

# Bath and North East Somerset Council

## Academy Options Appraisal

Phase 1 report

August 2016

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## **1. Executive Summary**

Education Business Management (EBM) and Stone King are delighted to have been appointed by Bath and North East Somerset Council (B&NES) to undertake an options appraisal in respect of the future direction of its schools

### **1.1 Scope**

EBM and Stone King were asked to consider the range of options open to the Council to continue its collaborative approach to school improvement and to work with the Bath Architects Group to develop a MAT structure capable of delivering their vision and values. (See Section 2)

### **1.2 National and Local Context**

The report sets out why this the right time for the Council to consider this in the light of the Education and Adoption Act 2016 and the Educational Excellence Everywhere White Paper, and considers how they might shape the future of Education both nationally and locally in Section 3.

### **1.3 Defining Terms - Academies and MATs**

Section 4 provides a definition and a description of an Academy and a Mulit-Academy Trust (MAT) used throughout the report.

Academies are publicly and centrally funded, free from local authority control. An Academy Trust is defined as a charitable company which is established to operate Academies as independent state schools.

A MAT is a Trust set up to operate more than one Academy.

### **1.4 The Options**

The range of options identified are:

- (1) Do nothing
- (2) Facilitate the establishment of Traditional MATs
- (3) Facilitate the establishment of Co-operative MATs
- (4) Establish a Teckal Company
- (5) Or a combination of the above

Section 5 of the report explains each option in detail and along-side this uses a SWOT (strengths, weaknesses, opportunities and threats) Analysis to evaluate each of the above models.

A MAT is described in detail in terms of its Members, MAT Board, Local Governing Bodies and Committees. (See Section 5.2.) This is the Government' preferred solution and remain a central plank of future policy summarised in Section 3.

The complexities of Co-operative MAT are presented in Section 5.3

How the Council may make use of a 'Teckal' Company, joint venture or social enterprise company to continue to offer school improvements to schools and Academies is explained in Section 5.4 and how this overcome procurement legislation.

Reference is made to other local authorities in England known to have established such a company such as Hertfordshire, and a joint venture by London Borough of Richmond and the Royal Borough of Kingston.

These options formed part of a presentation to the Strategic Direction Group of Headteachers and Governors on 12<sup>th</sup> July 2016.

### **1.5 Bath Architects Group**

The Bath Architects Group presented its vision and values for a primary led MAT to a group of B&NES Schools and Academies on 5<sup>th</sup> July 2016.

EBM and Stone King have worked with the Group to develop a MAT Governance Structure capable of delivering this which is set out in **Appendix 1** and **Figures 3 and 4** of **Appendix 2** and referenced throughout this report as appropriate.

### **1.6 Conclusion**

The report concludes that the Council has a range of formal options open to it to develop a strategy to continue its successful collaboration with B&NES schools by combining a raft of the above options into a coherent approach to school improvement. (See Section 6.)

### **1.7 Recommendations**

EBM and Sone King were not asked to recommend a preferred model.

Based on our experience of working with the Council and the Bath Architects Group, we recommend in Section 7 that;

- A. B&NES Council Members and B&NES Headteachers and Governors reflect on the content of this report and identify their preferred option.
- B. Council Members give consideration to their preferred long term strategy for school improvement and whether this is best delivered through a Teckal Company (along with other potential Council services) which could be used to help shape the role the Council could play in a collaborative primary, values-led MAT with B&NES schools.
- C. The Bath Architects Group establishes a Project Steering Group in September 2016 to;
  - (i) involve any new schools interested in the MAT concept following the 5<sup>th</sup> July presentation;
  - (ii) undertake a feasibility study to establish the financial viability of the proposed MAT and its phased early years growth to evidence the sustainability of the solution;
  - (iii) communicate the results to all B&NES schools;
  - (iv) set a deadline for schools to pass Governing Body resolutions to participate in the early phases of the MAT;
  - (v) devise project plans to establish the MAT and for its phased expansion;
  - (vi) submit 'Expressions of Interest' to the RSC to start the phased set up of a Bath MAT.

## **2. Our Understanding of Your Requirements**

The scope of the work is two-fold:

- (i) to explore the range of collaborations and associated governance structures options for B&NES and all Bath schools, prescribe the governance arrangements and set out the strengths, weaknesses, opportunities and threats associated with each model; and
- (ii) to develop a primary led Multi-Academy Trust (MAT) governance structure in consultation with the Bath MAT Architects Group, that could be adopted by others schools and includes the local authority as a potential partner in school improvement.

### 3. DfE Policy Position and the Local Context

The origins of the Academy programme date back to 2002 when external sponsors were asked to develop proposals to 'improve pupil performance and break the cycle of low expectations' for failing inner city schools. The Coalition Government changed this focus, allowing good and outstanding schools to convert to academies, removing the requirement for an external sponsor, thus leading the way for school-led academy trusts. This re-focus saw the number of academies in England rise to 4,515 by the General Election of 7<sup>th</sup> May 2015. This number is steadily rising.

The current, Conservative Government, has continued with its academisation agenda, with the government formally announcing its plan for full academisation for all schools by 2022 in the "Educational Excellence Everywhere" White Paper published earlier this year. This was subject to much public backlash, resulting in the government's 'U-turn' on the forced academisation of good and outstanding schools. In reality, full academisation, and the Multi Academy Trust agenda remain central to Government's education policy.

The local context is important. The academy map shows that the south of England is heavily academised, although academisation has been below the national average in B&NES. This can be attributed to two main reasons:

- (i) The current primary school structure is very successful with over 90% judged as good or outstanding; standards across EYFS, KS1 and KS2 are in line or above the national averages and there are no maintained schools in an Ofsted category. Relationships between schools and the local authority are very strong and there is a culture of partnership working to secure effective school improvement; and
- (ii) The primary schools are predominantly one form of entry or smaller and of a rural nature and this has meant that the early financial advantages of conversion less important.

The recently enacted Education and Adoption Act 2016 ("the Act") sets out measures that the Government can take to force the conversion of maintained schools which are considered to be 'coasting' or causing concern determined by reference to national floor standards. The Act places a duty on local authorities to facilitate the conversion of all failing and coasting schools in need of a sponsored academy solution and local authorities will be under a duty to facilitate the process of all maintained schools becoming academies.

It is important to note that, under this powerful piece of legislation, the DfE can directly intervene and force the conversion of 'coasting' and failing schools (this includes schools judged by Ofsted as Requiring Improvement) by-passing the role of the local authority. The likely effect of this Act will be to increase the number of academy conversions.

The Educational Excellence Everywhere White Paper proposes the removal of local authority's duty to run schools, and responsibility for school improvement services, which will be replaced by a school led system. Given the significant changes introduced by the Act, and the Educational Excellence White Paper proposals, it is an important time for local authorities to consider how they wish to support their schools in the future. In addition it is apparent that the school funding arrangements will make it increasingly difficult for small, rural schools to work in isolation. It is an important time for B&NES to work in partnership with its schools to develop a strong school collaborative system that maintains and builds on an established and successful school system in B&NES.

It is important to note, potentially as a result of the government's academisation agenda that many of the existing maintained schools within B&NES are presently considering

academisation, either through setting up MATs or joining existing MATs (both school and sponsor led).

Locally, the Bath Architects Group, a partnership of local primary schools, has been working together for a number of years, and is now keen to formalise their partnership working with the support of B&NES, as a potential partner to set up a primary led MAT. Further details of their proposals are set out at **Appendix 1** and in diagrammatic form in **Figures 3 and 4**.

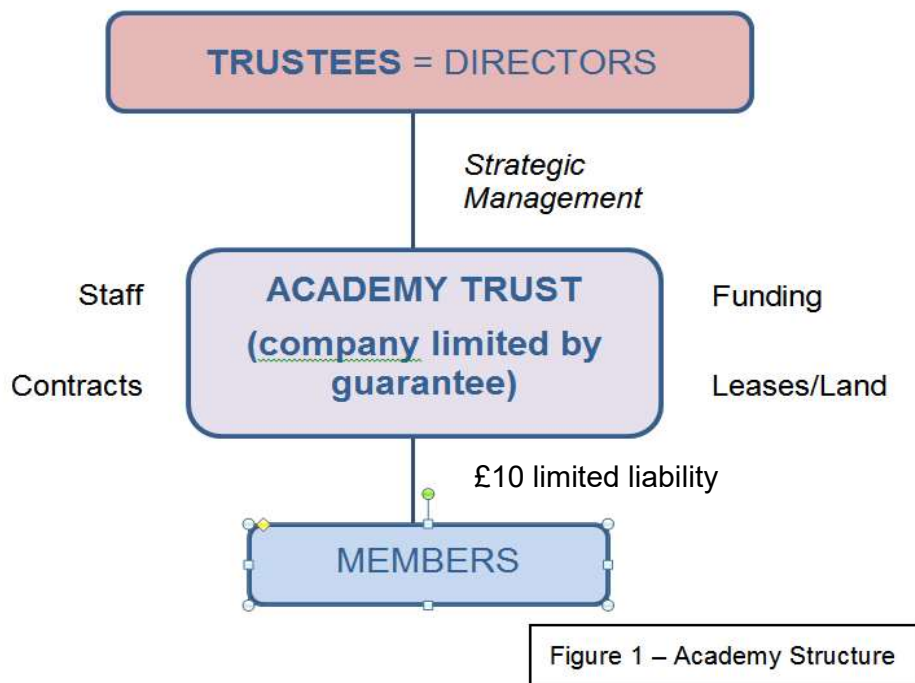
In addition Chew Valley Secondary school (a maintained school) has recently established a new charitable trust with local partner primary schools. The trust, known as Chew Valley Cluster Educational Trust (CVCET) is a charitable incorporated organisation, which is a relatively new legal form, which offers the benefits of limited liability but without administrative company law burdens. CVCET has been set up as umbrella body to provide services and support to its partner schools. The Trust's official launch takes place on 13<sup>th</sup> September 2016.

#### 4. What is an Academy?

It may be helpful to define the terms in use throughout this report.

An Academy Trust:

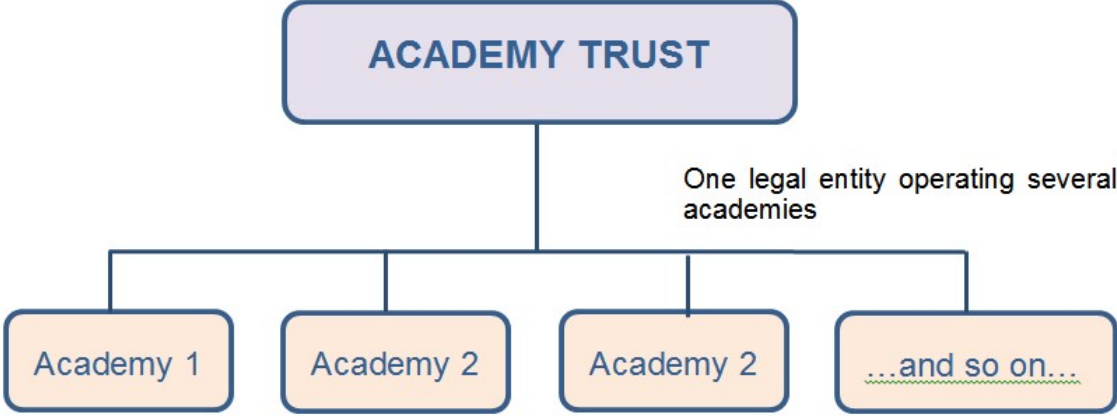
- is a charitable company which is established to operate Academies as independent state schools. Academies are publicly and centrally funded, free from local authority control
- signs Master and Supplemental Funding Agreements with the Secretary of State for the operation of any number of Academies
- has “Members” who are akin to the shareholders of a normal company (albeit that there is no entitlement to a dividend)
- is accountable to Secretary of State through the DfE and the Education Funding Agency
- must abide by Company and Charity Law



The strategic direction of the Trust is determined by the Trustees, who are also responsible for the management of the Trust as a whole. The Members appoint certain of the Trustees and may remove any of the Trustees – they are not responsible or accountable for the operations of the Trust.



A Multi-Academy Trust (MAT) is an Academy Trust with a Master and a series of Supplemental Funding Agreements enabling it to operate more than one Academy.



**Figure 2 - MAT Structure**

## **5. Bath and North East Somerset Options Appraisal**

This section sets out all of the options open to B&NES to continue to work in a collaborative partnership with both schools and academies in the area.

The SWOT (strengths, weaknesses, opportunities and threats) analysis set out below seeks to provide an evaluation of the three models of school collaboration outlined in the document for consideration.

The range of options identified are:

- (1) Do nothing
- (2) Facilitate the establishment of Traditional MATs
- (3) Facilitate the establishment of Co-operative MATs
- (4) Establish a Teckal Company
- (5) Or a combination of the above

Each of these is now considered in turn.

### **5.1 Option 1: Do Nothing**

The 'Do nothing' option is the continuation of the existing system, without any further involvement of B&NES in shaping the future direction of the school system. It would require B&NES to continue to operate the existing school improvement services (whilst it remains affordable to do so).

Without a clear strategic direction from the local authority and any intention for B&NES to set up a Social Enterprise or Teckal company to deliver School Improvement Services to MATs, B&NES schools would be left to their own devices to form or join their own MATs with partner schools, without a Local Authority Teckal Company or vision for a collaborative school improvement system.

#### **Strengths**

- (i) The Primary schools are successful in their own right and there is no reason why this should not continue to be the case.
- (ii) The LA is not required to develop a collaborative schools strategy in terms of set up costs, consequently this option has no financial cost to B&NES
- (iii) Increase choice for parents with some schools opting to establish their own MATs, and other joining existing MATs

#### **Weaknesses**

- (i) B&NES School system could fragment without cohesive approach with the potential for less successful schools to become isolated
- (ii) Viability of small isolated rural schools
- (iii) Reduces potential for partnership working across local schools
- (iv) No strategic approach/co-ordination within B&NES
- (v) Difficult for B&NES to manage school support services in long term
- (vi) Potential staff redundancies

## **Opportunities**

- (i) B&NES Schools may choose to collaborate and establish MATs without Council input and Teckal Company
- (ii) Establishment of more Charitable Trust clusters similar to the Chew Valley Cluster Educational Trust

## **Threats**

- (i) Need to manage long term decline in B&NES services to schools.
- (ii) External MATs may target expansion of their network within B&NES
- (iii) Schools that meet the new 'coasting schools' criteria and schools judged as Requiring Improvement by Ofsted will be at risk of forced conversion to become Sponsored Academies as a result of powers in Education and Adoption Act (2016)

## **5.2 Traditional Multi Academy Trust**

The Traditional MAT is the DfE's preferred governance model, and the government has announced that it would like all academies to be part of a MAT by 2022.

**Figure 3 in Appendix 2** sets out the Governance Structure of a Traditional MAT.

The key features of the Traditional MAT are as follows:

- **Members**

Members are akin to shareholders. Although Members have an important part to play in the operations of an academy trust, namely through appointing trustees and having the ability to change the constitution, they do not get involved in the day to day running of the academy trust, which is the remit of the Board. Members can comprise both individuals and organisations. This could involve a mix of local individuals and organisations with an interest in education within the local authority.

The DfE's policy has changed over the years and, although the Articles of Association require an academy trust to have a minimum of 3 Members, the DfE strongly prefers five Members, and for the majority of the Members to be independent of the Board. This policy change came about as a result of the 'Trojan Horse' incident in Birmingham. The Articles also do not permit employees acting as Members.

Academy trusts which operate church schools must also factor in Diocesan representation within the governance structure. Given the mix of voluntary aided and voluntary controlled schools within the proposed MAT, the Diocese may (subject to negotiation) require up to 51% representation at Member level.

It is possible for B&NES to be represented at Member level in the Bath MAT, however, their influence must be less than 20% at all times due to Local Government Act associated and regulated company concerns. It is also important to note that, if B&NES were to become a Member of the MAT, the Academies Financial Handbook would require that any services that B&NES provides to the MAT must be charged 'at cost'.

- **MAT Board**

The Board is responsible for the day to day management of the MAT. It must act within the broad powers set out in the Articles of Association.

In terms of size, the general recommendation is that a Board should have between 7 and 11 trustees to enable effective and productive decision-making, and the DfE, in its recent MAT approvals, has been insisting on a skills-based Board of this number.

Historically, MATs were set up with a representative structure (for example, the board would be drawn from, say, Chairs of schools within the MAT). However, DfE policy has evolved, and the DfE, in approving the governance of new MATs, now requires a skills-set to ensure that the Board is equipped with sufficient skills to enable it to function effectively.

Academy trusts which operate church schools must also factor in Diocesan representation within the governance structure. Given the possible mix of voluntary aided and voluntary controlled schools within the MAT, as with membership the Diocese may (subject to negotiation) require up to 51% representation at Board level.

- **Local Governing Bodies (LGBs)**

A LGB is a committee of the MAT Board. The role of an LGB within a multi-academy trust is a valuable one in providing local governance, as well as offering assistance to the Trustees in the fulfilment of their duties. Broadly, the role is to provide focused governance for an academy at a local level, monitoring the academy's key performance indicators, and acting as a critical friend to the Principal, providing challenge where appropriate. The LGB also plays a part in representing the views of the academy's stakeholders.

The Board set the terms of reference for the LGBs, which are subject to regular review. The Board decides the extent of delegation of powers to the LGB of each of the schools within the MAT. In some cases, the stronger schools receive a greater level of delegation, although some MATs set up their LGBs to be purely advisory.

It is important that the functions of the LGB are clearly defined and set out in clear Terms of Reference and Schemes of Delegation, to ensure that the local governors, senior leadership and the Board have a clear understanding of their respective roles. In all cases, the Headteacher of each School is accountable to the MAT Board.

Academy trusts which operate church schools must also factor in Diocesan representation within the governance structure. For a voluntary aided school, the Diocese would expect to have 51% representation while for voluntary controlled schools, that would amount to 20/25% (depending on the position at the point of conversion).

It is possible to have an LGB covering more than one school, and such "cluster" bodies are being considered increasingly, particularly in areas where there are difficulties in recruiting governors with the requisite skills. We can advise further on this if helpful.

- **Other Committees**

The MAT may set up other committees and delegate prescribed responsibilities and functions to them. The Academies Financial Handbook 2016 mandates that a MAT Board must establish a committee to 'provide assurance over the suitability of and compliance with its financial systems and operational controls.' Academy Trusts with an income above £50m must discharge this responsibility by establishing a separate Audit Committee, while smaller MATs may include this within the terms of reference of another Committee such as Finance.

In addition to the mandatory committees referred to above, MATs may set up other Committees of the Board of Directors as they see fit to oversee the work of the Trust – common examples include finance and standards.

- **Forum Hubs**

Forum Hubs are useful for medium to large MATs, and can be set up by the MAT Board to address particular needs of a MAT at any given time. They can be functional and structured around Headteachers and Chairs (as depicted in **Figure 3** in **Appendix 1**) or theme based i.e. governance, Key Stage 1 or Phonics etc. They are accountable to the MAT Board and it is advisable that they should operate under an approved Terms of Reference.

It is through these Forum Hubs that the MAT can ‘live and breathe’ its vision and values of being a school led Primary MAT, working together to improve teaching and learning, developing strategic partnerships to make a positive difference for the children that the schools are set up to serve.

**Figure 4** illustrates how the same Governance structure can be adapted to apply to a larger mature MAT of 20-30 schools by organising participating schools into Cluster Hubs, with a Cluster Hub Lead responsible to the MAT Board.

Continuing the similarities with ‘Forum Hubs’, a school can move between geographic or theme-based ‘Cluster Hubs’ as its needs change, or the MAT grows.

We are witnessing some of the larger MATs considering a regional MAT structure

- **Accounting Officer**

Each MAT must have an accounting officer who would be accountable to Parliament in the event of any issues or irregularities with regard to the operation of the MAT. This person typically acts as the Chief Executive Officer of the MAT. Careful consideration will need to be given to the identity and extent of the role of the accounting officer: Options include simply asking an existing Headteacher to become the accounting officer or making an external appointment.

The above description of a MAT applies equally to a Traditional MAT and to the Bath Architects Group.

The MAT Board of the Bath Architects Group is free to determine the nature of the Forum/Cluster Hubs to deliver vision and values of the Trust, and to develop and disseminate best practice.

### **Strengths**

- (i) An established model, with a well-defined process, clear milestones, responsibilities, accountabilities and outcomes that can be effectively managed
- (ii) DfE’s preferred governance model
- (iii) A schools-led, values-driven MAT in which schools can continue to collaborate with the LA
- (iv) Likely to be popular and known to stakeholders
- (v) LA can be involved in the MAT as a key partner

## **Weaknesses**

- (i) The LA cannot hold more than 20% of the votes at Member or at Trustee level. It is also worth noting that if the LA were to become a Member or appoint Trustees to the MAT, then it would be a 'related party' for the purposes of the Academies Financial Handbook meaning that any services provided from the LA to the MAT would have to be provided 'at cost' unless the Education Funding Agency agreed to dispense with this restriction
- (ii) It is anticipated that the DfE and the RSC may issue further information about support to small rural schools. The timing of this is unknown, so any an expression of interest to establish a MAT made in the near future would not be able to take account of any further responses from the DfE or the RSC about the particular issues faced by small rural schools and any proposed measure.
- (iii) Schools with an Ofsted judgment of Requiring Improvement may feel pressured to join an existing MAT to avoid the risk of forced conversion through the sponsored academy route

## **Opportunities**

- (i) The Traditional MAT model can be replicated by other schools in B&NES who wish to set up their own MAT
- (ii) The Bath Architect Group's MAT can be expanded into the Cluster MAT (see Figure 4) should more schools wish to join in future
- (iii) Potential economies of scale as a result of joint commissioning of support, and sharing best practice across a number of schools

## **Threats**

- (i) A small MAT is unlikely to be financially viable in the short or long term
- (ii) Change of government policy

## **5.3 Co-operative MAT**

Co-operative MATs are established by schools that want to access the additional freedoms and funding that are available in the academy model, but also build in important aspects, such as a voice for key stakeholder groups.

Schools that choose to adopt the Co-operative Model for conversion to academy status:

- (a) agree to adopt the internationally agreed Co-operative Values as a basis for their work;
- (b) guarantee to provide a voice for the key stakeholders in their school and local community (eg parents, staff, learners and members of the local community); and
- (c) can work with the wide range of other Co-operative Schools through membership of the Schools Co-operative Society.

The constitution for a Co-operative MAT provides for the establishment of a Forum. The role of the Forum is to:

- (a) appoint Members (by simple majority);
- (b) make recommendations to the Trustees in relation to the appointment of any co-opted Trustees; and
- (c) make recommendations to the Trustees in relation to the role of the academies in the community.

The constitution provides for the creation of a number of constituencies (such as Alumni Constituency, the Learners Constituency, the Local Community Constituency, the Parent and Carers Constituency and the Staff Constituency) with the participants of each constituency electing one or more of their number to be a Forum Partner. No Constituency's elected partner shall comprise more than [20] [25]%<sup>1</sup> of the total number of Partners.

The Forum can also designate that one or more other organisations (including local or parish councils, the local authority or any other organisations capable of having a positive impact on the work of the MAT) to be "Partner Organisations", and any such Partner Organisation shall be entitled to appoint a Partner to the Forum (which can be restricted in number).

It is important to note that this is not the DfE's preferred governance model, nor is the Diocese particularly keen on the co-operative structure.

Please refer to **Figure 6** for an illustrative diagram of the Co-operative MAT governance structure.

A large Co-operative MAT can also develop Forum and Cluster Hubs discussed above and illustrated in Appendix 2.

### **Strengths**

- (i) A school led, values-driven MAT in which schools continue to collaborate with B&NES is likely to be popular with parents, staff and local stakeholders
- (ii) Membership structure designed to enable key stakeholders to be directly involved in running of the MAT
- (iii) This solution builds on and is a natural extension of the collaborative work to date between the schools in Bath and B&NES itself
- (iv) LA could become a key partner

### **Weaknesses**

- (i) Complicated Articles and Governance arrangements – may make the MAT complex and bureaucratic
- (ii) Decision-making may be slower, due to amount of stakeholders (see **Figure 6**)
- (iii) The LA cannot hold more than 20% of the votes at Member or at Trustee level. It is also worth noting that if the LA were to become a Member or appoint Trustees to the MAT, then it would be a 'related party' for the purposes of the Academies Financial Handbook 2016 meaning that any services provided to the MAT by B&NES would have to be provided 'at cost' unless the Education Funding Agency agreed to dispense with this restriction
- (iv) Not DfE's preferred model
- (v) Recruitment of high quality, fully engaged, stakeholders may be difficult due to the complex structure, and the amount of stakeholders the model requires
- (vi) Unrealistic engagement of stakeholders and partners? Will partners and stakeholders continue to be involved/interested one year in?
- (vii) Co-operative values enshrined in the constitution, which may be too prescriptive
- (viii) Diocese not amenable to this model

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<sup>1</sup> Dependent on the number of Constituencies (20% for five Constituencies and 25% for four Constituencies).

## **Opportunities**

- (i) Establishes a model that other B&NES schools could adopt
- (ii) If organised properly, provides a model for effective stakeholder engagement, and localism

## **Threats**

- (i) A small MAT is not financially viable in the short or long term
- (ii) Complexity of structure could undermine effectiveness of governance decisions
- (iii) Change of government policy

### **5.4 Teckal Company**

There is scope for schools within B&NES, irrespective of the fact that they are in different MATs, to work together with the Council by setting up a joint venture company, known as a 'Teckal Company'. Please refer to **Figure 5** for the illustrative diagram.

It is probably fair to say that support services provided for schools by local authorities are coming under greater financial pressure as more schools become academies. There is therefore a good opportunity for local authorities to consider shared services in this area.

The model envisages academy trusts and B&NES becoming shareholders in a joint venture company. It is important that the company is set up properly and in compliance with the Teckal exemption in the Public Contract Regulations 2016. Essentially, where the company is set up in compliance with the Teckal procurement requirements, it will allow academy trusts to purchase services, at profit rates, from the service company without the academy trust having formally to procure those contracts. The company is effectively treated as an 'in-house' company for the purposes of public procurement.

If the Teckal Company makes a profit, part of that profit could go to B&NES, and part could be reinvested for the benefit of any schools which are shareholders of the Teckal Company. As such, the Teckal Company could be viewed as a social enterprise which is reinvesting any surpluses towards the benefits of the community which it serves.

In setting up frameworks, it is possible for the Teckal Company to agree commissions with suppliers, which would be payments made by the suppliers to the Teckal Company for each purchase made by a school under the Framework (the Crescent Purchasing Consortium operates a similar model).

The Teckal Company could also employ back office support staff, and have a school improvement offering.

Procurement is an area which most schools find problematic, and cumbersome. This model would enable the the MAT to procure School Improvement services from the Teckal Company, thus enabling B&NES to continue to play a collaborative role supporting the MAT and other schools within B&NES. B&NES would therefore be well placed to do this, given its expertise in this area.

This solution is compatible with the Bath Architects MAT Structure in **Figure 3**, the Cluster MAT structure in **Figure 4** and the Co-operative MAT structure in **Figure 6**.

It is also possible for maintained schools and academies to play a part in the Teckal Company, but if maintained schools are to be involved, then it is important to ensure that the Teckal Company is set up in compliance with School Company Regulations 2002 (as amended).



Examples of Teckal Companies involving schools are Hertfordshire County Council's 'Herts for Learning' [www.hertsforlearning.co.uk](http://www.hertsforlearning.co.uk) or the joint initiative between the London Borough of Richmond and the Royal Borough of Kensington known as 'Achieving for Children' [www.achievementforchildren.org.uk](http://www.achievementforchildren.org.uk)

### **Strengths**

- (i) An area where B&NES can provide 'added value' as schools find procurement of services cumbersome, and complex
- (ii) Services can be provided by the Teckal Company to member schools at a profit
- (iii) Possible for Further Education Colleges, Sixth Form Colleges, and Universities to become members
- (iv) Ability for Teckal Company to provide some services (20%) to non-member schools (although opportunity to set up trading vehicle to provide additional services to schools that are not members of the company)
- (v) Success stories: eg. Herts for Learning
- (vi) This solution builds on, and is a natural extension of the collaborative work to date between the schools in Bath and B&NES itself
- (vii) Income opportunity for B&NES to reduce costs, generate income and has potential to further improve efficiency by introducing new commercial structure.
- (viii) Alternative and dynamic school delivery model to protect and develop existing school services
- (ix) Opportunity to provide services outside of geographical area.
- (x) A way of adding social value; increasing economic activity; improving management skills and capacity.
- (xi) A way of safeguarding jobs whilst diversifying work and contracts

### **Weaknesses**

- (i) Set up costs involved (planning and risk analysis necessary)
- (ii) Involves potential TUPE transfer of staff to Teckal Company – LGPS pension considerations and possible bonds and guarantees
- (iii) Teckal Companies regulated by Public Contract Regulations 2016, which are complex (although LA will have expertise in this area)
- (iv) Potential resistance from unions who may see the vehicle as privatisation (early engagement with unions and other stakeholders can mitigate risk)

### **Opportunities**

- (i) Opportunity to provide services within and outside of geographical area
- (ii) If organised properly, provides a model for effective stakeholder engagement and localism
- (iii) Income stream for B&NES and continued collaboration with schools
- (iv) Allows for further potential further collaboration with sixth form colleges, further education colleges and universities

### **Threats**

- (i) Sufficient investment to make it happen
- (ii) Engaging schools may be difficult, but early engagement in set up and potential profit share to schools may be attractive buy in.

## **6 Conclusions**

This Report seeks to provide a number of collaborative models with governance arrangements and an evaluative summary of the strengths, weaknesses, opportunities and threats associated with each model.

The Council has a number of options to continue to work collaboratively with B&NES Schools.

The Council could continue with its current approach to support school improvement, or it could choose to formalise this by either becoming a Member of a Traditional or Co-operative MAT, or by establishing a Teckal' Company to deliver school improvements.

It is worth emphasising that these options are not mutually exclusive and the Council can combine Traditional and Co-operative MATs with or without a 'Teckal' Company as part of a strategic approach to school improvement for the future of B&NES.

## **7 Recommendations**

EBM and Stone King were not asked to recommend a preferred model.

However, having worked with representatives of B&NES Council and the Bath Architects Group over the summer in the course of the two presentations to Schools in July, EBM and Stone King recommend that:

- A. B&NES Council Members and B&NES Headteachers and Governors reflect on the content of this report and identify their preferred option.
- B. Council Members give consideration to their preferred long term strategy for school improvement and whether this is best delivered through a Teckal Company (along with other potential Council services) which could be used to help shape the role the Council could play in a collaborative primary, values-led MAT with B&NES schools.
- C. The Bath Architects Group establishes a Project Steering Group in September 2016 to;
  - (i) involve any new schools interested in the MAT concept following the 5<sup>th</sup> July presentation;
  - (ii) undertake a feasibility study to establish the financial viability of the proposed MAT and its phased early years growth to evidence the sustainability of the solution;
  - (iii) communicate the results to all B&NES schools;
  - (iv) set a deadline for schools to pass Governing Body resolutions to participate in the early phases of the MAT;
  - (v) devise project plans to establish the MAT and for its phased expansion;
  - (vi) submit 'Expressions of Interest' to the RSC to start the phased set up of a Bath MAT.

## APPENDIX 1

### BATH ARCHITECTS GROUP MAT

#### Introduction

EBM and Stone King have been working with the Bath Architects Group of schools to provide advice on establishing a primary led MAT around a set of principles, vision and ethos agreed over a long period of collaborative working.

The Bath MAT Architects Group is a small group of Infant and Junior Schools in B&NES that have been working together in closer partnership over a number of years. The Group is keen to explore working together through a MAT.

#### Features of the Bath Architects Group MAT

Some of the key considerations of the Group which formed part of the presentation to Schools on 5<sup>th</sup> July 2016 are that the MAT should:

- a) be primary-led, with a clear ethos and vision
- b) provide opportunities for professional development of the MAT's teaching staff
- c) allow for greater collaboration between heads, chairs and teachers
- d) involve local community stakeholders, such as local businesses and key educationalists (such as building links with Colleges and the University)
- e) increase efficiency through purchasing, and back office support (economies of scale)

#### MAT Structure

Following discussions the governance proposal set out at **Figures 3** and **Figure 4** was developed, which could be adopted for any other groups of schools in B&NES.

This is a Traditional Multi-Academy Trust discussed in full in Section 5.2 which uses Forum and/or Cluster Hubs to deliver the Groups vision and values.

#### Implementation

In the above presentation to Schools EBM out the conversion process for Schools wishing to convert to an Academy and form a MAT which is expected to take between 4-6 months.

Reservations have been made about the financial viability of the small rural schools that will form the MAT to be able to afford to create a post of Executive Principal. Therefore before Governors are able to make an informed judgement about whether this is a model they wish to be a part of a feasibility study to further develop the MAT proposal must evidence this by drafting a MAT budget with this post included.

Even after establishing the viability of the MAT it is likely that not all schools in B&NES will be ready, willing or able to make a commitment to joining the Bath Architect's Group MAT at the same time. Therefore it is worth giving consideration to a Phase 3 to either expand or replicate the Bath Architects Group MAT Structure to offer a Academy solution to those schools who wish to consider the merits of this solution over a longer period. .

It is important to note that the Regional Schools Commissioner will have views on the size of any new MAT, which will need to be considered. This will depend on the strength of the schools within the MAT, the speed of growth, capacity of the MAT to support other schools, the type of incoming school (weak/strong), the MAT's business plans, financial forecast and projections.

## **APPENDIX 2**

### **MAT Structure Diagrams Figures 3 - 6**

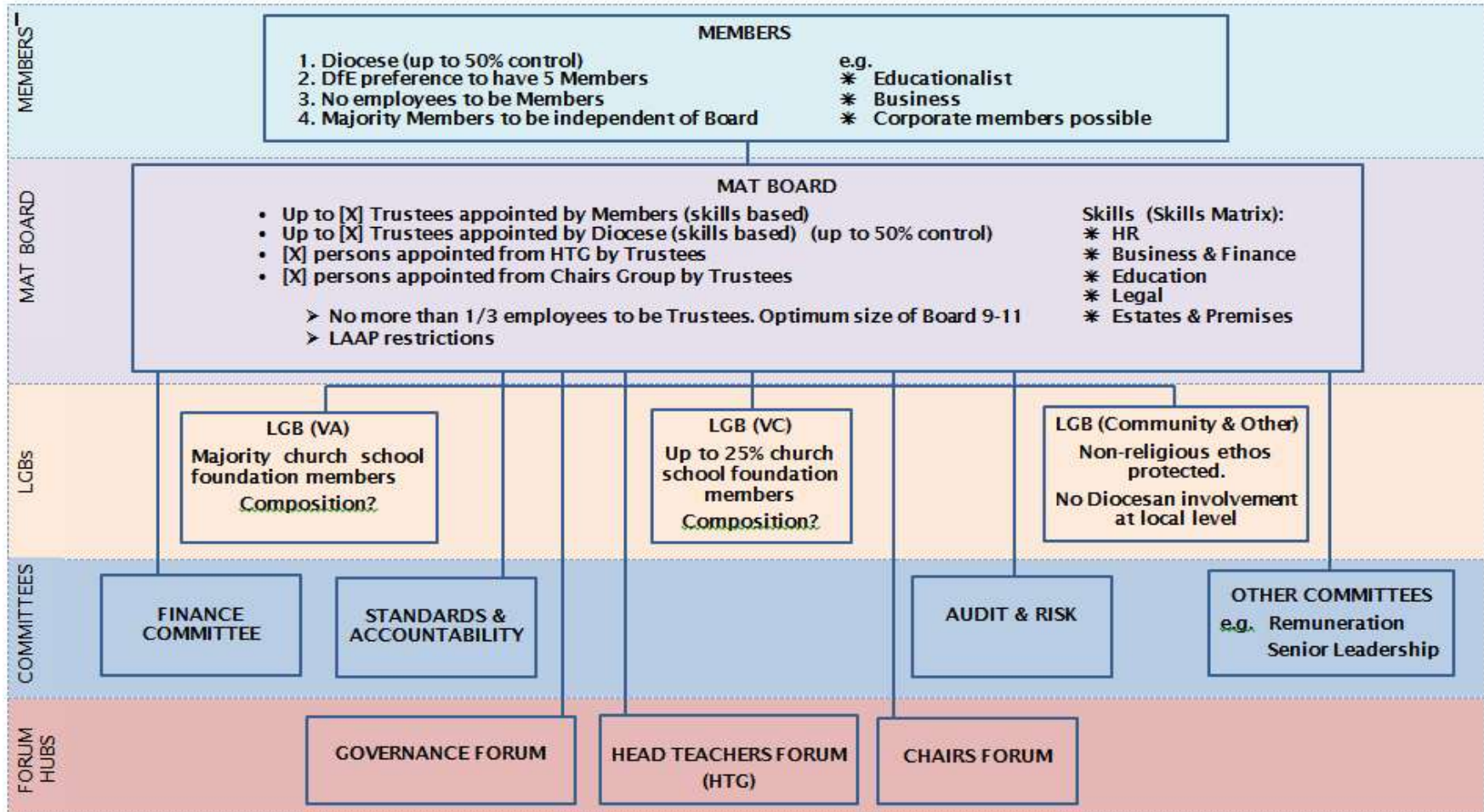


Figure 3 – Bath Architects Group MAT Structure

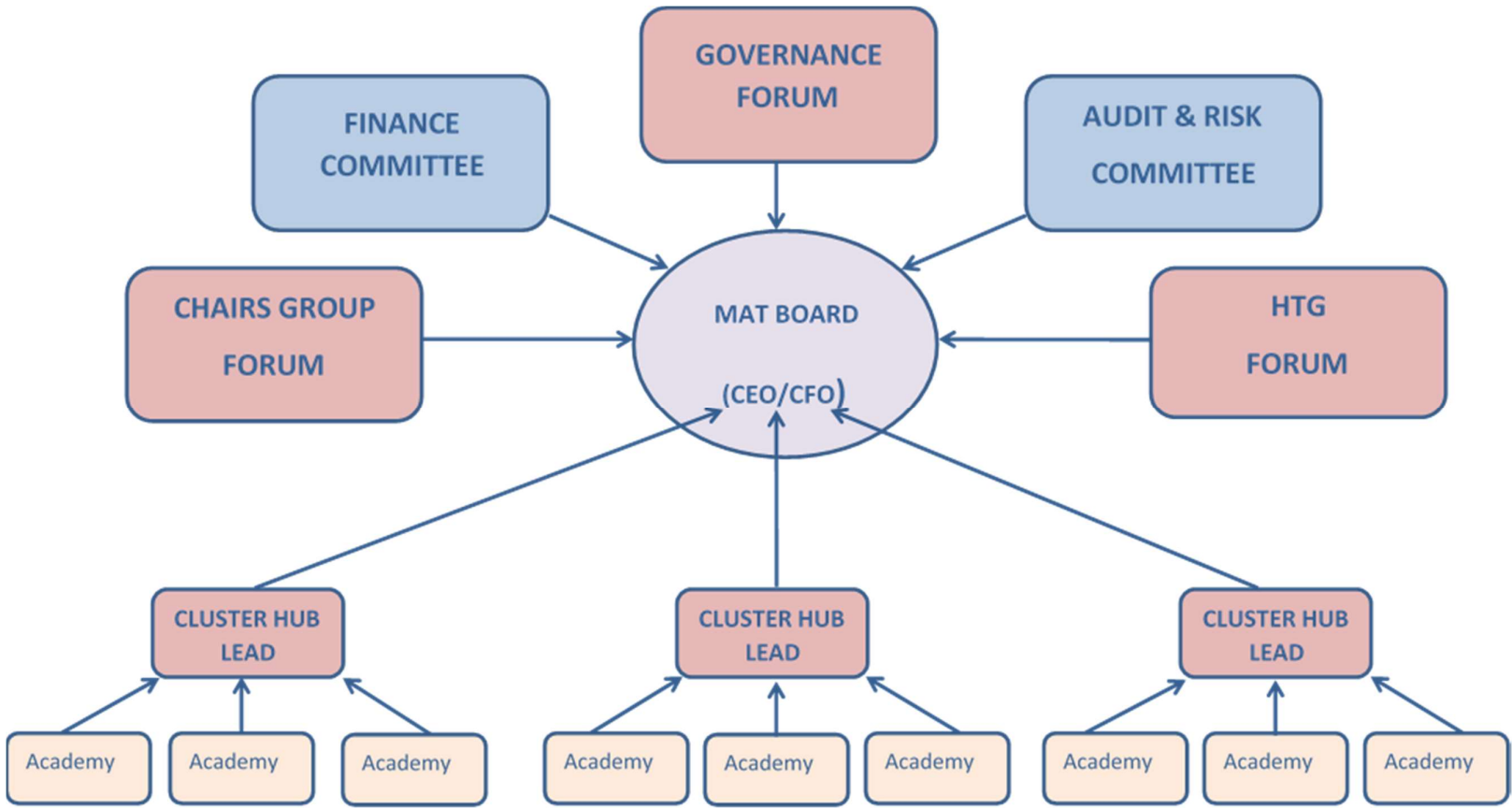
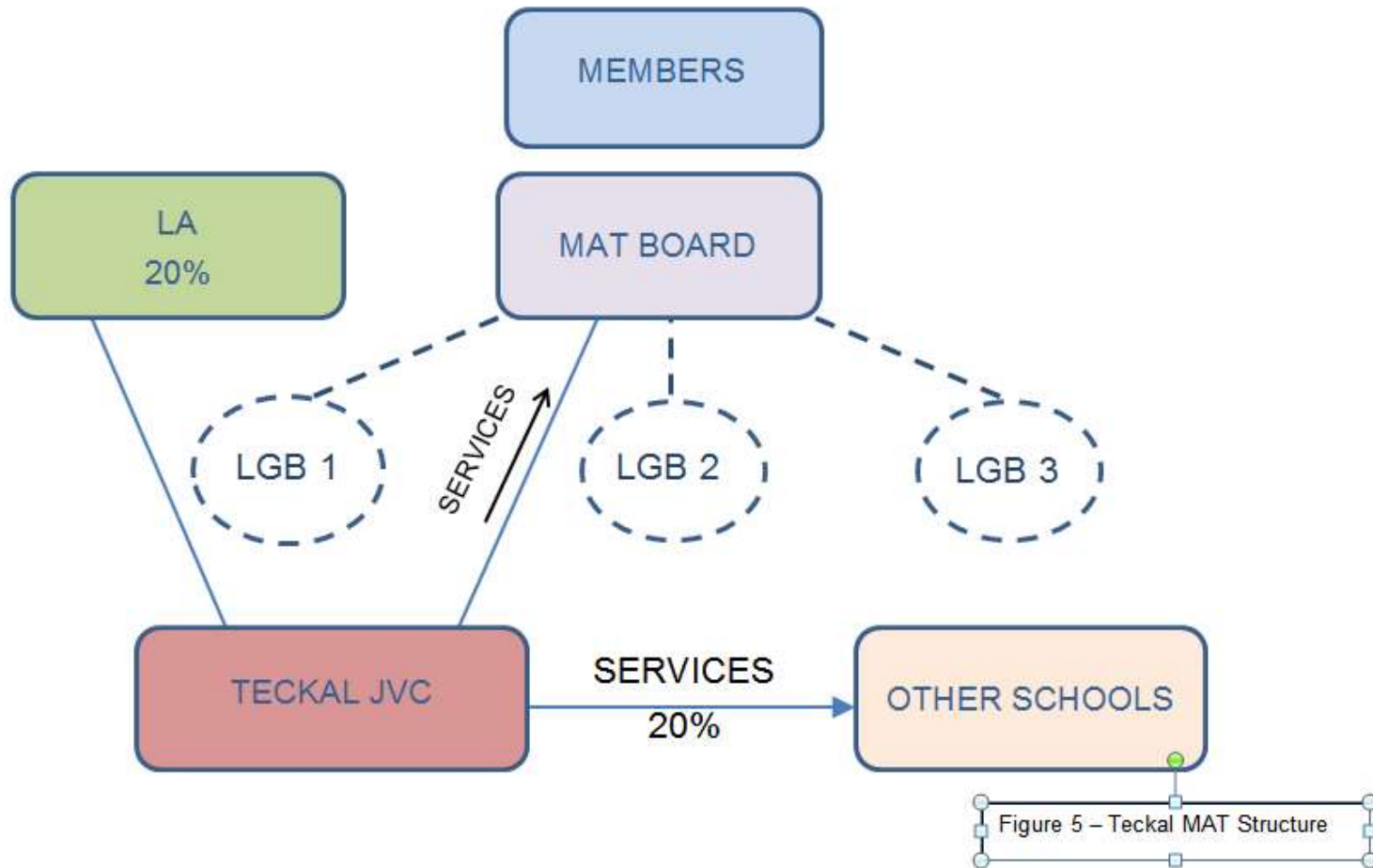


Figure 4 - Expanded Bath Architects Group MAT Cluster Structure





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