

Effective Business Functionality within Developing MATs

Guidance at a glance

This paper is suitable for school business leaders and managers, governors, headteachers, executive principals, and senior leaders involved in strategic planning and decision making within existing or converting multi-academy trusts (MATs).

With increasing numbers of MATs, it has become apparent that one imperative to the success of these burgeoning organisations is a business leadership and management structure with the capacity to deliver provision, that supports the group's ongoing development whilst remaining efficient, effective and fit for purpose. In the current financial climate, all MATs must be able to demonstrate sound financial health and efficiency, as well as robust financial control.

No model can fit every scenario, however, there are specific aspects of business functionality which remain vital in a growing MAT. These need to be considered at an early stage in the strategic planning process, to accommodate growth efficiently and effectively, and ensure robust business continuity. Separation of distinct strategic and operational aspects of business functions will need to be considered fully when determining the optimum structure.

This guidance examines a range of different MAT structures in order to assess the varying needs of business leadership functionality, and looks in detail at the following:

Section 1 Business leadership functions

Section 2 MAT models

Section 3 Further information

Section 4 Case studies

In addition, we recommend this paper is read in conjunction with the following ASCL guidance papers:

Setting Pay for Executive Heads/Principals and CEOs

Staying in control of your school's destiny: considering forming or joining a group of schools

Staying in control of your school's destiny: joining a multi-academy trust

Staying in control of your school's destiny: forming a multi-academy trust

1 Business leadership functions

As well as enhancing student experience and educational outcomes, growth in MAT structures can deliver economic benefits by centralising functionality, thus achieving greater efficiency and ensuring resources are targeted to the areas of most need. These growing structures will also, inevitably, require consideration of a greater degree of specialisation within business functions.

The capacity of one individual - the traditional School Business Leader (SBL) - to continue to operate alone across the full spectrum of business functions without effective support is unrealistic. It is therefore imperative that strategic and operational responsibilities are realigned to allow for capacity at executive level, potentially in the form of a Chief Operating Officer (COO), Executive Business Director (EBD) or extended Chief Financial Officer (CFO) role. Core aspects of business functionality can be accommodated within individual posts or teams that report in to one such strategic post.

Core business functions include:

- strategic financial management
- human resource management
- estates, premises, and infrastructure management
- ICT network management
- data management
- procurement and marketing

However, other aspects may emerge as a MAT increases in size, and which may fall naturally within the remit of the COO or EBD to oversee and manage, namely:

- compliance and statutory responsibilities
- risk management (in its widest context across the group)
- leadership and management of more complex and diverse teams of support staff
- ensuring there is effective governance across the trust
- due diligence as part of an ongoing growth strategy
- coordinated procurement policies
- relationship management with a wider group of stakeholders
- contracts management for managed services
- coordinated marketing and recruitment strategies across the group
- multi-faceted estates and infrastructure management

There are many additional considerations which can impact upon business leadership capacity within a group, for example, geographical reach, and the existing skills of personnel are just two of many key aspects that will inform decisions about the most appropriate staffing model.

2 MAT models

We have used the range of models highlighted by the Regional School Commissioners.

- **Small MATs:** including up to five to six schools
- **Medium MATs:** including six to ten schools
- **Larger MATs:** including ten to 20 schools
- **Large sponsor or chain:** including more than 20 schools

Small MATs

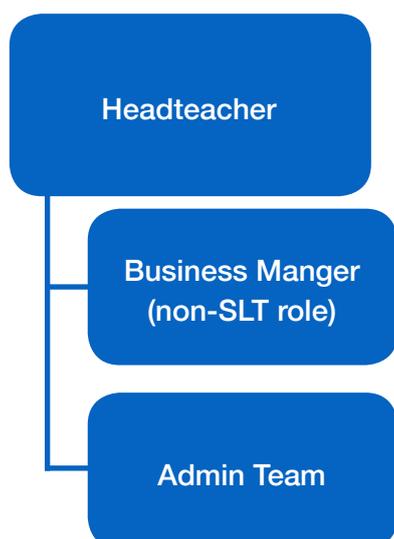
Options for business leadership provision within smaller MATs are varied and depend on the wider leadership structure implemented at the MAT formation stage. **It is advisable to start planning a business structure with the end in mind, remembering a staged approach towards the implementation of an ultimate structure will be necessary.**

Some key considerations might be:

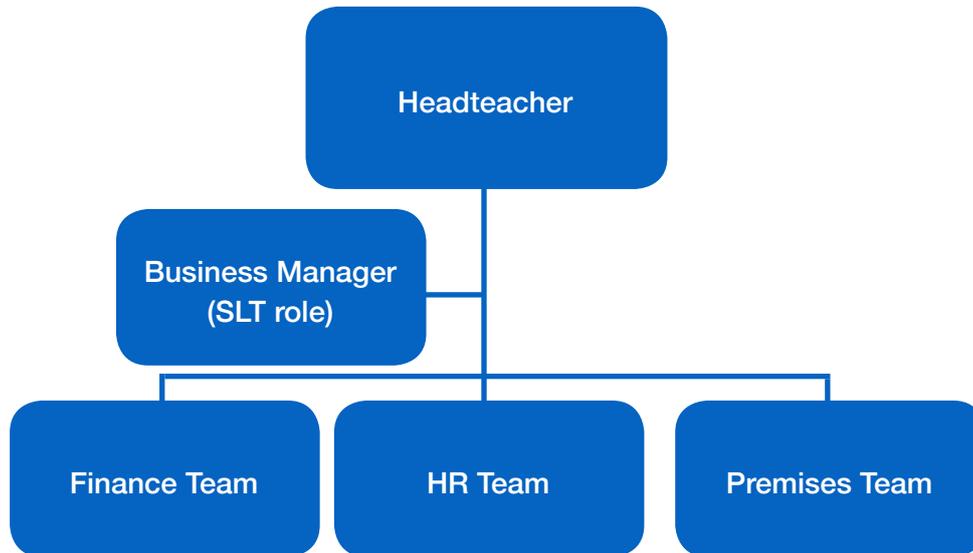
- Effectiveness of existing business functionality and how this might be harnessed to best effect in a group scenario.
- Who will report on business issues and to whom, ie via the headteacher (CEO or Executive Headteacher), or directly to the trust board?
- Delegation of responsibility and where this will sit: for example, within an EBD role or at individual school level?
- The need and reality of implementing centralised services to achieve efficiencies and economies of scale.

As a small group of schools come together and form a MAT, the existing business functions within each school might be represented by these examples (other scenarios are possible):

Example 1:



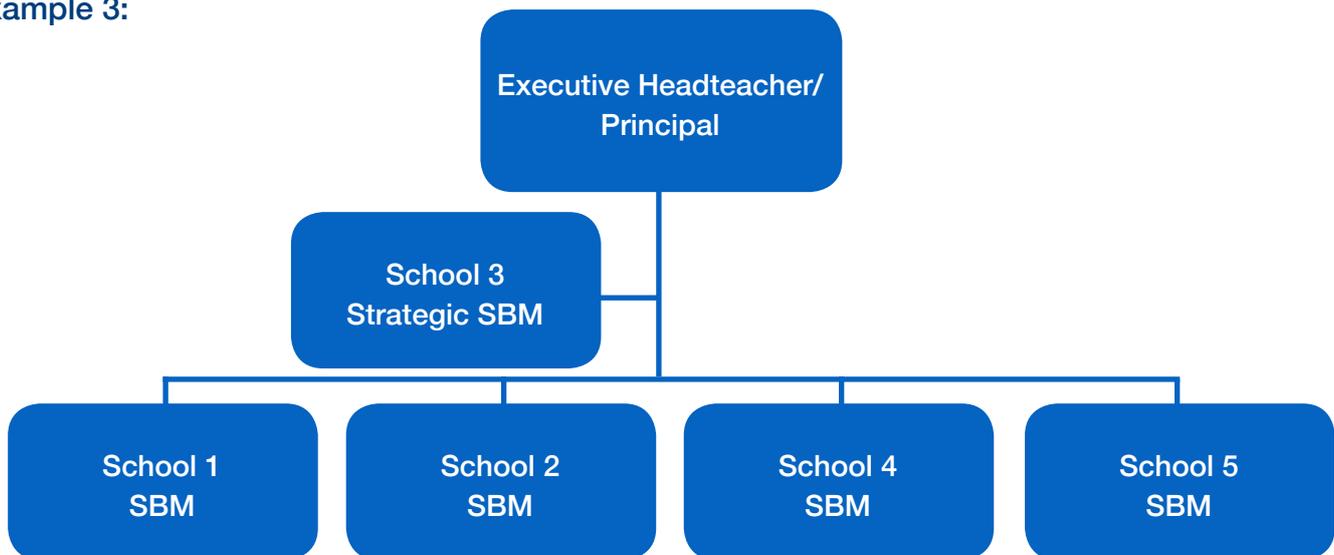
Example 2:



Depending on the structure agreed for overall MAT leadership, the business function might be represented as follows:

Example 1 is based on a model where an existing strategic business leader or manager within the group has the substantive role and a strategic over-arching role for the whole MAT, reporting directly in to the Executive HT/Principal, who in turn reports to the trust board. This is showing in Example 3 as follows.

Example 3:



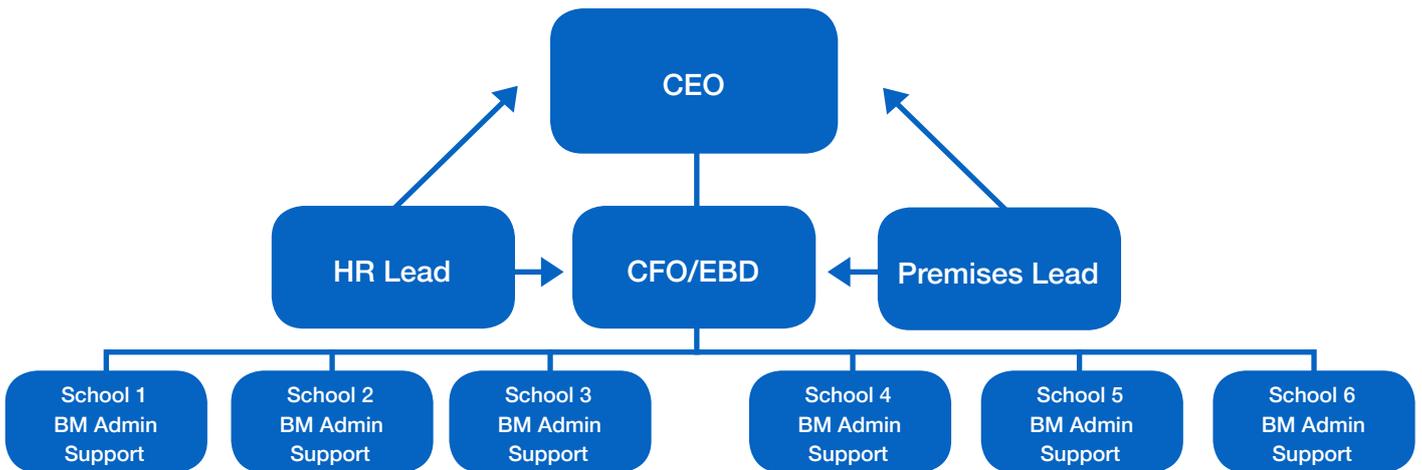
Medium MATs

As MATs grow, their leadership structures often change to reflect the need for an over-arching CEO role with an overall group perspective and accountability.

A common feature in this scenario is for the CEO not to be a substantive head of any specific school in the group. In this context, a potential business structure might have developed a degree of specialisation and possibly some centralisation of function, most likely the finance function initially, but with consideration to expanding this level of centralisation to include HR and estates management. Operational support for these disciplines would be provided within each individual school in the group. Centralisation has a cost implication, depending on the connectivity of software systems and processes across each school.

Example 4:

In this case, the structure might evolve as follows:

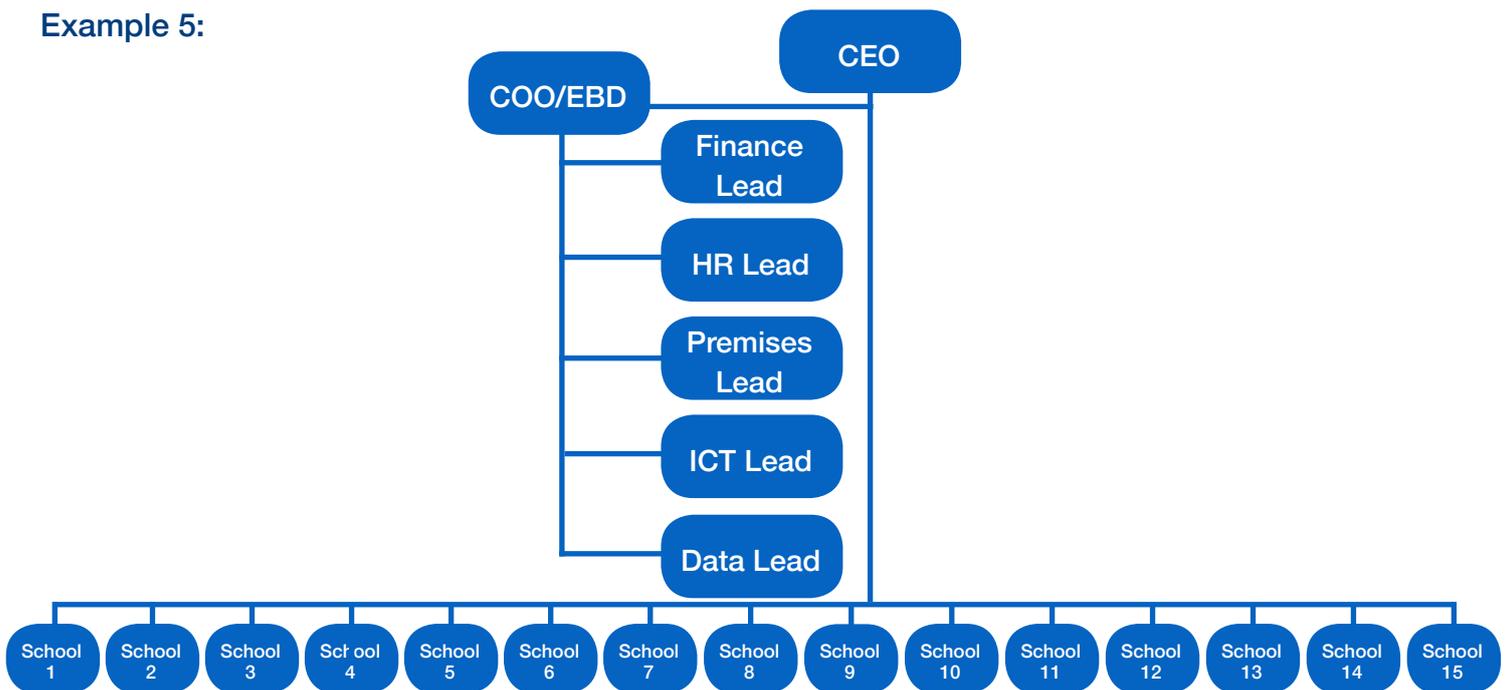


Depending on the lines of delegation the specialists may report directly in to the CEO or via the CFO/EBD

Larger MATs

Within larger groupings, specialisation of business functions is essential. An aspirational structure for delivery of business manager functions might look like this:

Example 5:



Each individual school could have business-focused admin support reporting in to a centralised team, including for example, finance and HR.

Alternatively, the operational teams led by the specialists may be distributed within specific schools; this might be the most practical option, depending on physical facilities (premises) or business expertise throughout the group. Harnessing existing expertise could be a key driver in determining which structure best meets the needs of the group.



Larger chains

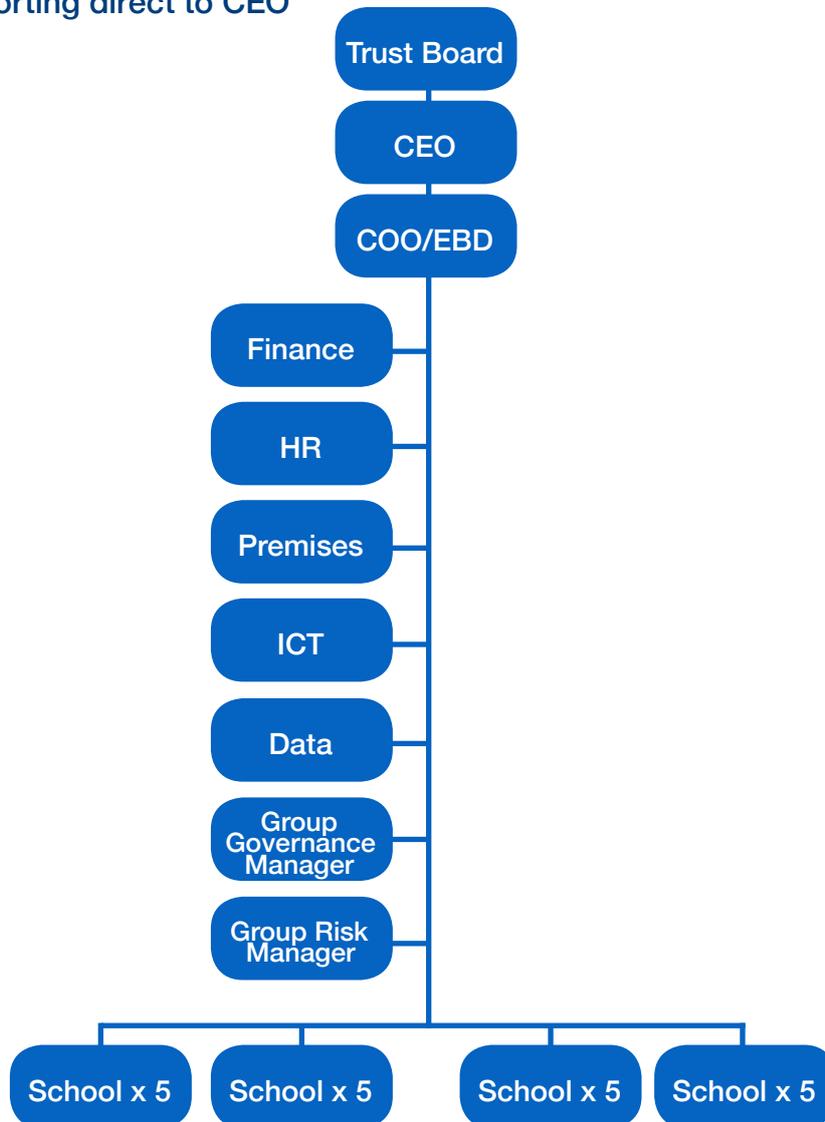
Groups of more than 20 schools definitely need specialisation within business functions. Determining factors within these larger groups of schools are around reporting lines for the most senior individual responsible for oversight of business-focused disciplines – ask if this is directly to the trust board or via the CEO role?

It is also possible that within some of these larger chain MATs there are clusters of schools with Executive Head roles overseeing clusters within the group. This would inevitably raise the potential for an Executive Business Director role at cluster level as required.

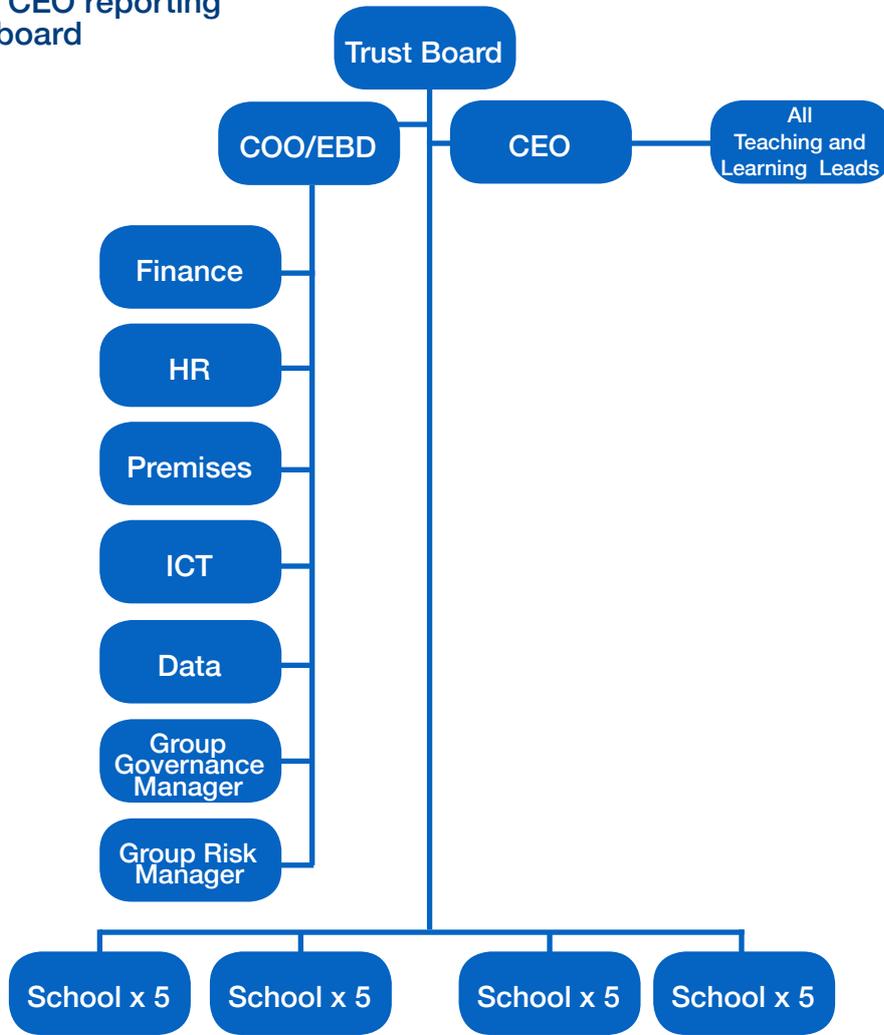
Within larger MATs, existing groupings can be diverse and may have a varied, existing business functionality. Larger schools have probably already achieved a degree of fragmentation of business functionality, either at strategic or operational level, with potentially more specialisation evident and some centralisation of service.

Some example structures might be represented as follows:

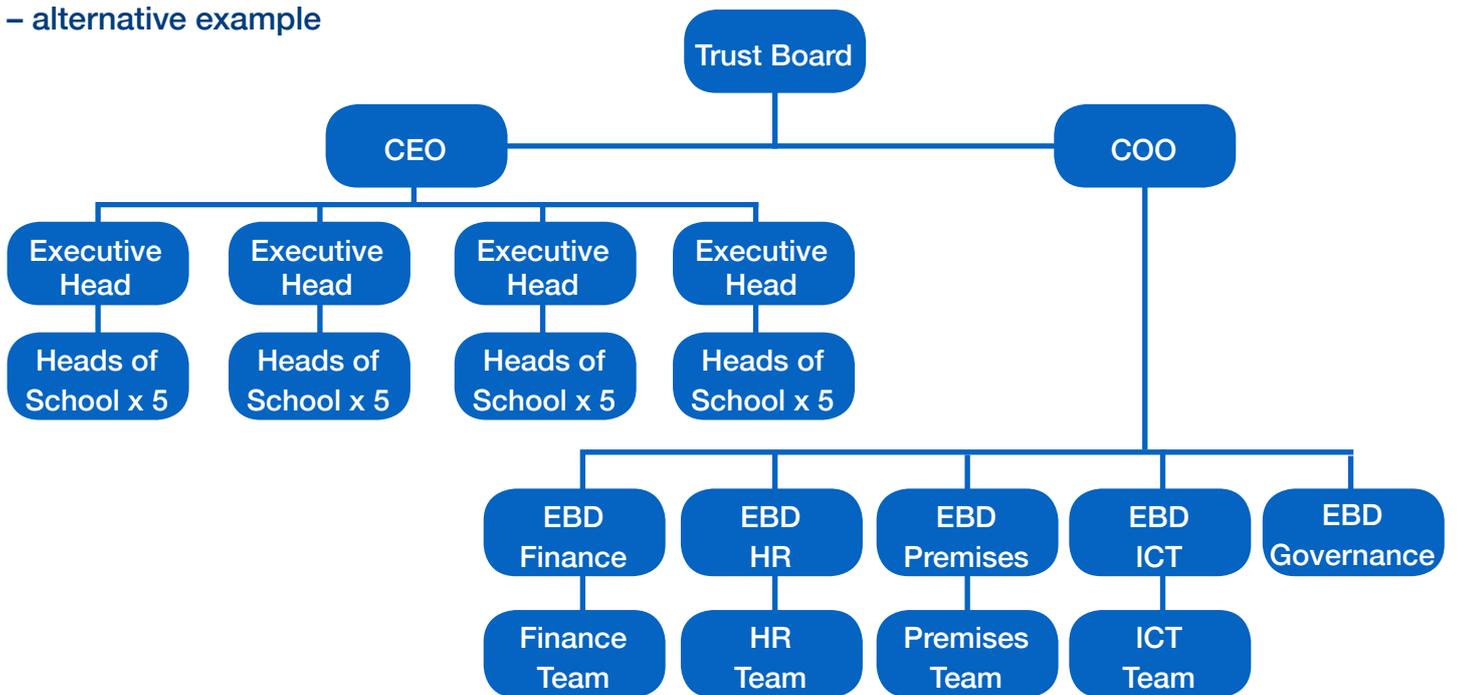
MAT with COO reporting direct to CEO



MAT with COO and CEO reporting separately to trust board



COO and CEO report directly to the trust board – alternative example



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These examples have built in an additional consideration which may fall within the remit of the business function, ie the management of large groups of governors within the group. This role might support the recruitment and training of increasing numbers of governors to ensure they receive appropriate mentoring and support, thus fulfilling clarity of vision, ethos and strategic direction across the group.

For further information about potential governance structures within varying sizes of MATs, see the DfE's [Expanding your academy trust: resources for multi-academy trusts](#)

Cluster divergence

Within a MAT structure, it is possible for varying levels of delegated, decision-making responsibility. Here, it may be necessary to have some flexibility to implement different structures for the delivery of business functionality, which are kept under review as decision making responsibility changes.

Summary

It is worth reiterating there is no 'one size fits all' solution or model. Business functionality needs to be efficient, effective, transparent, sustainable and represent the best value for money.

Planning for the future is essential to ensure there is capacity to accommodate ongoing growth of the MAT alongside a consideration for the development of skilled individuals, succession planning, as well as nurturing staff so they can develop in a way that harnesses in-house talent to achieve the best model. Streamlining middle management, incorporating a greater delegation of responsibility, can lead to a developmental business leadership structure providing more extensive career enhancement opportunities for practitioners over time.

The needs and ethos of the MAT are paramount; as structures continue to evolve and grow, the issue of effective business functionality must be kept under constant review.

External organisations may also influence the determination of business leadership functions and structures for example RSC, Diocese, and Ofsted.

There are parallels with the private sector which might be influencing factors in the future. The traditional number-crunching role of the CFO in the private sector is beginning to change as CEOs look increasingly to develop the role to incorporate a more over-arching input at strategic level, and input to wider decision making.

Mandatory requirements for some strategic roles which are laid out clearly in the [Academies Financial Handbook](#)

Case studies are included in Section 4, and provide snapshots of MATs at different points in their respective journeys of growth.

3 Further information

DfE, [Expanding your academy trust: resources for multi-academy trusts](#)

DfE, [Governance handbook and competency framework](#)

DfE, [Academies Financial Handbook](#)

ASCL can provide support with bespoke consultancy on this topic - contact consultancy@ascl.org.uk

ASCL Business Leadership Specialist Val Andrew

Thanks to Paul James, CEO, River Learning Trust and John Banbrook, BDM, Faringdon Academy of Schools, Faringdon for providing the case studies. If you would like to share a case study structure, please email val.andrew@ascl.org.uk to discuss further.

4 Case studies

1 River Learning Trust (RLT)

RLT is a medium-sized MAT (7,000 pupils), which currently comprises

- four secondary schools
- seven primary schools
- a free school in pre-opening
- a school-centred initial teacher training (SCITT) provider
- a number of other schools due to join in the coming year

The trust has undergone significant change (as shown in Figures 1 and 2), having grown from being a single academy in 2012, and during this period there has been reorganisation of its business management operations.

Becoming a MAT

The trust became a MAT when one of the local primary schools to the secondary academy required ‘special measures’. The primary joined as a sponsored academy in 2013. From this point, the trust has grown with a mix of convertor and sponsor schools and the finance, HR, operations and governance capacity has increased.

Like most trusts, we have always tried to increase capacity just before we have needed it, whilst always being limited by financial resource, and in part this was driven by our early experiences of not having enough capacity in these areas when we were a small MAT.

For example, as a two-school MAT we experienced staffing changes in our single primary so we tried to make some financial savings by not replacing a like-for-like business manager post and allocating more duties to colleagues based at the secondary. This was a false economy at that stage, as we had limited expertise and capacity to deliver what colleagues found to be the more demanding regulatory framework for academies in comparison to being local authority maintained schools.

Opportunities to grow

Having experienced challenges operating as a small MAT, and whilst being able to see the benefits of being a MAT, the trust decided to pursue the opportunity to grow, and therefore develop the necessary staffing to allow this to happen.

The initial appointment we sought to make was for an Experienced Resources Director (similar to a senior business manager or COO), but we were unable to recruit to the salary we could afford at that time, and for an extended period, appointed an experienced interim along with an interim accountant to support financial functions.

As we secured some certainty over growth we then appointed an HR Director (part-time, increasing from three to four days), then a Head of Finance with a high degree of accounting experience, and towards the end of 2016, we were in a position to replace the Resources Director role, appointing a full-time and permanent COO. In 2017 we appointed a Head of Governance and Compliance (and who is a National Leader of Governance), to support our local governing bodies, as well as compliance requirements across the trust.



Reporting lines

The central team of business and operations staff report to the COO who then reports directly to the Chief Executive. In all cases, the most senior business management and admin colleague for each school is line-managed by the headteacher and the heads are line-managed by local governing bodies (unless the schools require special measures, where the head may be line-managed by the Chief Executive).

The senior business management and admin colleagues in the schools have regular meetings and direct contact with central team staff to support their work, and we know our schools value this contact. Whilst the central team may operate at a strategic level, such as policy development, financial compliance, joint procurement, IT strategy, governor training and development, estates management and major capital development, colleagues are also involved in supporting schools with operational aspects such as HR casework, recruitment, health and safety compliance, risk management and financial management.

The appointment of an experienced COO and other experienced colleagues into senior central team posts has helped to ensure that the development of a strong finance and operations function, and the project management of conversions of new schools can take place, whilst allowing the Chief Executive to continue to be involved with direct school improvement support to schools.

Figure 1 2013: Two schools with intention to grow

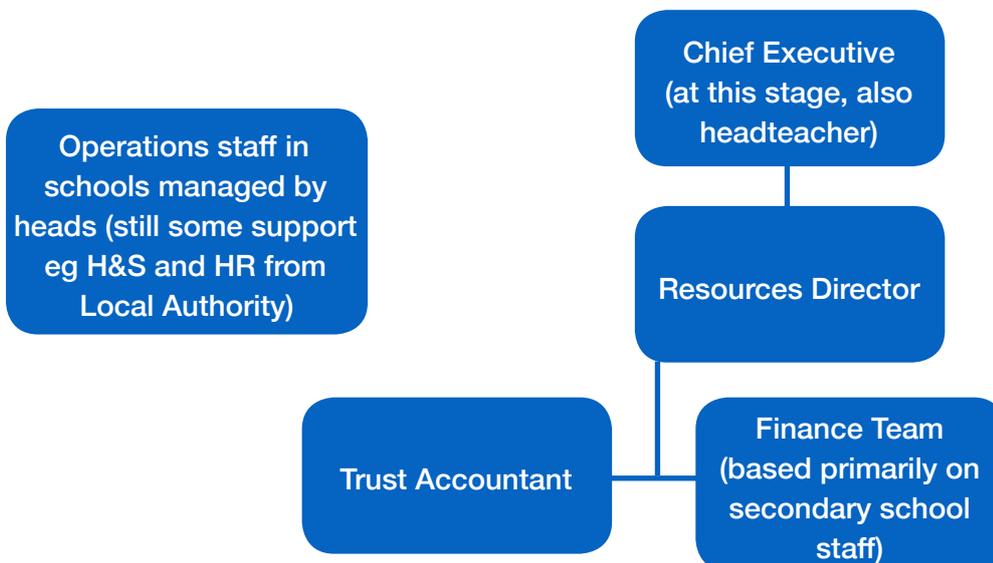
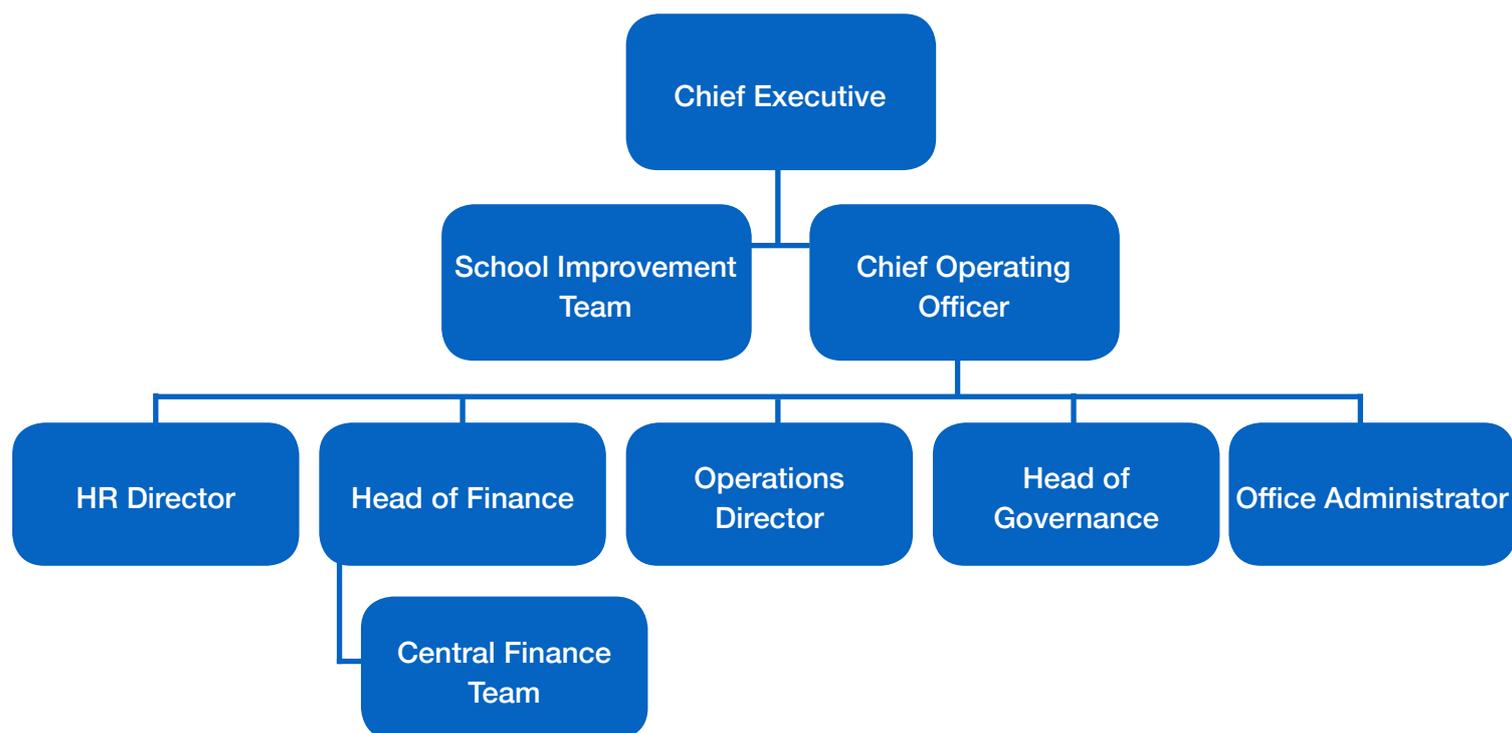


Figure 2 2017: 11 schools, free school in pre-opening, SCITT and others due to join



2 Faringdon Academy of Schools

Faringdon Academy of Schools formed with a secondary and two primary schools in the market town of Faringdon in April 2012.

Initially, the business management model was entirely de-centralised and the only central posts comprised a part-time Executive Head (two days per week Executive Head, three days per week Head of the secondary school), full-time Business Manager and some part-time administrative support. All of the business management functions from finance, HR, ICT, facilities and governance support continued at each school in exactly the same way they were delivered as maintained schools. The newly-appointed Business Manager coordinated these functions at a central level and met all of the external reporting requirements from the EFA. At this time, many of the services were simply bought back from the local authority.

Trust Expansion

In November 2013, five of the local village primary schools joined as academy schools, expanding the trust from three to eight schools. On conversion, the central team expanded to retain the Executive Head (on same arrangement), full-time Business Manager, an Operations Manager, a Central Finance Manager and some part-time administrative support. Working to the Business Manager, the newly-appointed Operations Manager took responsibility for the majority of the premises-related matters and supported the Business Manager with day-to-day delivery of support activities.

The newly-appointed Finance Manager supported the Business Manager to deliver financial management from a central perspective, including consolidated reporting, budget monitoring, VAT returns and the coordination of the finance officers at the eight academy schools. The trust had a single bank account and common accounting and budgeting software.

Centralising services

In January 2015, the LA had excluded academies from a number of traditional services and following a year-or-so of operating a largely de-centralised model, it became evident that there were efficiencies to be gained by centralising a number of support services. The trust embarked on a support staff organisational review which really challenged the traditional way that support services were delivered across the trust; this experience was an emotive and difficult change management programme, nonetheless, it was the right thing to do.

Post-review, the trust established:

- a deputy business and finance manager
- a central finance team, co-located in a single office
- centralised line-management of all premises and catering staff under a new facilities manager
- a central HR officer to standardise HR across the trust
- a central ICT team, to oversee all ICT support to the trust
- an academy secretary role to provide a coherent and consistent level of support to trustees and local governance

The review marked a step change in the professionalisation of support services across the eight schools and provided the capacity for the trust to consider further expansion. The review was funded in the most part by savings created by reducing support posts at member schools and by moving away from expensive third party support contracts. A diagram of the current structure is shown in Figure 3.

Faringdon Academy of Schools is currently seeking to merge with another multi-academy trust. This will provide further opportunities to centralise key services, albeit ensuring sufficient capacity is retained in each hub. An early proposal for support services is provided in Figure 4.

Figure 3

Faringdon Academy of Schools Business management model: central staff

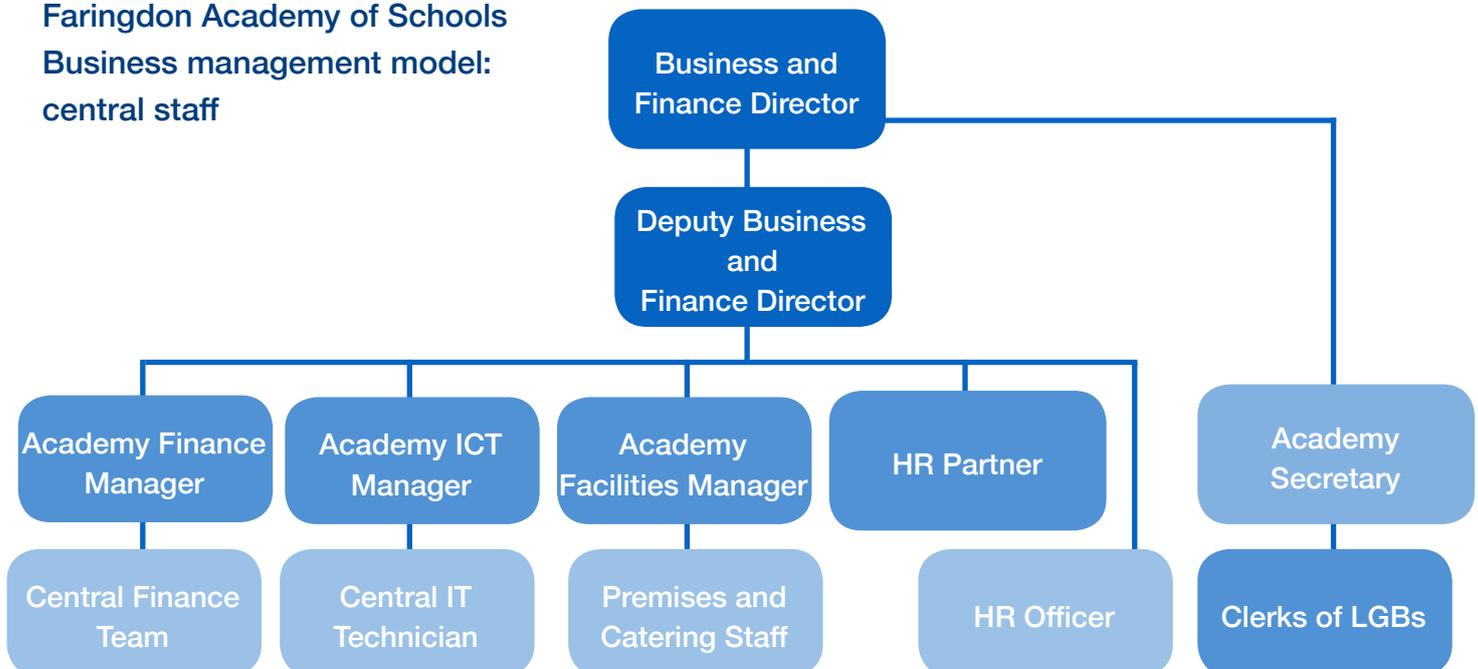


Figure 4

Faringdon Academy of Schools

Options for expanding the trust to include another hub

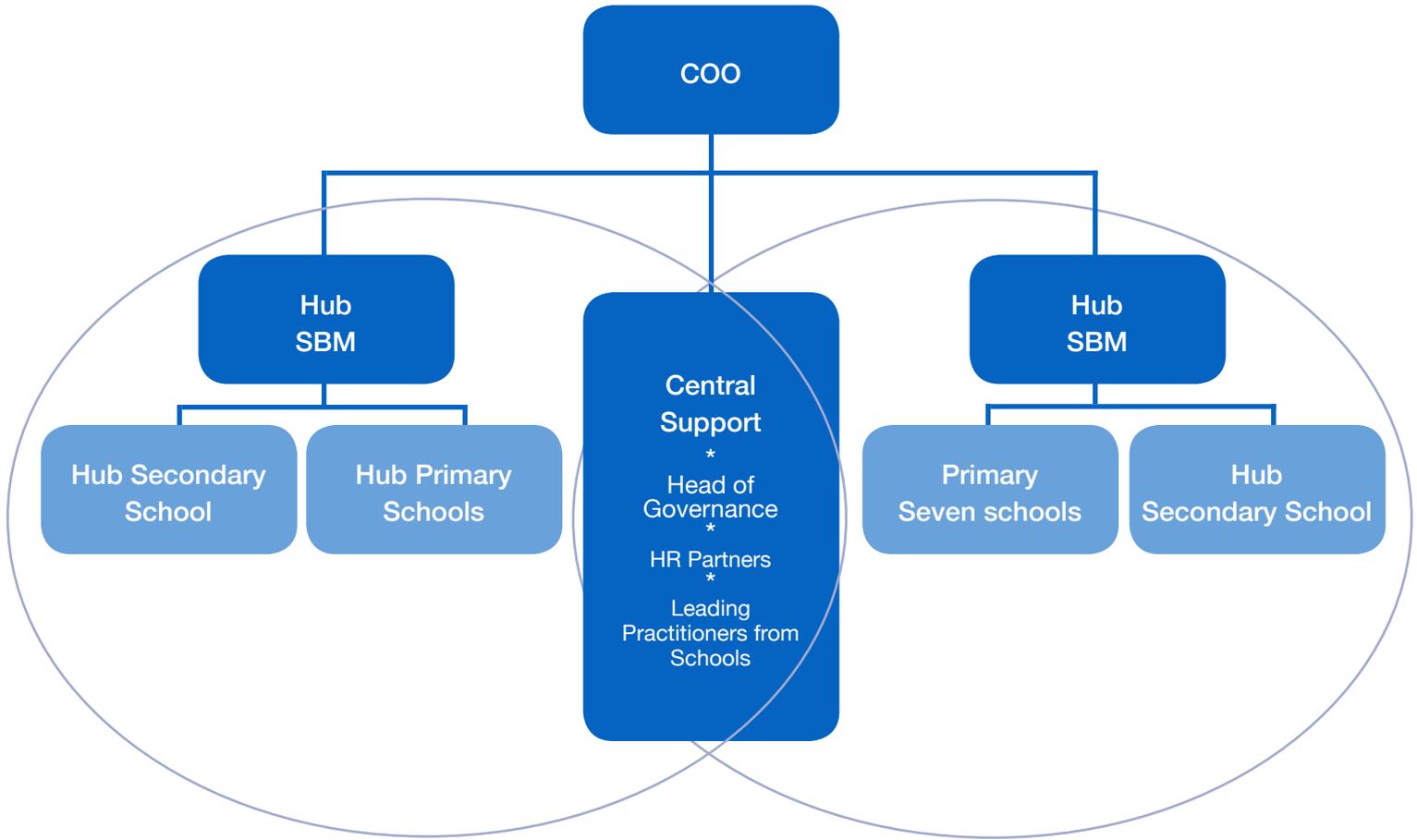


Figure 5

Amended Support Structure Model

