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This fundamental component to effective governance, although not new, is more relevant and urgent than ever for MAT boards. Boards are still struggling to get trustee recruitment right, many having been too focused on business and finance skills and not including and attracting individuals who know the education sector well and have the time, commitment and capacity to be effective in the role. For many MATs, who constitutes 'the right people' will not necessarily stay the same as the trust evolves and its context changes.

Diversity is not always fully appreciated, and this has led to 'group think' on some MAT boards. When the people around

a lack of perceived legitimacy in the governance model. The *Framework for Ethical Leadership* in Education, which builds on the Nolan principles of public life, aims to be an important vehicle for change. Its principles should ultimately form a key part of the culture of the wider sector and each organisation – i.e. the norms, customs and behaviours of staff and those who govern.

There is a lack of governance knowledge prevalent across the sector, which sometimes lends weight to the incorrect and damaging accusation of the ‘privatisation’ of state schools. While this language is commonly used by some opponents of academies, the DfE has played into this discourse by frequently comparing (incorrectly in our view) trust membership to company shareholders and more generally promoting use of private sector practice. Such a portrayal of the governance workings of MATs has been unhelpful as it has masked the charitable status of academy trusts, and slowed down the adoption of third sector practice. If trusts – which are providing a crucial public service funded by the state – continue to be marketed, either intentionally or otherwise, as equivalent to commercial enterprises, the antagonistic attitude of communities and negative reporting of trusts is likely to continue.

Relationships between all those involved need to be built on respect and trust. The decision-making within trusts must not be too easily swayed, or even worse, exclusively taken, by the executive tier. NGA has come across a number of concerning cases where governance is being subtly undermined by the executive tier. CEOs and executive teams in trusts need to

is misunderstood, underplayed or unappreciated, organisations put themselves at higher risk of failure. When they can have such a long-lasting impact on the lives of the future generation, it is essential that key decisions are not taken lightly, without proper process, lawfulness and debate.

Principles of ethics, public service and fairness should be the foundation of trustees’ pay decision for their executives, but this has not always been the case. As set out in NGA guidance, trustees must be conscious that it is public money that they are spending and, therefore, they need to accept that executive leadership roles cannot attract the same premiums as they would in the corporate sector. NGA remains alarmed that, while it may be only a small number of cases, some prominent

time when the sector as a whole is campaigning rigorously for adequate school funding.

There is still often confusion about roles and responsibilities within MATs, both for the non-executive and the executive layers, despite the work done by the Department for Education (DfE) and NGA to help clarify the expectations of different tiers. For example, the DfE needs to make more of the distinction between the roles of members and trustees and

Governance Handbook to reflect that the phrase ‘eyes on hands of’ applies to trustees not members. In particular, government advice and guidance on various roles and responsibilities, in particular members and the ongoing reference to the local tier as ‘local governing bodies’, creates

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should be a key part of addressing the enduring issues of enabling effective governance, including communication channels in a trust.

The roles and responsibilities of the executive employed by the trust will need to change as the trust develops, which may include growth in terms of pupil numbers or school numbers. The roles required for leading MATs are different to the roles required to lead a stand-alone school, whether maintained or an academy. The executive roles within one MAT will not always be transferable to another. The executive and central teams within MATs – their structure and recruitment – require much consideration by the board of trustees, as they represent a significant financial investment that needs to provide value in children's education. An individual who is a successful head teacher/head of school, does not necessarily have the required skill set to be an executive principal or particularly a chief executive. There also needs to be more awareness that the role of head teacher/head of school in a MAT is different to that of a standalone school.

Many MATs report that they struggle to engage with stakeholders, including staff, parents, pupils and those in the local community. Understanding the views and experiences of stakeholders is a crucial part of the governance role (and, indeed, NGA would argue it constitutes the fourth core function of governance). This is different from but very much linked to the issue of accountability to stakeholders.

For a number of years, NGA has been highlighting concerns that the power in academy trusts is being concentrated in the hands of too few people (their members) and, in some cases, boards which are distant from their schools and communities. NGA has questioned how legitimate a model this is for a public service and has been leading the debate on improving the accountability of schools to their stakeholders.

A connectedness between the school and its community helps ensure stakeholders feel valued and increases their confidence in the organisation. There is a perception that those making decisions understand the lives, context and aspirations of the community they serve, and have their children's interests at heart. For many growing MATs and particularly dispersed MATs, this presents a huge challenge which is not easy to answer. Stakeholders, staff, parents and pupils are therefore unclear

how the trust is held to account for the decisions it makes which impact on them. While some trusts have a great focus on their local communities and a commitment to community engagement, as other leading voluntary trusts and aspirational

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Our evidence shows communication and information management are amongst the biggest concern for trusts, but also ones where there has been the least amount of progress. Many trusts are not finding a quick fix to these issues. Communication channels in a trust require constant review and modification as trusts adapt to changes in context. Too many trusts have neglected communication channels and have allowed them to go unchecked and unchanged for long periods of time, often being stretched to breaking point, resulting in a lack of transparency and a culture of distrust developing across the organisation. It is also important to note that communication problems do not necessarily mean a lack of information, but a lack of coordination. Trustees need to receive relevant, accurate, succinct, timely and comprehensive information from a varied range of sources.

celebrating success together. Local conversations and intelligence also needs to find its way back to both the board and the executive – communication channels need to be designed to do this, and should not be a one way system. Effective communication operating across a trust helps to provide clear assurance at every level that the governance structure is well thought out and working, and that the values of the trust are being shared and lived.

If trusts do not undertake thorough due diligence and assess risk carefully, particularly when expanding, this can have serious financial, academic and reputational implications. Some MATs have not considered thoroughly the consequences of their growth strategy; for example, some trusts simply grow in order to shore up their finances or improve capacity. However, NGA's

improvement nor a more financially sustainable future. Indeed, trusts are still reporting that they took on more than they could manage when it came to failing schools, with capacity within the trust to provide support often not targeted quickly enough.

While the sector's understanding of risk has improved over the years, NGA has come across examples of MATs not keeping a risk register or engaging in a professional dialogue around the risks faced by the trust. NGA's research also identified that MATs are particularly struggling with financial risk. Indeed, several MATs outlined that they have rushed into making serious financial commitments without considering the impact on the pupils within the organisation.

There is still a lack of evidence linking size and growth to 'success'. There is general agreement that some MATs have grown too quickly and, in recent years, the DfE has concentrated on advice around how to grow sustainably. Growth has often come at the expense of community focus, and understanding of place (e.g. an understanding of where the MAT fits alongside other schools and public services in the areas it serves and how it is going to ensure it sits alongside, rather than being isolated from, the wider public sector), and it is not yet clear that this can be avoided in large MATs, especially if they are dispersed across the country.

The idea of having a vision and a growth strategy which has a moral imperative and a charitable mission at its core – helping other pupils rather than just your own – is sometimes neglected. Instead, MATs are often growing in an un-orchestrated way, without it always being clearly linked to governance decision making and without giving appropriate consideration about the rationale for growth and whether they have the infrastructure needed to deal with growth, such as if they could effectively offer school improvement/advice if the school is some distance away. The government has been keen for single academies to become MATs and for high performing MATs to expand, and some MATs have reported that they have been placed under pressure on some to do so. Naturally those approached by the Regional Schools Commissioner (RSC) are flattered to be asked, want to be helpful and can be tempted to say 'yes' too quickly.

Although it has been argued that trust growth is necessary to ensure financial sustainability and school improvement capacity, there has not been definitive evidence published to substantiate this. More recently, there has also been a focus on trusts merging to create larger, potentially more sustainable trusts. However, it is arguable that large trusts, especially dispersed ones, cannot as easily understand their schools and their communities and this impedes good decision making by senior executives and boards of trustees. It also reduces trust and accountability between the community and trustees. This challenge is not questioning the motives of individuals involved and while there are some civic minded larger trusts, the structure which allows them to be dislocated from place may not be a valid one for a crucial public service.

Over the years, the DfE has produced some high quality materials for MATs, and it is encouraging to see the government

making strides in key areas that concern NGA, such as executive pay and related party transactions. Furthermore, it is encouraging to see the Information Commissioners Office (ICO) and the Education and Skills Funding Agency (ESFA) continue to publish reports on MAT audits, financial management, performance and financial notices to improve.

However, this report identifies the centrality of governance to many of the causes, and subsequent solutions, to the common problems MATs face. It is therefore vital that MAT governance is pushed further up the government's agenda and, when looking to affect change, the DfE need to better acknowledge that accountability for key decisions rests with the trust board, not the executive.

In particular, the government need to urgently correct the following in terms of oversight and accountability:

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1. Recommendations specifically for MAT boards

Framework for Ethical Leadership in Education, which builds on the Nolan principles of public life, should ultimately form a key part of the culture of the wider sector and each organisation – i.e. the norms, customs and behaviours of staff and those who govern.

Boards must set a culture for equality and diversity in order to thrive; boards should set an example about inclusion from the top down and be a catalyst for achieving diversity at all levels. As part of this, the under-representation of women on boards and particularly as MAT chairs should be considered.

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There needs to be a universally accepted understanding that a MAT is one organisation, with all players accepting and promoting the legal status of academy trusts as non-profit-making charities.

More prominence should be placed on the role of governance professionals in the MAT sector.

Debates need to be embraced on the big questions arising

1. Power in MATs has been concentrated in the hands of too small a group of members (almost always distant) and should be opened up to parents and other local organisations.
2. Geographically dispersed MATs cannot as easily share improvement between schools nor achieve the necessary engagement with place.
3. Large trusts represent a major change in school structure which has not yet received public acceptance; nor has size of trust been shown to be the factor which ensures the best education. Is this the possible direction of travel
4. MATs have altered the nature of school leadership, in particular headship, in a fundamental way which has not been discussed in a full and coherent fashion. The implications of this needs to be explored.

The lines of accountability in MATs need to be better reflected in Ofsted reports.

The DfE must maintain greater focus on MAT governance; the government must urgently invest in governance resource, policy and knowledge both centrally and in regional teams.

trusts are encouraged to grow, and what happens when there are fewer schools looking to join MATs. This may

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- Knowledge centre: the essential information hub for MATs. Access to members' only content
- The Chairs Handbook: a guide for chairs of governing boards and academy trusts
- Welcome to a Multi Academy Trust: a guide for newly
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