

Converting to a Multi Academy Trust



“ PS Financials’ experience and support was invaluable in helping us expand to an 8 school multi academy trust. ”

Faringdon Academy of Schools

Introduction

The multi academy trust (MAT) model is becoming more prevalent within the education landscape and is the most formalised collaborative structure available for academies.

There are distinct advantages to the MAT model, enabling schools seeking to secure some of the benefits of academisation, but with the opportunity to be a part of an established larger structure. A MAT is one academy trust governing a group of schools with a shared vision, through a single board of directors which is accountable and responsible for the performance of schools in a chain.

Having a single trust means there is only one employer for all staff, thus enabling the sharing of resources widely within a group. This can lead to a broadening of the curriculum, providing greater opportunity for students, and where there are underperforming schools within a group this can extend opportunities for school improvement. There are also advantages for staff development, by facilitating the sharing of expertise, and good practice.

Additional benefits of this structure include securing better value for money through collaborative procurement leading to greater economies of scale, whilst also helping to address issues relating to falling rolls and pressured budgets.

This guide provides a sample of practical considerations from a range of experts in the various areas where decisions need to be addressed as part of the conversion process.



ASCL represents more than 18,000 members, including secondary heads, deputy heads, assistant heads, bursars, business managers, college principals, vice-principals and others with whole school responsibility. Numbers continue to grow as more leaders recognise the benefits of joining an association that so clearly addresses their needs. Through ASCL, members receive legal cover and support, access to advice through a telephone hotline, guidance, resource materials and updates on the latest education news, as well as commercial discounts.

ASCL represents members' views and concerns at the highest levels of government through the organisation's Council and its network of education specialists.

ASCL is also a major provider of training courses and consultancy for its members and for schools.

A handwritten signature in black ink that reads 'Val Andrew'. The signature is written in a cursive, flowing style.

Val Andrew
ASCL Business Management Specialist



PS Financials

Creating a MAT finance team structure – Considerations and lessons learnt

Considerations when creating a central MAT Team

- Life within a MAT is often ever-evolving. The team must be willing to adapt to constant changes
- Where will the team be based? Wherever possible, remove the team from a school environment
- Sell the opportunity to staff. It can be a fantastic opportunity for career development

What structures have we seen?

- Totally Centralised – finance processed centrally with individual academies raising Purchase Orders, operating petty cash and credit cards
- Partly Centralised – some functions are performed centrally, e.g. Supplier Payment Runs and Payroll
- Independent processing with regional support – each academy operates independently but there is regional support in the form of a ‘regional business manager’
- Independence – each school runs essentially as a standalone academy for processing purposes
- Any mixture of the above – no two MATs operate in the same manner

Where have things gone wrong?

- Lack of training
- No clear message of what is expected of the individual academies
- Academies have not changed their processes from being a maintained school

Who pays for what?

- The Trust will bear the impact of governance costs
- Certain services can be offered centrally, e.g. Premises, School Improvement
- A percentage of academy income is usually charged to cover the Trusts’ expenditure

How can PS Financials help?

- Custom manuals
- Start up advice
- Month-end procedures
- Adding schools through automation



PS Financials
Powering Better Business Decisions

PS Financials has been chosen by over 3,000 education establishments and is used by 53% of schools within MATs.

It is essential to get the legal structure of your MAT right at the start as this provides the foundations for your collaboration.

Have a look at other examples around you. There are model documents available and each can be tailored to your specific circumstances. Don't be put off by a model because of the way it is used in a particular circumstance. Please ask us questions - we have lots of practical experience working with schools, helping them use model structures to their advantage.

We would recommend a three stage process to identify the best option for your learning community:

- 1 Get an overview of the models available (through presentations and our guidance notes)
- 2 With your GB and proposed partners, consider exactly what you are looking to achieve by collaborating. It is essential before you choose a model you are clear on your strategic aims; What is your fundamental objective? Are there any non-negotiables? Will the DfE's policy requirements impact on what model is available to you?
- 3 You can then revisit the models to identify the one which, in principle, seems to best meet your needs. At that stage you may also want to obtain expert advice to help you develop your proposed model in detail.

The conversion process itself is broadly similar to standalone academies, with the key differences relating to the funding and governance arrangements.

Funding

The MAT will enter into a master agreement with the DfE, which governs the funding issues common to all member academies. Funding within the MAT will then be allocated on an individual academy basis under a separate supplemental funding agreement. There is the opportunity for MATs to pool individual academy budgets to fund shared services.

Governance

The Board of Directors has ultimate responsibility for running each academy and will deal with the strategic running of the MAT. The Board then typically delegates day-to-day running of each academy to a local governing body (LGB). The level of delegation can be different for each academy. The most appropriate model could depend on your plans for growth.

Case Study: Faringdon Academy of Schools

The Faringdon Academy of Schools was established on 1st April 2012. The Academy initially comprised an infant school, a junior school and also a college (Faringdon Community College). In October 2011 John Banbrook, Business Manager, was appointed to lead the transition to multi-academy status and take advantage of the economies of scale from becoming a federation. On 1st November 2013, the Academy expanded to include a further 5 primary schools from the local community and the Academy is now an 8 school MAT.

To achieve the benefits of conversion, the accounting system was reviewed. There was a need for each school to manage its own finances but with consolidation facilities and the desire to use a single bank account.

John explains his reasoning behind narrowing his selection to PS Financials: "What really interested me was the finance pack. I could delve into the management accounting information for the college, junior and infant school and draw all three together. That was the primary attraction. We also wanted the system to be user friendly, with a high level of support."

On the strength of the presentations and substantial research, PS Financials stood "head and shoulders" above the rest.

John Banbrook has found the implementation of PS Financials a success: "We now have more data in the system, which means we can do more interrogation, analyses of trends and also extract information in a number of ways. The management accounting package is very good; it just makes everything so quick. I can sit at my desk and flick between all of the schools to see how they are doing against budget or the overall picture. It is really simple and has given us peace of mind."

"The system has proved itself to have the capacity and safeguards we need. I would certainly recommend PS Financials to any school that is about to convert to multi-academy status. I would endorse PS Financials, no question of that."

John concludes: "Converting as an academy is a significant change for any school and because staff are often cautious of change it can be tempting to minimise the amount of changes being made at the point of conversion. However, with the benefit of hindsight, one of the best decisions we made was to review and subsequently change our accounting system during the conversion process in order that we started with the best system from the date of conversion."

**"The management accounting package is very good;
it just makes everything so quick."**

Faringdon Academy of Schools

Top tips

- Have a clear vision of the benefits that becoming a MAT can bring. They will not all be attained in the first few years but it is important to have a strategy of how the Trust should develop. Central procurement is one of these processes that does not happen overnight.
- Centralise any processes that can be sensibly centralised. Why have five people do a bad job when one person can do the job well?
- Training and the production of a Trust Handbook is absolutely vital where the MAT requires the schools to perform certain processes in a certain manner within an agreed timeframe.
- Utilise the skills available within the Trust. If, within the schools, there are skilled people, promote them to have Trust responsibility in their specific area of expertise. This will reduce specialist recruitment costs but more importantly, staff that wish to further their career are given the opportunity to do so.
- Ensure that all schools are completing processes in the same way and using the same systems. Not only will this enable you to negotiate better terms with suppliers of such systems but it will make any trust level work a lot easier knowing that all schools can provide any information in the same format. Trusts that have differing systems across the schools will be fighting an uphill battle from day one.
- Where possible, involve the schools in decisions that will affect them. Making a change or implementing a new system will be a much easier process if schools have been involved in the selection/decision process.
- Change is required when becoming a MAT. Embrace the change and ensure that changes are managed and communicated as early as possible.

Practical considerations

- MAT model most likely to be appropriate where there is an existing relationship and level of trust between schools.
- DfE likely to require this structure for schools where they identify a need for substantial improvement and require schools to receive significant amounts of support.
- Creating a MAT on the basis that everything will stay the same except we will all be together in the same Trust may store up issues in the future.
- Concerns can arise regarding feelings of loss of autonomy – important to engage with Governors and SLT to be clear where decisions will sit within the MAT and line management of staff.
- Balancing loss of autonomy with the benefits of support and sharing of resources is key.
- Approach to joint buying – can take time to harmonise service providers. Having three separate HR providers to a MAT can be a risky approach.
- How will you manage risk across the MAT?
- How will you minimise overlap between members and directors to promote strong governance?
- Ensuring good communication between the local and central levels is key – this not only applies to the management team but governance too.

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