

ForumStrategy

Supporting organisations to plan, grow & thrive

#MATLeaders

Policy Roundtable Autumn 2018

Sustainability in an age of austerity

Acknowledgements

We would like to thank all those MAT leaders, trustees, and others who shared their experiences, reflections and ideas in the development of this paper. We would also like to thank David Strudley CBE for attending this event and for offering his perspectives on sustainability in relation to the children's hospice sector. Forum Strategy takes full responsibility for the content of this paper and any views expressed remain solely those of the company. We have worked hard to bring together a wide range of perspectives and views and hope that this paper helps to encourage further constructive discussion and debate – both within and beyond the MAT sector – in relation to the crucial issue of organisational sustainability.

About Forum Strategy

Forum Strategy is a leadership consultancy supporting leaders from education, business, and the third sector to anticipate and manage change, prepare for the future, and develop their organisations in a way that serves the best interests of society. Forum Strategy has established five regional MAT CEO networks in order to help support the sector to develop in an informed, sustainable and successful way. Forum Strategy also runs an annual national MAT leaders' conference and contributes to educational leadership training and conferences and organisational development projects across the country. We also provide training, development and advisory services for academy trust boards and senior leadership teams.

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Executive summary

1. Forum Strategy currently runs five regional networks for Chief Executive Officers (CEOs) of multi-academy trusts (MATs); in the East Midlands, the North West, Yorkshire and the Humber, the West Midlands, and South Midlands and London; involving approximately 80 MATs across the country.
2. Forum Strategy's third policy roundtable event took place on 15th November 2018. This event was held in response to ongoing concerns regarding funding for the school and wider education sector, and a desire to think more creatively about how leaders across the MAT sector in particular could work to ensure that not only efficiencies can be made but also income can be generated (and more funding retained within the sector) and services for pupils further improved. In order to gain the views and perspectives of MAT leaders in this important area, Forum Strategy posed the following key questions to those MAT CEOs, trustees and others attending the roundtable event:
 - a. **How are trusts maximising their resources and expertise to improve pupils' education experiences, whilst achieving better value for money?**
 - b. **What kind of skills, expertise and experience is necessary to maximise resources within and across trusts, whilst generating additional income and social capital to benefit pupils?**
 - c. **How can government (aside from increasing funding!) better support trusts to achieve innovation and create sustainable services for themselves and the wider system? What are the risks, and how can governance and ethical leadership ensure a values-led approach to new organisational models?**
3. The discussion at the roundtable event has informed the following key points which it was felt should be considered by colleagues across the MAT sector, as well as the Department for Education, in order to inform their consideration of and planning for sustainability during an era of ongoing austerity:
 - a. *Maximising resources and expertise:*
 - i. There is great scope for individual MATs and the wider sector to realise greater efficiencies and to generate income from a wide range of provision (keeping more funding within the sector). However, this must be driven by the needs of children

- and young people at its heart, and must not be ethically at odds with this moral purpose.
- ii. When considering the potential to develop and provide/sell a service, MATs (or groups of MATs) need to ensure they first test the market to determine whether there is a genuine need for what they are planning to offer, and whether this is likely to be sustainable over the longer term.
 - iii. MATs should not be afraid to offer traded services, provided that any surplus funds are ploughed back into the MAT and its schools. Indeed, trading in order to generate additional revenue and ensure the ongoing viability of important services is common in the charity sector. MATs are often able to provide key services at a reduced cost to other MATs and schools, and to a high standard. MATs and their boards must carefully consider the legal implications of trading and adhere to these. The 'cost' of ensuring this – assuming it is reasonable - should be considered as an investment in long-term sustainability.
 - iv. MAT leaders and boards should consider whether their trust leadership teams have become too 'top-heavy' (perhaps in preparation for anticipated growth which has not yet been realised) and how staffing arrangements at the centre could be made more efficient and sustainable. MATs should also consider whether they have the right people 'on the bus' given the growth they are experiencing / have experienced and the demand for more sustainable and innovative delivery models. It was considered that, whilst recognising that senior financial expertise is essential, many CEOs would benefit from the wider remit and operational delivery experience of a Chief Operating Officer in addition to / or instead of a Chief Finance Officer. The CFO role could perhaps be revisited in some trusts so that a senior financial director or manager reports to the COO instead.
 - v. It is important that MATs do more to regularly audit the skills, talents and experiences of staff, and how these may contribute to the work of multi-academy trusts and their schools through 'talent directories'. HR leaders within trusts should seek to identify these additional or complementary skills of both teachers and support staff in order to ensure strategic recruitment, filling gaps in additional skills that may benefit schools across the trust. One example cited included recruiting site managers across schools with complementary skills and

experiences – as joiners, electricians and plumbers - so that the trust can better draw upon and deploy ‘in house’ resource across schools according to need and expertise. This approach is often driven by a good Chief Operating Officer - a role that can readily bring HR and procurement together with finance and new models of service delivery. MATs should also think about how they might use the existing expertise and experience across the MAT to offer a wider range of training and development opportunities, as well as developing more ‘in house’ services for schools. This audit should extend to administrative staff, premises staff, teaching assistants, and others.

- vi. Recognise that, as the employer, the trust board has a responsibility to challenge where they consider that efficiencies and/or income could be made, as well as to ensure the wellbeing and motivation of all staff within the trust. Many MATs still demonstrate unnecessary duplication of roles across schools – particularly with regard to administrative, technical support and site management roles.
- vii. When considering whether and how to partner with another MAT or organisation to deliver shared services, always start discussions on the basis of competition – that way you can be open and transparent about the areas where you are in direct competition, and then rapidly move the discussion on to where there may be opportunities for partnership and mutual benefit.

b. *Skills and experience:*

- i. There needs to be a shift in mind-set within the MAT sector to adopt a more (ethical) entrepreneurial approach and be willing to be brave and take calculated risks, in particular with regard to income generation through services that also benefit pupils.
- ii. MATs need to consider how they might collaborate with regard to fundraising opportunities, as well as with regard to bidding for funding. MATs must also be discerning about what they bid for in a climate where it is tempting to pursue multiple opportunities for funding. Some funding streams are not sustainable as – whilst tempting in an era of tighter funding - they may not be aligned with their wider organisational strategy or business plans.
- iii. MAT trustees can play an important role in generating social capital within their communities to the benefit of trusts and their schools – whilst also being mindful of potential conflicts

- of interest. Where this happens, it should be recognised and celebrated by trusts and the DfE.
- iv. Trusts should acknowledge that individual schools within MATs know their communities better than those at the centre – and are therefore better placed to consider how best to engage their communities in the activities (including fundraising and opportunities for volunteerism) of both the school and wider MAT. MATs should think carefully about the remit of their local advisory / governing boards in generating local social and professional capital.
 - v. MATs should consider how developing closer links with the commercial sector can not only increase the skills available to MATs (including via membership on trust boards) but can also open up opportunities to engage with such organisations' CSR (corporate social responsibility) activities – potentially generating a regular additional source of income through sponsored events.
 - vi. All MATs should replicate the successful approach of many HEIs in devising schemes to maintain contact with their school/MAT alumni – again, with potential benefits from both fundraising and social capital perspectives.
 - vii. MAT CEOs should consider appointing a well-qualified COO early on in the MAT's development, and be open to looking beyond the sector and paying a bit more to secure the right individual for the role – they may well be able to make their own salary back (and more) once established through the efficiencies they achieve and the income they are able to secure. A Chief Finance Officer, whilst in a good position to provide strategic budgeting and achieve better procurement, may not have the experience of developed integrated operations and new models of delivery that give rise to sustainable approaches; such as traded services, fundraising, external relations, and deploying talent more strategically across a MAT to save external contractor costs.
- c. *Government support for trusts and ensuring a values-led approach:*
- i. There is a need for the DfE and wider government to emphasise the positive work taking place in many MATs on achieving sustainability – reducing costs and improving services. The government should also be highlighting the excellent practice found within some smaller and medium sized MATs – rather than repeatedly celebrating the same large national MATs.

- ii. There is a need for the DfE to decide what its school improvement strategy is at a national level, and how MATs and other players fit into this. It was felt that too much duplication and complexity in school improvement strategies is leading to more cost and a lack of efficiency in places.
- iii. The DfE should look at developing a 'seed funding' initiative for MATs to work together to design and develop cross-trust services – including high quality catering, education psychology services, ICT services and others - that address external supplier costs and improve provision for pupils. Services designed by MATs for MATs could result in higher quality provision for pupils, at lower costs than if provided by private profit-making providers, and with better accountability attached to the service. Any funding initiative should look to build these elements in as success criteria.
- iv. MATs need to be better at telling their stories and sharing the narrative around the work of the sector – including being willing to participate in the development of case studies that can be shared across the sector, as well as with other sectors.
- v. MATs need to consider how best to communicate with their communities, as well as with the DfE, about the efficiencies they are achieving, the way in which they are improving services, and the income some of them they generating to the benefit of their schools and pupils. This is important so that they are not seen as commercial 'beasts' but as values-led organisations, with moral purpose around securing the best outcomes for children and young people at their core. Some MATs are doing excellent work in retaining more funding in the sector by providing alternative services to those offered by private providers.
- vi. As such, MATs need to consider how to analyse, record and share the impact that their activities around sustainability are having on improving educational outcomes and life chances for the children and young people they serve, both within and beyond their MATs and local communities.

Background

4. Forum Strategy currently runs five regional networks for Chief Executive Officers (CEOs) of multi-academy trusts (MATs); in the East Midlands, the North West, Yorkshire and the Humber, the West Midlands, and South Midlands and London; involving approximately 80 MATs across the country.
5. One of the core aims of the MAT leaders networks is to provide opportunities, not only for the members to learn from each other and other sectors, but also to provide a forum for them to use their expertise to inform policy development and change within the wider MAT system.
6. Forum Strategy ran its first roundtable event in July 2017, with a focus on the challenges around the recruitment, training and retention of MAT trustees. That roundtable culminated in a policy paper with recommendations, which were sent to the then Secretary of State for Education, Justine Greening, and the then National Schools Commissioner (NSC), Sir David Carter (See the full report here: <http://www.forumeducation.org/policy-roundtable-paper-recruiting-retaining-september-2017/>) We chose to run this first event on the basis that many of the major examples of failures of MATs fundamentally relate to issues of poor governance. The report made a number of specific recommendations, including: establishing a national Members database; setting out a Members' charter; mandatory training for trustees (in particular regarding certain key issues such as executive pay); and the suggestion that MATs hold regular reviews of governance, at least every two years.
7. Our second roundtable event was held in January 2018, with a focus on the issue of MAT inspection, which has been the subject of great debate and tension over recent years. Once again, the roundtable culminated in a policy paper, with a number of considerations for Ofsted to take account of during their development of any MAT inspection framework (see the full report here: <http://www.forumstrategy.org/policy-roundtable-paper-2-the-role-of-ofsted-in-the-inspection-of-multi-academy-trusts/>). We chose to run this particular event because, until that point, Ofsted had been using their existing inspection powers to undertake 'batched inspections' or 'focused reviews' of a minimum number of academies within a multi-academy trust, culminating in a detailed letter to the MAT about their findings and making recommendations about potential areas for improvement. However, we were also aware – from comments made by HMCI Amanda Spielman – that Ofsted were keen to expand their role to undertake whole MAT

inspections; although the Department for Education (DfE) clearly had concerns over the capacity of Ofsted to undertake such whole MAT inspections. We were therefore delighted to learn from Ofsted's recent annual report, that Ofsted has further developed its scrutiny of MATs – now to not only include batched inspections (to be run over the course of one or two terms rather than a week) but also introducing a MAT 'summary evaluation.'

8. We decided to run this third roundtable event on the subject of '*sustainability in an age of austerity*' in response to ongoing concerns regarding funding for the school and wider education sector, and a desire to think more creatively about how the MAT sector in particular could work better together to share ideas and develop partnerships to enable not only savings to be made but also income to be generated.
9. It is clear there are not going to be any further increases in funding for schools for the foreseeable future, and certainly not enough to address the concerns of those across the sector who are feeling the pinch. However, the MAT sector in particular is well placed to lead the way in thinking more creatively about where further efficiencies could be made and where greater partnership and collaboration between MATs (and between MATs and maintained schools) might increase the potential for improved, lower cost services and for retaining more money within the sector.
10. This report of the discussions which took place aims to provoke further thinking and debate within (and potentially beyond) the MAT sector, and encourage a positive approach to developing a sustainable education for all children and young people.

Sustainability in an age of austerity

11. In order to address this important area, Forum Strategy posed the following key questions to colleagues attending the roundtable event:
 - a. **How are trusts maximising their resources and expertise to improve pupils' education experiences, whilst achieving better value for money?**
 - b. **What kind of skills, expertise and experience is necessary to maximise resources within and across trusts, whilst generating additional income and social capital to benefit pupils?**
 - c. **How can government (aside from increasing funding!) better support trusts to achieve innovation and create sustainable services for themselves and the wider system? What are the risks, and how**

can governance and ethical leadership ensure a values-led approach to new organisational models?

12. Before MAT colleagues moved on to their discussions on these core questions, Michael Pain (Forum's CEO) invited David Strudley to give his perspectives on the issue of sustainability in an age of austerity from his experience in leading within the children's hospice sector.
13. David commented that sustainability is such a major issue at the moment, and that partnerships are vital in enabling and driving sustainability – not just in terms of financial sustainability but also through the use of technology and in bringing people together for the greater good. He suggested that strong governance is absolutely vital for organisations to be sustainable, and that sustainability must be a core element of the business, not simply an add-on.
14. David commented that sustainable funding is all about maintaining the balance between income and expenditure, and that this is complex and ever more challenging during ongoing austerity. From the perspective of the hospice sector, whilst children's hospices still retain a small central grant from government, they continue to rely heavily for the majority of their funding from donations, gifts and increasingly income generation. David said that relying on one-off donations and legacies was not a sustainable approach, and that a sustainable capital fund is required. He suggested to MAT leaders that one approach to enabling sustainable income is to diversify activities as much as possible within the scope of their organisation's remit; and that they should never stop planning in terms of exploring opportunities for income generation.
15. David told MAT leaders that as charitable organisations, they are still entitled to have a presence in the market; and that therefore, if they can charge for the services they offer to other organisation, then they should do so in order to support their own sustainability. In addition, if partnerships are possible both within and between sectors, MAT leaders should be engaging in these discussions sooner rather than later in order to maximise any benefits.
16. The remainder of this paper draws out the key points made by MAT leaders in response to the questions set out above.

Maximising resources and expertise

17. Colleagues described some of the ways in which they have begun to develop their thinking around how best to make the most of the resources

and expertise available across all the schools within their MATs. These included:

- a. Developing in-house ICT provision within a MAT by recruiting ICT technicians via apprenticeships, developing their expertise, and then rolling out in-house training run by these technicians across the MAT and beyond it.
 - b. Sharing the high-quality experience and expertise of a smaller number of school business managers across the wider (secondary) MAT, rather than retaining a single SBM for each school.
 - c. Undertaking a restructure within a small primary MAT, such that the expertise of teachers and support staff was recognised and used to best effect, whilst enabling efficiencies to be achieved. This has resulted in more motivated staff, with access to good quality CPD, leading to higher staff well-being and better outcomes for pupils.
 - d. Partnerships with other MATs in the local area, in order to both drive sustainability and increase capacity for school-to-school support. MATs were able to share school improvement expertise and resources, without duplicating effort or needing to engage external agencies.
 - e. Thinking 'outside the box' in terms of what MATs can provide as a service to others – including catering supply, and even a waste disposal service!
 - f. Establishing a MAT-based procurement team who fund their own salaries from the savings they achieved for the MAT. The same approach may be replicated for fundraising.
 - g. Working with other local MATs to develop expert teachers, an 'excellence in teaching' model, and the offer of a 'CPD directory' for all staff across the MATs.
 - h. Working with a group of MATs to deliver licensed provision of the National Professional Qualifications (for Middle Leadership, Senior Leadership, Headship, and Executive Leadership).
 - i. Making the most of the apprenticeship levy – which MATs contribute to – to be able to offer higher level training for staff, including Masters' level development opportunities.
18. There was some discussion regarding the requirements of the Education and Skills Funding Agency (ESFA) in terms of MATs being able to prove they were operating in a financially sustainable manner, with a particular focus from the ESFA on curriculum based financial planning.
19. There were also some comments from colleagues that more needs to be done to communicate with schools about what it means to be part of a MAT, so that MATs are better able to pool resources (including people and their expertise) and individual schools can be clearer about the benefits for

their own sustainability in terms of opportunities for staff and outcomes for pupils.

20. Colleagues also put forward some of the ways they are beginning to develop shared roles across the trust, in order to both create efficiencies and increase access to expertise. Some such examples were:
- a. Sharing an ICT lead with another local MAT – supporting both sustainability and expertise around provision and training across both trusts.
 - b. Sharing an executive headteacher with another trust, as well as working with the same trust on recent strategic funding bids.
 - c. Sharing school improvement expertise, through SLEs and LLEs, on a no cost basis.
 - d. Offering NLE services from the MAT to both the local authority and other schools (beyond the MAT) – with any profits from this service being ploughed back into its own schools.
 - e. Developing a careers education and guidance service which is then sold to other MATs at a lower cost than other local providers.
21. Based on his experience in the hospice sector, David Strudley added that, when considering whether and how to partner with another MAT or organisation, MAT leaders should always begin such discussions on the basis of competition – that way they can be open and transparent about the areas where they are in direct competition, and then rapidly move the discussion on to where there may be opportunities for partnership and mutual benefit.
22. In summary, the key points from this discussion on maximising resources and expertise in order to improve pupils' education experiences were:
- i. There is great scope for individual MATs and the wider sector to realise greater efficiencies and to generate income from a wide range of provision (keeping more funding within the sector). However, this must be driven by the needs of children and young people at its heart, and must not be ethically at odds with this moral purpose.
 - ii. When considering the potential to develop and provide/sell a service, MATs (or groups of MATs) need to ensure they first test the market to determine whether there is a genuine need for what they are planning to offer, and whether this is likely to be sustainable over the longer term.
 - iii. MATs should not be afraid to offer traded services, provided that any surplus funds are ploughed back into the MAT and its schools. Indeed, trading in order to generate additional revenue and ensure the ongoing viability of important services is common in the charity sector. MATs are often able to provide key services at

a reduced cost to other MATs and schools, and to a high standard. MATs and their boards must carefully consider the legal implications of trading and adhere to these. The 'cost' of ensuring this – assuming it is reasonable - should be considered as an investment in long-term sustainability.

- iv. MAT leaders and boards should consider whether their trust leadership teams have become too 'top-heavy' (perhaps in preparation for anticipated growth which has not yet been realised) and how staffing arrangements at the centre could be made more efficient and sustainable. MATs should also consider whether they have the right people 'on the bus' given the growth they are experiencing / have experienced and the demand for more sustainable and innovative delivery models. It was considered that, whilst recognising that senior financial expertise is essential, many CEOs would benefit from the wider remit and operational delivery experience of a Chief Operating Officer in addition to / or instead of a Chief Finance Officer. The CFO role could perhaps be revisited in some trusts so that a senior financial director or manager reports to the COO instead.
- v. It is important that MATs do more to regularly audit the skills, talents and experiences of staff, and how these may contribute to the work of multi-academy trusts and their schools through 'talent directories'. HR leaders within trusts should seek to identify these additional or complementary skills of both teachers and support staff in order to ensure strategic recruitment, filling gaps in additional skills that may benefit schools across the trust. One example cited included recruiting site managers across schools with complementary skills and experiences – as joiners, electricians and plumbers - so that the trust can better draw upon and deploy 'in house' resource across schools according to need and expertise. This approach is often driven by a good Chief Operating Officer - a role that can readily bring HR and procurement together with finance and new models of service delivery. MATs should also think about how they might use the existing expertise and experience across the MAT to offer a wider range of training and development opportunities, as well as developing more 'in house' services for schools. This audit should extend to administrative staff, premises staff, teaching assistants, and others.
- vi. Recognise that, as the employer, the trust board has a responsibility to challenge where they consider efficiencies and/or income could be made, as well as to ensure the wellbeing and

motivation of all staff within the trust. Many MATs still demonstrate unnecessary duplication of roles across schools – particularly with regard to administrative, technical support and site management roles.

- vii. When considering whether and how to partner with another MAT or organisation to deliver shared services, always start discussions on the basis of competition – that way you can be open and transparent about the areas where you are in direct competition, and then rapidly move the discussion on to where there may be opportunities for partnership and mutual benefit.

Skills and experience

23. Colleagues commented that one of the barriers to MATs being able to maximise the skills, expertise and experience both within and across trusts is that they are unable to make full use of the expertise of those serving on their trust boards, because of issues around conflicts of interest. It was acknowledged across the group that it is difficult to attract and retain trustees that have the necessary expertise, as well as the time to offer their services beyond that of serving on the trust board. There was some discussion that the restriction of services to being zero profit/at cost – whilst understandable – was potentially preventing the MAT (and wider school) sector from being able to realise the benefits of having expert practitioners on their boards.
24. On this issue of being able to make best use of trustee expertise, colleagues questioned whether it might be possible to trade trustee expertise between MATs, as part of their wider traded services model. However, there was also the view among some trustee colleagues that there really needs to be a clear separation between governance and supply.
25. Colleagues all agreed that there were lines which should not be crossed, but that as trusts continue to grow and develop, the governance role is becoming much bigger and that perhaps it is too much to expect volunteers to be accountable for such large organisations. If it was possible to pay just chairs of trustees or all trustees then that might enable more time and expertise to be secured at this level – further helping to secure sustainability.
26. There was some discussion regarding how the charitable and not-for-profit (NFP) sectors are much more entrepreneurial when it comes to considering what services they can charge for and how they can develop their income generation activities – and that the MAT sector can learn from this.

27. Colleagues then discussed the need for MATs to engage more effectively with their wider communities – including how to open up their facilities to generate income from a wider range of local activities (provided that these are not in conflict with the MAT’s values and moral purpose regarding children and young people).
28. There was also some discussion as to whether MATs could collaborate more effectively in order to share fundraising expertise, which is a particular skill set. In addition, organisations which offer grants and other one-off funding opportunities are often keen to see evidence of organisations working together on bids in order to reduce costs and make more efficient use of the funding resource.
29. Colleagues put forward some of the ways in which they are beginning to engage with the wider community and with other sectors in order to maximise resources and generate income:
- a. Engaging a retired school leader – for a small stipend – to develop a Facebook group for school alumni, in order to maintain connections with those with a history at the organisation and with the potential to offer their services and/or resources. This group currently has over 1,000 members.
 - b. Developing closer links with the local commercial sector, in order to benefit from its more entrepreneurial mind-set and willingness to take more calculated risks in order to reap the benefits. This was also adding benefits in terms of the MAT’s enterprise curriculum – ensuring pupils accessed the experiences and resources for developing entrepreneurial and work-place skills at no cost.
 - c. Engaging staff across the organisation in constantly thinking about how to realise efficiencies as well as enabling continuous improvement in professional practice.
 - d. Recruiting a COO from beyond the education sector, in order to bring a different perspective and wider skills to this vital role. Whilst this meant paying a higher salary in order to secure the right individual, this salary has already been saved several times over with the efficiencies and resources the COO has been able to identify (within only three years in post).
30. Finally, colleagues briefly discussed whether MAT CEOs need to have teaching or school leadership experience. It was generally felt that if a MAT CEO did not have school leader experience, they would very quickly need to establish their credibility and be able to secure a team of experts around them, in particular to be able to deliver on the MAT’s school improvement activities. Likewise, colleagues acknowledged that being a good

headteacher, or even executive headteacher, does not guarantee they will make a good CEO!

31. In summary, the key points from this discussion on what skills, expertise and experience are necessary to maximise resources were:

- i. There needs to be a shift in mind-set within the MAT sector to adopt a more (ethical) entrepreneurial approach and be willing to be brave and take calculated risks, in particular with regard to income generation through services that also benefit pupils.
- ii. MATs need to consider how they might collaborate with regard to fundraising opportunities, as well as with regard to bidding for funding. MATs must also be discerning about what they bid for in a climate where it is tempting to pursue multiple opportunities for funding. Some funding streams are not sustainable as – whilst tempting in an era of tighter funding - they may not be aligned with their wider organisational strategy or business plans.
- iii. MAT trustees can play an important role in generating social capital within their communities to the benefit of trusts and their schools – whilst also being mindful of potential conflicts of interest. Where this happens, it should be recognised and celebrated by trusts and the DfE.
- iv. Trusts should acknowledge that individual schools within MATs know their communities better than those at the centre – and are therefore better placed to consider how best to engage their communities in the activities (including fundraising and opportunities for volunteerism) of both the school and wider MAT. MATs should think carefully about the remit of their local advisory / governing boards in generating local social and professional capital.
- v. MATs should consider how developing closer links with the commercial sector can not only increase the skills available to MATs (including via membership on trust boards) but can also open up opportunities to engage with such organisations' CSR (corporate social responsibility) activities – potentially generating a regular additional source of income through sponsored events.
- vi. All MATs should replicate the successful approach of many HEIs in devising schemes to maintain contact with their school/MAT alumni – again, with potential benefits from both fundraising and social capital perspectives.

- vii. MAT CEOs should consider appointing a well-qualified COO early on in the MAT's development, and be open to looking beyond the sector and paying a bit more to secure the right individual for the role – they may well be able to make their own salary back (and more) once established through the efficiencies they achieve and the income they are able to secure. A Chief Finance Officer, whilst in a good position to provide strategic budgeting and achieve better procurement, may not have the experience of developed integrated operations and new models of delivery that give rise to sustainable approaches; such as traded services, fundraising, external relations, and deploying talent more strategically across a MAT to save external contractor costs.

Government support for trusts and ensuring a values-led approach

- 32. There was some discussion regarding how the MAT sector is currently funded by government; with a sense that, despite a continuing push for academisation and the growth of MATs, the DfE's funding models have not caught up with its policy in this area. Some colleagues felt that the DfE needs to decide how it is going to allocate revenue funding to MATs – citing the issue that as individual schools within MATs are still given their individual GAG funding, this is seen as 'theirs'. This can cause issues when MATs attempt to 'top-slice' any of this capital funding for the benefit of all across the MAT. Some colleagues were of the view that the capital funding allocation model, delivering School Condition Allocation at MAT level has been successful in enabling MATs to allocate financial resources to priority areas across the MAT and could potentially be replicated for revenue funding. This could empower MATs both to drive efficiencies and allocate local resources according to need.
- 33. There is also a sense that, whilst championing MATs as a model, the DfE and the ESFA seems to be rather distrustful of the MAT sector as a whole. Colleagues agreed that there needs to be more positivity about the work of the sector and the benefits provided – not just from central government, but from MATs themselves, and their individual schools and wider communities. This means encouraging a certain element of risk taking when investing in new models of delivery and services, either within or across MATs, that can lead to more sustainable approaches and income generation.
- 34. Colleagues also feel that the DfE needs to row back its practice of simply highlighting the work of the same MATs over and over, but rather taking

the time to look more closely at the excellent practice being undertaken right across the system and in different regions, including within smaller MATs. There also remains a lack of consistency when it comes the messages about the MAT sector from different regional schools commissioners (RSCs) and the national schools commissioner (NSC) and that this must be addressed.

35. Colleagues also acknowledged that, because the MAT sector is still relatively 'young', there is still no clear picture of exactly what 'success' as a MAT looks like (although sustainability clearly needs to be a core element of this). The National Governance Association (NGA) and Forum Strategy have developed some very helpful case studies, which tell not simply of successes but also where MATs have encountered real challenges.
36. The MAT sector has undergone significant and rapid change, with the accountability and regulatory elements often conflicting with each other and leading to inconsistencies in the messages coming from the government. MAT leaders are therefore keen to see a period of stability so that lessons can be learned, best practice shared, and case studies developed in order to communicate the many successes of the sector to a wider audience.
37. In addition, colleagues felt that, whilst there is no justification for adding an additional layer of accountability for MATs, it might nevertheless be helpful for MATs to be able to identify how any efficiencies and income generation achieved have benefitted the children and young people in their schools and wider communities.
38. CEO colleagues agreed that a core element of their role should now be in developing relationships and networking with colleagues from other sectors – including the commercial and third sectors – in other words being more 'CEO-like' and relinquishing school improvement activities to their wider executive team. However, colleagues also acknowledged that, as a leader from the education sector, it was difficult (and often uncomfortable) to gain access to and engage with business networks. It was suggested that one way to address this might be to develop relationships with individual organisations first, and then to access business networks as part of this relationship.
39. Finally, colleagues emphasised that they did not want the drive for sustainability and the need for efficiencies and income generation to result in MATs being seen more as commercial outfits; and detracting from their core purpose of providing a higher quality education and outcomes for children and young people. Any traded activities should be based on improved services and delivery models that benefit pupils not simply in one MAT, but across the system. These services, designed by schools for schools, should in theory provide services of a high quality and with better

accountability, if they receive sufficient investment. The DfE should look at developing a 'seed funding' initiative for MATs to work together to design and develop cross-trust services that address external supplier costs and improve provision for pupils.

40. In summary, the key points from this discussion on government support for trusts and ensuring a values-led approach were as follows:

- i. There is a need for the DfE and wider government to emphasise the positive work taking place in many MATs on achieving sustainability – reducing costs and improving services. The government should also be highlighting the excellent practice found within some smaller and medium sized MATs – rather than repeatedly celebrating the same large national MATs.
- ii. There is a need for the DfE to decide what its school improvement strategy is at a national level, and how MATs and other players fit into this. It was felt that too much duplication and complexity in school improvement strategies is leading to more cost and a lack of efficiency in places.
- iii. The DfE should look at developing a 'seed funding' initiative for MATs to work together to design and develop cross-trust services – including high quality catering, education psychology services, ICT services and others - that address external supplier costs and improve provision for pupils. Services designed by MATs for MATs could result in higher quality provision for pupils, at lower costs than if provided by private profit-making providers, and with better accountability attached to the service. Any funding initiative should look to build these elements in as success criteria.
- iv. MATs need to be better at telling their stories and sharing the narrative around the work of the sector – including being willing to participate in the development of case studies that can be shared across the sector, as well as with other sectors.
- v. MATs need to consider how best to communicate with their communities, as well as with the DfE, about the efficiencies they are achieving, the way in which they are improving services, and the income some of them they generating to the benefit of their schools and pupils. This is important so that they are not seen as commercial 'beasts' but as values-led organisations, with moral purpose around securing the best outcomes for children and young people at their core.

Some MATs are doing excellent work in retaining more funding in the sector by providing alternative services to those offered by private providers.

- vi. As such, MATs need to consider how to analyse, record and share the impact that their activities around sustainability are having on improving educational outcomes and life chances for the children and young people they serve, both within and beyond their MATs and local communities.