

Academy-Specialised Accountants Comment on Commons MATs Report

Submitted by: The UK200Group

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The House of Commons Education Committee has recently issued a report (<http://www.parliament.uk/business/committees/committees-a-z/commons-select/education-committee/news-parliament-2015/>) into the performance of Multi-Academy Trusts (MATs), organisations which manage a region's academies using a board of volunteers, often taken from the local business community.

The report's recommendations outline six characteristics that the committee believes contribute to successful MATs, and claims that many MATs have grown too large too quickly to be effective.

The UK200Group (<http://www.uk200group.co.uk/>) is the UK's leading membership association of chartered accountancy and law firms, and its members act for 12% of the UK's academies.

Characteristics of High-Performing MATs

Tom Meeks, Senior Manager at top 30 accountancy firm and UK200Group member Price Bailey (<http://www.pricebailey.co.uk/>) and Chair of a Cambridgeshire-based Multi Academy Trust, looks at the report's findings from the perspective of an education specialist accountant.

"I have been following these Education Select Committee meetings over the last year and can see the conclusions coming together from the various witness sources. Being the chair of a small but successful MAT myself, I can relate to a lot of the characteristics of the most successful MATs. I am fortunate. My Board has a balanced skills set and its component members are willing to commit time ensuring it continues to be effective at holding its committees and executive leaders to account.

"That said, not all MATs are fortunate enough to operate in areas of high stakeholder engagement. Whether those stakeholders are parents, staff or community members, this is key to any Trust's success. There needs to be a correlation between the level of engagement between stakeholders and the Trust, and its size. If a modest-sized Trust (say 3,000 pupils across five schools) can attract sufficient Board expertise and commitment to sustain and broaden the level of school to school support expected of it by the Regional Schools Commissioner (RSC), then it should not be forced to grow beyond its capabilities.

"If a MAT finds it difficult to recruit the necessary Board skills and encourage sufficient commitment from key individuals at Board level because of demographic factors, there is a strong argument that rebrokering to a larger Trust will offer the expected level of expertise and accountability and remove responsibilities from that MAT, which it finds difficult to fulfil. Absolving responsibilities can often help remaining governors of local committees to focus on what they are good at."

Accountability and Inspections

Tom Meeks continues, "There has been significant disparity between the rate of evolution of MATs and the development of accountability models for their performance. It remains today, insufficient. While Ofsted inspections can be unnerving experiences for school leaders, ultimately their results identify areas for development that can be worked upon over time to improve outcomes for pupils. Trust Boards are

not extended the same privilege and while the lack of inspection may be welcome in the short term, it has led and will continue to lead to failure of more Trusts than would have, had there been a robust and clear accountability model for MATs.

“I agree with the Committee that Ofsted and HMI do not currently have the skills set to inspect and offer advice for improvement of MATs to Trust Boards. The emerging alternative of a voluntary, peer based accountability framework is going to need significantly more resources put into it than is currently. There are only so many National Leaders of Governance, National Leaders of Education and CEOs with enough time to dedicate to a peer based network. There is also the question of how they apply their experience and expertise to the very unique circumstances and challenges faced by each MAT under inspection.

“If you are wondering where the RSC office fits into the accountability landscape, then you are asking a very good question. The role of the RSC is to challenge and support MATs. In my experience they do not have the time and resources to do the latter because there is so much focus on encouraging the remaining 15,000 local authority controlled schools to convert to academy status. This appears to be taking a disproportionate amount of time at the moment. The current rate of conversion approvals by Headteacher Boards is roughly one per fortnightly session. Across eight regional boards, it is going to take a long time to get 15,000 conversions through the system.”

Rob Stokes, Partner at Cheltenham-based accountancy firm UK200Group Randall & Payne (<http://www.randall-payne.co.uk/>) and Trust Board member of The Diocese of Gloucester Academies Trust, said, “Whilst acknowledging that MPs should have access to a more information than we as auditors of a number of academies do, there does seem to be an imbalance between the information available in respect of Academies and Local Authorities and Schools remaining within the Local Authority and therefore the judgements made on the sector.

“There is anecdotal evidence that when questions are raised with information available in respect of the Academy sector, the response when asking for comparative information about the Local Authority school sector tends to be that information isn’t collated. This means that when assessing the relative merits of the Academy sector and in particular MATs, the playing field for direct comparison is not level and will lead to skewed results.

“There are Local Authorities who have schools who perform well under Ofsted ratings and also those who perform poorly, in the same way that there are MATs and individual Academies within the MAT with good and bad ratings. The sector as a whole has good and bad performers and the MPs are quite right in focusing the attention on those who are performing poorly, with the idea of research into what good performers consistently do well being an important consideration. However, as noted by the report, there is a significant range of size, locality and skills within the sector and a one-size-fits-all approach may not be the best solution.

“One concern is that the MP’s have decided that the DfE/EFA are struggling with their financial oversight of Academies. Whilst the Academy portion of the Education sector continues to rise, does this then not raise the question how have they managed when the vast majority of schools were under Local Authority control? Does this mean that, due to the lack of transparency and availability of data for

Local Authority schools, particularly with regard to finances, issues are 'lost' within the whole budget? Where the school is located should not be the determining factor as to whether it is providing the required level of performance and accountability, all schools should be assessed under the same framework. There should be an equitable review of whether the monies being disbursed to Academies are being used effectively. All schools should be measured against the same criteria with the same transparency of data to enable the comparison.

"This also corresponds to the comments made that Ofsted and the RSCs have gaps in their assessment procedures. The way in which a Local Authority operates is similar to some types of MAT and therefore one would expect that assessment procedure to remain appropriate. If it doesn't, the question has to be asked as to whether historical assessments provided the reassurance that they were put in place to provide. There is an opportunity to refine the assessment procedure but at the same time there has to be consideration of whether Ofsted inspectors have the appropriate skillset to cope with a wider-ranging assessment procedure. As the skillsets of Governors need to expand to deal with a MAT, the same should be expected of the Ofsted Inspectors, who may well not have had experience of a MAT during their careers.

"As a sector, the Academies are still evolving and in particular so are MATs. This leads to issues arising, as you would expect in any developing sector, and it is correct that these issues are raised and considered. However, this should not lead to a knee-jerk reaction that the evolution of Academies and MATs is bad. Concern over the length of time taken to re-broker an Academy is one such reaction. A failing school within a Local Authority was not then given to another Local Authority, the existing body was expected to make improvements itself. Another concern is rural primary schools and finding appropriate sponsors and MATs for them. Does this concern not exist when they are within a Local Authority? Their performance and finances should be as concerning in their current situation as it would be if they academised, not masked within the results of the Local Authority.

"There will be the need for assessment and adjustment in the way the sector operates, as has been the case for Local Authority schools over many decades. A considered approach is required to ensure that appropriate sponsors are in place for MATs, Governor skillsets for the main Trust Board and local governing bodies are appropriate and best practice in all areas is shared more regularly to encourage those whose performance is lacking to improve."

Rob Stokes, Randall & Payne

Both Price Bailey and Randall & Payne are members of the UK200 Academy Forum, a group that allows academy-focused lawyers and accountants to collaborate and share expertise on the issues that academies face.

The UK200Group, established in 1986, represents a significant group of trusted, quality-assured business advisers – chartered accountants and lawyers – who have over 150,000 SME clients in total. As such, the UK200Group acts as the voice for 1,899 charities, over 12% of all registered academies, more than 3,887 farms, 800 healthcare businesses and over 4,000 property and construction professionals. The organisation remains impartial on political matters, and presents the individual views of its members.

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About the UK200Group:

The UK200Group was formed in 1986, and is the UK's leading association of independent chartered accountancy and law firms, with connections around the world.

The association brings together around 150 member offices in the UK with more than 500 partners who serve roughly 150,000 business clients. Its international links in nearly 70 countries give its members access to expertise across the globe.