of a MAT, the family must look out for each other. You still have that robustness, but senior leaders have to take a leap of faith and be assured that they will receive their fair share of money over time. It is also about recognising that in a MAT these are all our children.”

Whilst a move to centralisation at The Diocese of Coventry Multi-Academy Trust may require changes to its funding model to maximise the potential of that operating model, CEO Michael Cowland was more cautious about GAG pooling.

**“Although we already pool an element of GAG with our 5% central support charge, I am not convinced that GAG pooling has enormous benefits to education or whether the return on investment is worth the efforts,” he said.**

“We have 19 schools in our family, and they want to help each other out, so if we were to introduce GAG pooling that might start upsetting relationships. If one family member is suffering, it is down to 2-19 to help them out, we do not need GAG pooling to do that. All reserves in academy bank accounts become trust reserves – all our schools get that. We are very honest with schools in that all their assets and liabilities are ours, including the money. Generally, however, the focus of a trust needs to be the children within it.”

Prince Regent Street Trust Chief Executive Julia Armstrong concurred, stating that “as a trust we do not GAG pool and have no intention to do so. I have many conversations with my CFOO about it and while he explains to me that as a term it is more off-putting than the actual mechanism, finance is quite a sensitive subject when in discussions with new schools. No Head (including myself) would want to even have the slightest feeling that the trust is controlling and drip feeding our budget to what they feel is best and not myself as the Head there every day. We support our schools using a top slice model that only takes a percentage of the nationally set allocation per primary pupil. Alongside our central team we then ensure schools have access to a number of systems they all purchase which allows them to access more provisions than if they had to fund it all from their own budgets.”

Julia added, “we are not currently in this position but I can imagine trusts that operate across several authorities can see the benefit of GAG pooling or devising their own funding formulas as it then allows them to support schools who are not being funded as well as others. However, if it was the case of just increasing funds to the central team as a percentage levy or other mechanism, this may read as poor optics from Heads and potential new schools as it is not being utilised for the correct purposes. This, however, should become a problem of the past when we have a national funding formula and local adjustments are kept to a minimum. As a one local authority trust we see no benefit from GAG pooling and the opinion of Heads in the local area is that they would not join a trust who did.”

“Some people have a fixed view about GAG pooling because there have been high-profile cases where this approach has gone wrong, but in the right context and led by the right vision, this is a more efficient and effective way of working,” commented Consilium Academies’ David Clayton. “It should not be a driver for growth, but if MATs are better serving pupils as a result, then growth will follow.”

**Away from GAG pooling, the majority of MATs (67.5%) have a four to six per cent top slice/central charge and a further 14.5% charge seven to nine per cent. The standard across the sector is typically 5%, but times are changing.**

“The trust had previously pooled everything, but this had taken any financial control and responsibility away from Heads,” explained Jim Bowyer, CEO of The Skylark Partnership. “Now we are moving towards a pooled/top-slice hybrid model with money coming in centrally to support the local offer and within that Heads and governing bodies will know how that top slice is being used. The schools’ contribution is currently bigger than 5% due to the size of our trust, and the percentage will reduce as the trust grows as economies of scale in shared service provision will be shared over a larger total trust income. There is a perception problem with top slice and for some hospital education providers that can be tricky. But generally Headteachers understand the challenges around achieving economies of scale – and the opportunities created by bringing finance together.”

“For us the 5% contribution was determined by the trust and models from the DfE and other looking at other trusts,” revealed The Constellation Trust’s Robert Kennington. “As a trust we ensure that schools benefit by receiving the equivalent of a 5% return in essential services they currently purchase resulting in a no-net financial loss but a better and more tailored service. The percentage has never had a great deal of challenge from our schools, and I think that is because we are up front and transparent on what that covers. We also position it as an unofficial type of KPI for the schools to judge us on, that it is not about the

5% they are paying but what is coming back in returns is more. Moreover, what I hear from schools when I am liaising with Heads of School and senior staff, is they are just happy not to have to manage all the services that we do. A clear approach means it is easier to sell yourself to other schools – and they are either on board with that or not. We have got ourselves to where we want to be with this model and are comfortable with that.”

“For me the central levy is the ‘sticker in the shop window’ for new schools, it is one thing that Heads or Governing bodies can challenge and compare trust to trust,” said Prince Regent Street Trust’s Julia Armstrong. “However, comparing just on that percentage value is not comparable as you have to look at what is being provided. If I was a Head looking at two trusts and looking solely at the finances of a five or seven percentage levy from my budget it would only be one side of the coin. The 7% trust may have significantly more support on offer and I would need to assess which model most benefits myself, my staff and my school, not just which one is going to cost the most. In our trust, we focus the majority of our centralisation within the business side of the organisation and our CFOO. For example, as PRST is ‘one company’, we obviously have audit and trust governance but also part of the finance function, payroll and HR. These areas could be developed further in the future and our Compliance Officer has done a fantastic job in developing a bank of central and trust policies. But educationally our schools are very different and our Director of School Improvement has done a phenomenal job of creating a skeleton trust improvement offer, while creating bespoke plans based on this to support each school.”

**In 2021, the Arthur Terry Learning Partnership launched a ‘One Trust’ ethos as part of its new strategic plan, which “means making decisions which support the family: together we are stronger, rather than 19 islands”. As part of this, the principle of a top slice has been removed.**

Chief Finance and Operations Officer Simon Smith said: “Firstly, we centralised our budgets, pooling our GAG and reserves. Secondly, we redefined our service offering to schools. Thirdly, we created a new Arthur Terry Learning Partnership funding formula which reflected the service offering. As a result, the idea of a top slice is now defunct. We have now invested an additional £500,000 in our school improvement service, providing both strategic and tactical support to school leaders, as well as increasing our capacity in specific areas such as safeguarding and support for vulnerable children. People investment will continue, for example educational psychologists and social workers to cover external gaps in provision, and then in 2022-23 we will bring important focus to our systems and data. Heads have bought into the ‘One Trust’ ethos and we have just been really transparent.”





# Future growth:

## Attracting more schools

**The MAT Growth Survey 2022 found that 90% of MATs are “confident” that their trust (generally) is set up to deliver directives to onboard more schools as required, and of course this is now required by the Schools White Paper.**

However, 39.5% of MATs say that when designing their strategy around centralisation and finance/budget management they do not consider the impact of this model on the attractiveness of their trust to new schools. So is there a correlation between the two in the eyes of MAT leaders interviewed for this report?

“We have had schools choose not to join us and usually this is when vision and values do not match,” revealed Dartmoor MAT CEO Dan Morrow. “Their red line is often about ‘control’, which is not complementary to shared vision, distribution and collaboration. When there is so much focus on control, that is more because people do not understand the purpose of a multi-academy trust, and the red line for us is where we would have to compromise who we are. For a school it is not about any individual’s priorities or keeping this or that. However, you should never ditch the quality and purpose of what you to do to bring others on board. Only make promises you can keep. These should only be a reflection of the values you hold dear.”

“We only ever get questions, never resistance, about our funding model,” said Consilium Academies’ Chief Executive David Clayton. “I always reflect on what is the driver for our decisions. I ask our Headteachers: does this give benefits for every member of our team, do you want to contribute to that, and will this support more of our students, or do you want to be left

alone to make these decisions? If the latter, a MAT structure is not for you, so it comes back to our core purpose. This is the same premise for wider centralisation. With finance, for example, we have a larger team than there would have been if we had devolved this to schools, but we have been able to make available £1.5 million for curriculum and pastoral support through pooling. We have also halved the cost of health and safety through a much more effective financial approach. Going forward, we are looking at education psychological support, as our schools are struggling to find the right people to deliver this, so we have decided to pool our resources and own it ourselves.”

**“Conversations with other schools have thrown up the ‘what is your top slice?’ question,” said Simon Smith, Chief Finance and Operations Officer at Arthur Terry Learning Partnership.**

“We say we do not have one, but the central teams manage some 17.5% of total funding through the Arthur Terry Learning Partnership funding formula. We have 11,000 children, 1,200 staff and 50 buildings to maintain and have calculated the cost to manage that. This is the overhead of our organisation but as a sector there is a no meaningful benchmarking on that. However, from this, we deliver all services (including school improvement) which enable schools to focus on teaching and learning with us resourcing that the best we can. The formula gives to them, rather than takes anything away.”

He added, “there are always doubters, but the strength of the partnership is evident. Centralisation can mean different things to different heads and governing bodies.

However, our approach means no major distractions from teaching and learning, and we emphasise the ‘One Trust’ message, how this is about future proofing and bringing equity to all our schools. Good communications is key. You need to bring people along with you from the start, make sure you share information when you have it, and be open, honest and transparent throughout so people do not have to fill in gaps themselves.”

“There have certainly been some schools we have said ‘no’ to over the years, whether that is due to size, geography or a sense that certain schools would be better placed elsewhere, and generally trusts of a certain size themselves will be more selective,” recalled Lesley Birch, Deputy CEO at Meridian Trust. “Equally, we know there are schools who say ‘no’ to trusts because of their approach to centralising or GAG pooling. Even if you are GAG pooling, schools still have a budget and are allowed to deploy it as they feel appropriate. Budgets are also linked to ups and downs with variations in cohorts and different funding formulas. That will always be the starting point, so with centralisation what does that actually mean, and is it more efficient? Similarly, why would you have 14 service level agreements for each primary school when one can be negotiated by the trust centrally?”

Operating models aside, MATs are clear that organisational strategy (and clarity of purpose) will support further growth. “The ethos of Prince Regent Street Trust is fundamentally one of sustainable school improvement,” said Chief Executive Julia Armstrong. “All three of our schools are Good or Outstanding, yet are very different in so many ways, but we have a very successful primary ethos which enables all children to maximise their potential whilst retaining the autonomy of individual schools. We also have a number of associate member schools who are benefitting from working with us through our two term offer, and we want to extend that to others. At present most of the schools we are talking to are those we already know. We want to get to the stage where schools are proactively approaching us. We are working towards this point as well as regularly communicating with our DfE lead that as a sponsor trust we are keen to utilise our central capacity to support others.”

“We are proud of how we have supported our schools to maintain or improve Ofsted ratings

and developed areas of education trust-wide, though like every trust we have experienced issues around attendance, attainment and progress due to the ongoing impact of Covid,” said Robert Kennington, Director of Finance and Business at The Constellation Trust.

“What we have done is strengthened school improvement and brought together curriculum leaders to develop a really exciting and engaging primary curriculum offer as well as put significant support into our pastoral side of the secondaries to assist our pupils in their return to school. We have made some impacts in our secondary schools too, moving one that had an Ofsted RI judgement to Good despite having to save £500,000 as part of a leadership level restructure. Operationally we have achieved significant successes, devolving £700,000 per year to schools to invest in their estates and bringing them all on to the same cloud-based budget management, finance and HR systems, which despite the obvious investment needed has also saved a significant amount of time and made a huge difference across the trust. These, and other operational benefits, have in turn supported teaching and learning.”

Dan Morrow, CEO of Dartmoor MAT, commented that “prior to publication of the White Paper we already had a clear idea of the way forward, with growth coming in three ways. Firstly, growing the organisation internally in terms of effectiveness and efficiency. Getting better, not necessarily bigger, and ensuring value for money for the public purse. Secondly, through influence and reach. We work with community organisations such as primary healthcare trusts and food banks, and we are aware of our wider social responsibility as civic players in the architecture of local areas and making a difference. Thirdly, through partnerships with other schools, sharing our system of education effectiveness and services offer, which may result in new schools joining and growing numbers.”

“Going forward children must remain at the heart of everything we do,” said Arthur Terry Learning Partnership’s Simon Smith. “People should make decisions on children, not on staffing structures, and that is our fundamental red line when speaking to new schools. We always come back to asking that question and make sure we get the right answer.” Michael Cowland, CEO of The Diocese of Coventry MAT,

concluded that “over the next few years our goal is to be well on the way to achieving the education outcome targets set out in the White Paper and support diversity and inclusion in our sector. We want to have supported everyone in our MAT family to be pursuing life in all its fullness.”



# Which MAT to join?

## Advice from trust leaders

### 1. Take your time



“Schools assessing their options around which MAT to join should firstly take time to reflect on why they want to join one. If the answer is because they have to, the school should discuss what is important to them in the future and what it is about the school they want to retain, and what they would flex on to get a better deal.”

David Clayton, Chief Executive, Consilium Academies



“Do not rush. There is a reason why a school has taken the decisions it has to date, but at the same time, there is now more movement towards joining smaller MATs within local areas rather than large national chains. One of the ways to see if a MAT is the right one for you is to look at a ‘try before you buy’ model – possibly work with them as a partner at SLT level initially and you will then have the opportunity to pick up positives and any negatives before committing to join the trust in an official capacity.”

Robert Kennington, Director of Finance and Business, The Constellation Trust



“One thing we communicate to any school who gets involved with us is to go to each school to see how different they are, and speak to SLTs about the level of autonomy left with them while also providing strong, effective and accountable support. If a school has found a trust they feel is a good fit, the Head should consider having conversations with local governing bodies to lead them into making a decision.”

Julia Armstrong, Chief Executive, Prince Regent Street Trust



“Do your due diligence. From my time as Chair of Governors at a mainstream school we were really close to joining a MAT. However, it became clear down the line that to do that we would have to make teachers redundant, and I could not ask the governing body to sign off on that. Removing teachers from their positions would not have been in the students’ best interests.”

Jim Bowyer, CEO, The Skylark Partnership



## 2. Explore vision, values and culture



“Schools considering joining a trust should look at the culture of the organisation. This is not the presence of the CEO, who will come and go. Talk to staff and leaders about the lived experience. They should also explore the funding model and ethos, which has to be right for the children in front of you and those to come, and enable them to flourish. Reflect on how joining any MAT will create choice in a geographical context for parents and carers. Only make a choice that is good enough for your child or those of children from families you care about.”

Dan Morrow, CEO, Dartmoor MAT



“My advice to any school exploring options around joining a MAT is to focus on the ethos. That is number one. Do you believe this fits where you are, and that there will be no compromise on that? Because if so even when challenges come up, which they will, you can be sure you are still coming at them from the same space. You may not like the outcome, but you will continue that shared vision of where you want to get to.”

Jim Bowyer, CEO, The Skylark Partnership



“Schools considering joining a MAT should be really sure that the vision and ethos matches their own. They should also be really clear what is within their responsibilities after they join, for example, by scrutinising the MAT’s scheme of delegation, and ultimately reflecting on whether that is the right thing to do for the children.”

Michael Cowland, CEO, The Diocese of Coventry Multi-Academy Trust



“Look beneath the surface and make sure they are clear on the sincerity of the words behind a trust’s values. As for our trust, we promise that school leaders will be incredibly well supported so over time they have the space and resource to focus on what they do best and offer a team of experts to do the things they are not experts in and do them well.”

David Clayton, Chief Executive, Consilium Academies



“Schools should make values-based decisions. You have to share the core values of the organisation. Then fundamentally it is about the school improvement offer, and how much difference it will make to the children in your school. It is about the longevity of children getting the best possible education.”

Simon Smith, Chief Finance and Operations Officer, Arthur Terry Learning Partnership

### 3. Ask the right questions



“Firstly, what are the trust’s aims and values, and are they aligned to your own organisation? Words can be powerful, but they have to be lived and breathed, and ultimately put into action. Secondly, what is the financial state of the trust? Is there enough money to develop and improve the estates? Thirdly, on governance, how will it work? You need to understand how this will function and the policies underpinning it. It is also really important to think about the future, not just now, and what joining a MAT means for the local community. Ultimately, the question that any school should come back to, is ‘How will this benefit our children?’ What is the impact on pupils, staff and community?”

Lesley Birch, Deputy CEO, Meridian Trust



“What are you going to offer that will better our children? What are the central services and how will these be delivered? How will you make the most of our resources, and if we hand our reserves and budgetary responsibility over to you what are you going to do with them? How will you work with us to ensure improvement one year from now? What will the local governing body give up, what will you provide, and will we have representation on the trust board?”

Robert Kennington, Director of Finance and Business, The Constellation Trust



“If I was a Head at a maintained school or single academy trust I would be asking ‘which trust will make my job better and allow me to focus on teaching and learning?’, ‘which trust’s ethos, culture and community aligns to ours?’ and ‘which trust will improve opportunities for the children and staff?’ I feel it should always be a school first, with the trust supporting and adding layers, not too dissimilar to what a strong local authority would have provided.”

Julia Armstrong, Chief Executive, Prince Regent Street Trust



“As a trust our school improvement offer is superb. Schools will get better. Through our CPD teachers will get stronger. But when you speak to a local governing body the questions are often about whether they will lose their autonomy, whether they will lose their reserves. I understand this, but it should really be about whether it is the right thing for their children.”

Jim Bowyer, CEO, The Skylark Partnership

# The last word



## Pam Tuckett

**Audit Partner and Head of Education,  
Bishop Fleming**

All our MAT clients are talking about the future following publication of the Schools White Paper. Before there was a sense of contentment, now most are seriously considering the way forward, whether that is smaller MATs becoming larger or alternatively joining other MATs as they are unable to grow themselves. However, there are still some who do not see the benefits of academisation, and the sector needs to put some energy into changing hearts and minds on this issue.

As discussed in this report, a strong trust seems to be determined, in part, by the 7,500 pupils and 10 schools measure. That said, the strength of a trust is often defined by the education angle, especially school improvement, and we tend to talk about teaching and learning rather than back-office functions such as finance, HR and premises.

We know that when these functions are fully centralised there is far more efficiency in terms of

budgets, which means a centralised MAT is more likely to be a strong financial MAT.

From a financial perspective, it is difficult to see how a MAT can operate efficiently if they are not centralised. Accountants would advise anyone running a commercial business that they should centralise the back-office functions to be efficient. If you are operating a chain of grocery stores, for example, how much responsibility would you give to the local shop manager? They would probably have a choice of products linked to knowledge of what local people buy, and it is the same with local education. Trusts operate more efficiently where a central team is responsible for procurement and other functions.

Yet centralisation is still a bit of a mixed bag in MATs. In the 2022 Kreston Academies Benchmark Report, 97% of trusts were found to be partly or fully centralised. We see some trusts where purchase orders are raised and payments processed locally but authorised centrally, and others where each school still has their own bank account. At the other end of the scale, we also see MATs where all finances are fully centralised. We often hear the phrase ‘partly decentralised’ which still allows schools a certain amount of control over their finances.

Issues around the concept of centralisation and GAG pooling are more about people in my experience, typically with one group of stakeholders against these concepts. New Headteachers are usually more likely to embrace GAG pooling as they have not had the history of running the school as a standalone school. The whole principle of centralisation makes sense to them as it frees them up to deliver education. It is logical that more effective budgeting and financial management makes more money available to teach pupils, and that should lead to better outcomes.

If you were to start a MAT with 30 schools from scratch now you would probably pool all their income. However, this opportunity rarely arises due to the type of growth seen in the sector where a single school typically joins a MAT which then continues to grow.

I expect more MATs to pool their income, but I think this will continue at a slow pace.

The sector also seems to be hung up on the top-slice percentage when it is ultimately just a means of funding the central services that MATs provide to their schools. In my experience, despite many MATs offering different levels of central services and therefore having differing central cost structures, most trusts go with 5%. Many MATs say they calculate the level of funding based on the actual cost of the services they provide, but in practice there is little variance. If you are offering school improvement as well as finance, HR and premises in your centralised package, the percentage is likely to be higher than the typical 5%.

My final thoughts are that it is difficult to measure what a strong trust is, and Covid and the current financial environment make this even harder. Reserves on their own are not a reliable measure given the potential requirement for MATs to use reserves to fund inflation. The growth challenge will continue, but it is hard to say what the impact of the ongoing political situation will mean for the sector. Political turbulence often drains resources away from day-to-day transactions which may ultimately slow the growth anticipated when the Schools White Paper was published.





# Supporting smarter MAT finance

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