

THE WAY FORWARD

THE MISSION CRITICAL ROLE OF THE MULTI-ACADEMY TRUST



**A conversation with
Colin Lofthouse, Chief Executive
of Smart Multi-Academy Trust**

Extract from a report commissioned by:



Powerful Accounting Software

Introduction

A revolution has taken place which will determine the very future of society in this country. And outside of the sector in question, it has largely passed under the radar.

The original intention in having state education re-organised out of local authority control with schools setting up or joining multi-academy trusts reporting directly to the Department of Education was to deliver an up-lift.

Trusts are able to decide whether to follow the national curriculum and can set their own term dates – with the responsibility for budgets which are in the multi-millions.

But while government talks about ‘Opportunity for all – strong schools with great teachers’, trusts are having to address rapidly rising costs, reduced revenue, unfunded staff wage increases, yet no corresponding change in their educational and financial performance targets.

That is on top of a complexity of management requirements – both tangible and psychological – which would make company owners and directors gasp.

In a major report commissioned by iplicit, the cloud accounting software company, to be prepared and published by DECISION magazine later this year, the chief executives and chief financial officers of multi-academy trusts will be highlighting the issues, sharing their thoughts on the way forward.

This is one of the interviews to be included.



Where to find the right answers

**A conversation with Colin Lofthouse
Chief Executive
of Smart Multi-Academy Trust**

He's an advocate now, but perhaps it wouldn't be an understatement to suggest that earlier in his career, Colin Lofthouse, chief executive of Smart Multi-Academy Trust wasn't entirely in tune with the reasoning behind why schools should be taken out of local authority control in the first place.

“While the ideology of academisation was to create a mechanism to help schools which found themselves in difficulties, we can't avoid that it was also a political move, part of the process of dismantling the status and influence of local authorities by taking education away from them.

“One of the most unfortunate things about its introduction was that it resulted in the almost chaotic growth of trusts with very little oversight, almost a free-for all, which created an uneven landscape.”



Colin Lofthouse

It was after a career in archaeology, his childhood passion, that Lofthouse retrained as a primary teacher and loved it. Fairly quickly he became a deputy then head of a first school (“early years, being the engine room of education,” he believes), followed by the headship at a primary school which had dropped into special measures.

In that school’s last Ofsted inspection report completed shortly after he left for another headship, its rating was ‘outstanding’. He describes it as a massive team effort.

Seven years later, he was thinking of coming out of education and maybe starting a third career when he got approached by a multi-academy trust to be their chief executive. “If I’m honest,

I had, let's say, an opinion about multi-academy trusts, and at previous schools after due consideration we had decided not to take that route. But I was open minded. This was a multi-academy trust which, in its two years of existence, had got through what I would describe as significant turbulence at the top, and I like a challenge.

“Relationships really matter in an organisation if people are going to be able to strive for a common goal. There need to be clarity of vision and someone prepared to press the reset button to create the environment to make that work.

“I represented authenticity because of my experience as a school leader, although there is an argument to be had that it doesn't have to be a pre-requisite of a multi-academy trust CEO to have an education background. Discuss! I offer no opinion one way or another, but in this case that experience was critical, because in this situation there needed to be real understanding and empathy.

“The pandemic demonstrated how schools working together can organise to get things done despite chaos. An awful lot was laid at our door to keep education going at the time with little advice or guidance, and what there was seemed to change day by day. But I appreciate that for all of us, this was a bolt from the blue, and it did make us realise if we can cope with all that, we could cope with anything.”

It confirmed to Lofthouse that educators should be trusted to find answers to what will work in their location. “A multi-academy

trust should be brilliant at that,” he says, “agile and rapid at being able not only to harness that expertise, but to encourage new ideas, to allow for experimentation with informed people on the ground free of having to gain permission through a large bureaucratic machine.

“A multi-academy trust has the ability, I would say duty, to create the conditions to make that happen.”

“Having worked in the maintained sector – local authority owned and managed schools – I couldn’t see any change in the prevailing mindset that something was fine because it had ‘always been done that way’. A multi-academy trust has the opportunity and structures to be more creative.”

“The difficulty,” says Lofthouse, “can be that the existing system doesn’t adequately create cohesion and collaboration between trusts. I’ve been at events where CEOs of other multi-academy trusts have said their *raison d’être* is to expand.

“I understand that, because we are massively challenged by our financial position because there isn’t enough money in education for it to flourish. But central to Smart’s own *raison d’être* is to enable children to have opportunities in life because of the education we provide.

“Of course, a multi-academy trust has to be financially stable to deliver that, and the larger the trust, the easier it is to financially sustainable.



“For example, if a multi-academy trust has less than three thousand pupils, it needs to bid for money, essentially a loan, from what is called the Capital Investment Fund for a particular requirement. More than three thousand pupils and a multi-academy trust can apply for a Schools Capital Allocation grant direct from the Department for Education, and can decide what to spend it on or whether it wants to save it for bigger infrastructure projects.

“Ultimately, one way of education being less fragmented is to reduce the number of multi-academy trusts, but then aren't we creating something which is the size of the local education authorities they replaced?

“I've mentioned why size does matter, but I'd make the point that size also helps a multi-academy trust to protect itself from

the risk of financial instability. How big does it need to be? It's a good question, and there is some sense in grouping together, but it has to be driven by what is best for the children, not empire building."

"A real challenge given the number of multi-academy trusts is to have enough board members with the ability to take on what is an affect a non-exec role at a multi-million pound company," says Lofthouse.

"They need to have a balanced set of skills and experience to cover the responsibilities outlined in the Department for Education's academies trust handbook. It's a huge responsibility for someone to commit to without receiving penny in return, and the sector must be massively grateful, as I am, for the huge amount of goodwill from those trustees who want to give something back to education.

"The role is critical for governance and accountability in sense checking what trust leaders are proposing. I remember in pre-academy days that my school governors just tend to agree with me as the headteacher. Governance in trusts is rightfully much more rigorous. In my trust board meetings I'm asked very searching questions, which is how it should be."

"What the education system needs," Lofthouse maintains, "is consistency rather than being at the whim of politicians who want to make a career mark. This goes for the design of education policy and the regulation and finance of the trust system.

“The chief executive of a private company would think it is nonsense to have to set a budget without knowing how much money could be coming into the organisation.

“We are required to sign off our budget by mid May, but we don’t know the amount of funding we will receive until April, so there is a compressed window.

“And even then we won’t know whether, for example, a national pay agreement will be fully funded by government. That’s a difficult climate in which to do any long-term planning.”

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About iplicit for education

Providing a true cloud-based finance management solution that allows multi-academy trusts to focus on what really matters, now and in the future. iplicit was devised over four years, and later tailored for the specific needs of education and charity customers in partnership with MAT CFOs and sector specialists, providing a compelling alternative to the legacy systems that many schools and trusts currently use but have outgrown. iplicit for education has received multiple accolades, including MAT-Tech Company of the Year (2024) at the National MAT Awards.

124 City Road, London EC1V 2NX
FOUNDRY, Brownsea House, Poole, BH15 1SZ

0207 729 3260
info@iplicit.com
iplicit.com

Unit F7 Riverview Business Park, Nangor Road, Dublin 12, Ireland
info@iplicitireland.com
(+353) 1 592 0850

About DECISION magazine

First published in 1988, DECISION magazine reflects the business lifestyle, the trials and tribulations, the hopes and aspirations of directors and managing partners responsible for businesses with a turnover of £5million and above.

07737 308371
mail@decisionmagazine.co.uk
www.decisionmagazine.co.uk

