

Development of MAC Catholic Senior Executive Leader / CEO Role

Project being undertaken by Yvonne Salter Wright
National Leader of Governance
Context to discussions and engagement as at 1 May 2018

BDES Mission: *To announce the joy of the Gospel by making Christ known today through securing, protecting and improving the provision of Catholic Education in the Archdiocese of Birmingham.*

Need for the role of the CEO/CSEL in a MAC

- ▶ Need for consistent, strong executive leadership (and Director's responsibility to ensure it is provided and effective) is articulated by a range of key stakeholders and is supported by organisational and leadership research in multiple sectors. See relating to MATs/MACs:
 - *National and Regional School's Commissioner Presentations and Responses to questioning by the House of Commons Education Committee (Dec 2017)*
 - *Academies Financial Handbook 2017*
 - *Multi-academy trusts: Good practice guidance and expectations for growth December 2016 (p 37-38)*
 - Governance Handbook and Competency Framework
 - *Sir Michael Wilshaw commenting on high performing MATs and what they have in common: "While these trusts are diverse in their size, composition and geographical reach, it is clear to me that the common aspects identified by HMI - especially regarding the MAT's strong, authoritative, visible leadership - are key factors in determining their success for all their pupils."*

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Need for the role continued. . .

Multi-academy trusts: Good practice guidance and expectations for growth December 2016 (p 37-38):

- ▶ “The Academies Financial Handbook requires that the board of trustees of the academy trust has appointed, in writing, a senior executive leader, who may act as an ex officio trustee. This is a mandatory requirement. . . in MATs this will be the chief executive or equivalent. The role must be permanent, not a rotating one. **RSCs will not approve any arrangement where this is not the case.**”
- ▶ 10 Ways effective MATs make sure they have a strong team:
 - 4. Trust leaders, chief executives or executive leaders, need to be able to lead, performance manage and develop the team of academy principals and senior leaders.
 - 5. Executive leaders need support too, both from good people and good structures. It helps them be better able to deal with pressure and unforeseen problems. It can also make the difference between incremental and transformational improvement.

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Need for the role continued. . .

Multi-academy trusts: Good practice guidance and expectations for growth - December 2016 (p 37-38):

- ▶ “The Board needs robust, standardised and efficient processes for effective governance, including for: Overseeing and performance managing executive leaders and other key staff . . .” going on to say on p 26 in section ‘What will RSCs look for?’: “in line with Academies Financial Handbook, the MAT has appointed a single executive leader, who should also be appointed as accounting officer, who will take responsibility for results;. . .”
- ▶ “A strategic plan turns a vision for what the trust wants to achieve into a plan that can be implemented and evaluated. Ultimately, the trust’s board will hold the trust’s single executive leader to account for the extent to which they have implemented the plan, how it has been implemented, and what the results have been.” p 37-38

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Need for the role *continued.* . .

Financial Handbook 2017 on Role of the Accounting Officer

- ▶ 1.5.21 Each academy trust must designate, in writing, a named individual as its accounting officer. The individual must be a fit and suitable person for the role. The accounting officer should be the senior executive leader of the trust. . . . In multi-academy trusts it should be the chief executive or equivalent. The role of accounting officer must not rotate. The appointment of an accounting officer does not remove the responsibility of trustees, both individually and as a board, for the proper conduct and financial operation of the trust.
- ▶ 1.5.22 The role of accounting officer includes specific responsibilities for financial matters. It includes a personal responsibility to Parliament, and to ESFA's accounting officer, for the financial resources under the trust's control. Accounting Officers must be able to assure Parliament, and the public, of high standards of probity in the management of public funds, particularly:
 - value for money - this is about achieving the best possible educational outcomes through the economic, efficient and effective use of resources. A key objective is to achieve value for money not only for the trust but for taxpayers generally. A full definition is included in Annex A.
 - regularity - dealing with all items of income and expenditure in accordance with legislation, the terms of the trust's funding agreement and this handbook, and compliance with the trust's internal procedures - this includes spending public money for the purposes intended by Parliament
 - propriety - the requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of parliamentary control - this covers standards of conduct, behaviour and corporate governance

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Need for the role *continued.* . .

Financial Handbook 2017 on Role of the Accounting Officer continued. . .

- ▶ 1.5.23 The accounting officer must complete and sign a statement on regularity, propriety and compliance each year and submit this to ESFA with the audited accounts. The accounting officer must also demonstrate how the trust has secured value for money via the governance statement in the audited accounts.
- ▶ 1.5.24 Whilst the trust's accounting officer is accountable for the trust's financial affairs, for keeping proper financial records, and for the management of opportunities and risks, the delivery of the trust's detailed accounting processes will be delegated to a chief financial officer, who will perform the role of finance director, business manager or equivalent.
- ▶ 1.5.25 The accounting officer must take personal responsibility (which must not be delegated) for assuring the board that there is compliance with the handbook and the funding agreement. The accounting officer must advise the board in writing if, at any time, in his or her opinion, any action or policy under consideration by them is incompatible with the terms of the articles, funding agreement or this handbook. Similarly, the accounting officer must advise the board in writing if the board appears to be failing to act where required to do so by the terms and conditions of the handbook or funding agreement. Where the board of trustees is minded to proceed, despite the advice of the accounting officer, the accounting officer must consider the reasons the board gives for its decision. If, after considering those reasons the accounting officer still considers that the action proposed by the board is in breach of the articles, the funding agreement or this handbook, the accounting officer must notify ESFA's accounting officer immediately, and in writing.

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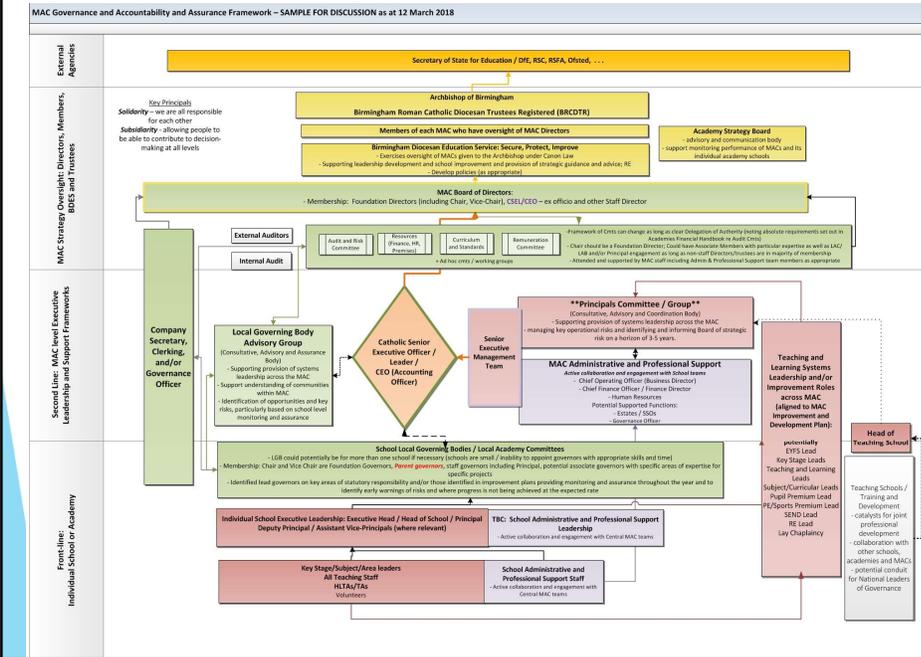
CSEL / CEO Role

CSEL / CEO not only has ultimate executive accountability in an increasingly challenging context, but is:

- Critical role in communication and decision-making between all levels of governance as well as executive leadership and operations
- Ultimate role model of systems leadership, encouraging and empowering other senior and middle leaders to enhance their roles beyond 'their own' school [Leads effective performance and collaboration amongst 'Principals Group' in collaboration with professional services and expertise - finance, HR, governance, estates and other operations. Principal role should NOT be diminished but supported and enhanced through development and system leadership opportunities across the MAC]
- Key catalyst for innovation and continuous improvement across all areas with input and support of a range of specialists (from within the MAC and/or externally); including range of appropriate and effective CPD

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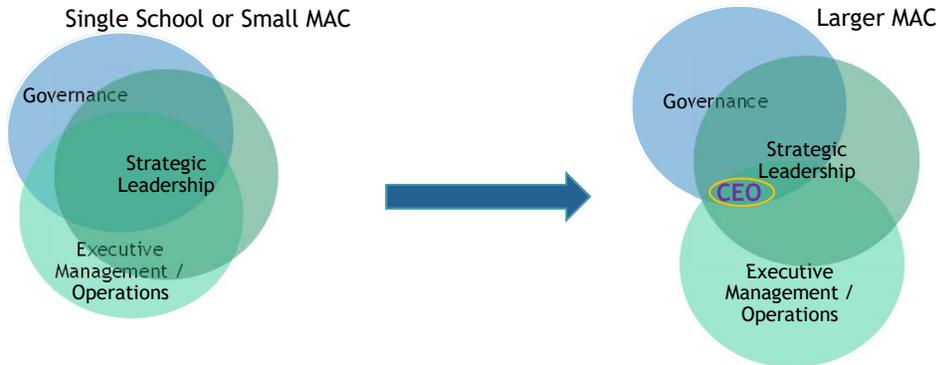
Role of CSEL in the Governance and Assurance Framework



Wider governance, assurance and accountability framework is important in understanding expectations of the CSEL role

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Role of the CSEL continued. . .



- ▶ Ideally there should be clear distinction within a MAC's governance framework between the accountabilities held by the Board of Directors and those of the Executive - the smaller the organisation the more these tend to overlap.
- ▶ CEO, together with Chair of Board of Directors, bridge governance and executive functions; with the CEO often serving ex officio as a Director
- ▶ Should there be a temporary or structural deficiency in the capability or capacity within either governance or executive management/operations, there can be a tendency also for one area to try to compensate and therefore greater overlap

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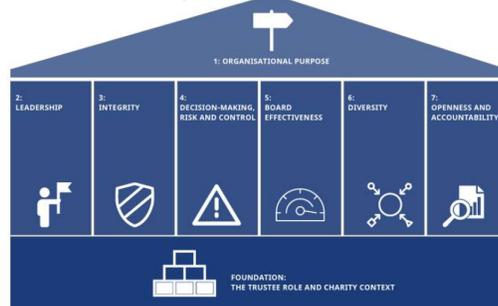
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'Big Business' - No, But a Charitable Company - Yes Charity Governance Code: for larger charities

<https://www.charitygovernancecode.org/en/pdf>

- ▶ “Strong and effective leadership helps the charity adopt an appropriate strategy for effectively delivering its aims. It also sets the tone for the charity, including its vision, values and reputation.”
- ▶ “2.4.3 In the case of the most senior member of staff (e.g. CEO) the board makes sure that there are proper arrangements for their appointment, supervision, support, appraisal, remuneration and, if necessary, dismissal.”



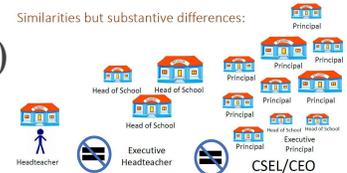
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CSEL Person Spec and Role - Key Aspects

- Delivering vision agreed by the Board
- Leading Catholic mission within the MAC; including supporting success of Diocesan Academy Strategy
- Leading Organisational Improvement and ensuring sustainability and compliance (Accounting Officer)
- Establishing culture aligned to agreed values and training and development of staff (Performance Management)
- Supporting effective governance
- Ultimate communicator and relationship builder - both within the MAC and outside it



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CSEL Person Spec and Role: Approach Taken

- Consider what is TRULY essential versus desirable to undertake the CSEL role, acknowledging range of professional expertise that should be available / developed across the MAC
- Balance between various criteria may be different between different MACs at different phases and with different improvement needs
- 'Less is More' approach taken in drafting role description - key strategic and overarching aspects to included
- Role must be flexible and adaptable dependent on changing context in order to deliver the vision set by the Board

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“The CEO’s job is to deliver upon ‘our organisational vision’ [not to set it for the Board], using strategy to mobilise people, resources and systems to achieve the outcomes that represent the board’s definition of success.”

“Indeed, too many CEOs are held back - even if some may not see it - because their trust board is not of the calibre that it needs to be.”

“MAT CEOs must be futures-thinkers and must be able to anticipate the opportunities and challenges that await their organisations and the children and young people they serve.”

“CEOs must be avid relationship builders and avid readers - playing the role of lead learner all the time.”

Michael Pain is founder and CEO of Forum Education

CEO/CSEL Role as Systems Leader

Hargreaves, David H, Creating a self-improving school system (July 2010):

- ▶ “In education, the term system leader, originally introduced by Michael Fullan (2005) has now attracted various definitions. They have in common three core features, all of which reflect a deep moral purpose: **a value**: a conviction that leaders should strive for the success of all schools and their students, not just their own; **a disposition to action**: a commitment to work with other schools to help them to become successful; and **a frame of reference**: understanding one’s role (as a person or institution) as a servant leader for the greater benefit of the education service as a whole.”

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Types of Leaders in Academies: Building greatness over time

<https://hbr.org/2016/10/the-one-type-of-leader-who-can-turn-around-a-failing-school>

- ▶ 411 leaders of UK academies interviewed
- ▶ "Our findings suggest that it's because we're appointing, rewarding, and recognizing the wrong leaders." . . . "We found five types of leaders, but only one that was truly effective. We also found that the most effective leaders were the least well-known, least rewarded, and least recognized; although they did a great job, the results took time to show, allowing them to be overlooked. Yet they were the only ones who built a school where exam results continued to improve long after they'd left. If more of them can be identified, developed, and appointed, we believe the whole education system will improve."
- ▶ Alex Hill, Liz Mellon, Ben Laker, Jules Goddard

Surgeons	<ul style="list-style-type: none"> • incisive and direct resources to tackle the most pressing problems; remove poor performing students and focus on making the rest work harder; put the best teachers in exam classes, cut out non-essential activities and reduce class sizes. • have dramatic improvement in test results. However, once the Surgeon leaves, having gained a reputation for turning around the school, results fall back as a result of under-investment in younger students. The Surgeon's reputation is undiminished as their successor takes the blame.
Soldiers	<ul style="list-style-type: none"> • focus on the bottom line and cut costs in the belief that wasting money is at the root of a school's problems and getting rid of extraneous staff will make those who remain work harder. • The result is that financial performance quickly improves, although test results flatten. As soon as the Soldier departs, costs begin to creep up as the school starts to breathe again.
Accountants	<ul style="list-style-type: none"> • believe in strength through investment and look to increase revenue, perhaps through hiring out the school's facilities or expanding to absorb other schools, so they can put more resources into education. Revenue increases significantly during their tenure, although a lack of focus on academic performance means test results remain broadly the same. Their investment means financial performance keeps on improving after they leave, but results barely change.
Philosophers	<ul style="list-style-type: none"> • passion for education and believe the route to success is through improving teaching methods. • Teachers are encouraged to observe others and share ideas: Teacher morale gets an instant boost, but there are no significant improvements in financial and test performance during their tenure, and even when they leave results stay the same or decline.
Architects	<ul style="list-style-type: none"> • believe it takes time to improve a school and set about redesigning it to suit the community's needs. holistic view taken - aiming to improve behavior, revenue and teaching and leadership. • form links with outside organizations to bring students' attention to the opportunities around them; open their students' eyes to other cultures. • Performance is slow to improve, but by the third year test scores start to go up and continue improving, even after the architects have left the school. • "It is clear that it is only the architects who have a positive long-term impact on a school, but when the researchers looked at public recognition for school leaders they found they were the least rewarded."

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CEO Affordability: can MACs afford not to?

Table 15: The proportion of SATs and MATs (by size) who have made financial efficiencies

	SAT	MAT 2 to 5	MAT 6 to 10	MAT 11+
Yes - Please provide details	47%	55%	69%	86%
No	39%	30%	27%	7%
Don't know	13%	15%	4%	7%
Sample Bases	542	204	48	15

Academy trust survey 2017: Research report (July 2017)

The examples provided show that academies have achieved efficiencies in a number of areas. However, the distribution suggests that more efficiencies could be achieved if more academies pursue them in areas where they have not yet been achieved.

The areas where trusts felt efficiencies have been achieved are outlined in Figure 22. The most common responses were ICT, energy/utilities, catering and HR.

- ▶ "The mean average top-slice is 4.61% of funding with over half of MATs taking between 4 and 5 per cent (interquartile range of 1, with a lower quartile of 4.0 and upper quartile of 5.0). A third vary the level of top-slice between academies. This variation is often defined by performance, size and phase."
- ▶ MACs need not only to capitalise on financial savings through economies of scale and to access high quality professional services and support, but the focus **MUST** be building school improvement and systems leadership capacity - **CEO role particularly critical in considering collective capacity of staff and effective deployment across more than one school**

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Does size matter?

- ▶ Yes! Diocesan strategy is to grow MACs to the size to be effective and resilient educational providers with the highest standards within the challenging and complex future environment; ensuring no school is left isolated.
- ▶ Frameworks and structures developed must acknowledge future need to develop sustainable capacity to improve and capitalise on economies of scale in a changing and challenging environment - skills, knowledge and experience required of CEO will also need to be flexible and resilient (and may have a different balance dependent on size of MAC)
- ▶ NB All of the 8 MATs chosen from the 'high performers' by the HMCI had at least 9 constituent academies within it (ARK, ASPIRE, LEAD, Leigh, REAch2, The Diocese of Westminster, First Federation Trust); Sir Michael Wilshaw noted "It is no surprise that for all these trusts, the key to success is the influential part being played by determined executive leaders, who are entrusted and empowered to make the right decisions to secure improvements."
- ▶ Need for at least 2 academies in each phase to prevent isolation and to ensure collaboration in teaching and learning

Figure 39: Number of academies needed for economies of scale

Q15. (a) Consider the number of schools in your MAT. In your view, what number of schools would your MAT need to be to begin achieving economies of scale, i.e. reduce the unit cost of the things you buy? (free text)

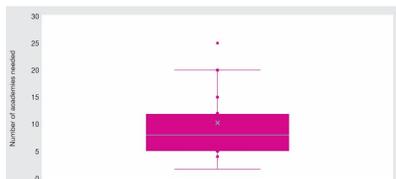


Figure 40: Number of pupils needed for economies of scale

Q15. (b) Consider the number of pupils in your MAT. In your view, what number of pupils would your MAT need to have to begin achieving economies of scale, i.e. reduce the unit cost of the things you buy? (free text)



Reform: **Academy chains**
unlocked survey of existing academies

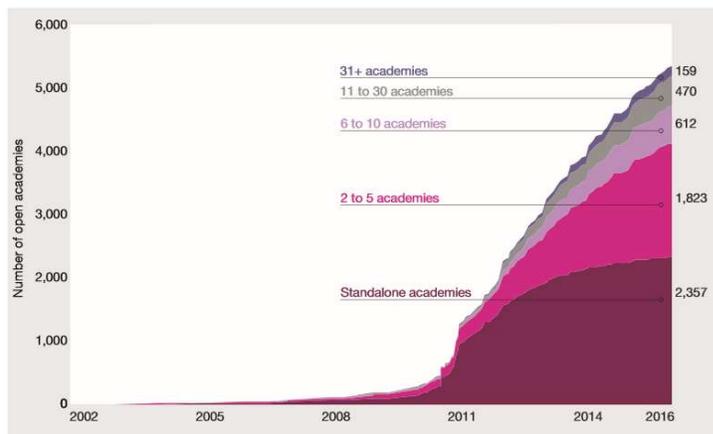
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Size: What works and what doesn't?

Figure 1: Rise of academies by size of academy trust



Source: Reform calculations; Department for Education, *Open academies and academy projects in development*, 2016.

- ▶ Sir David Carter, National Schools Commissioner, recommends larger scale to achieve benefits, though not to grow too quickly
- ▶ Lord Agnew: 'sweet spot' between circa 12 and 20 schools*

*dependent on size of individual schools/ academies

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What's in a name?

CSEL - Catholic Senior Executive Leader ?

CSL - Catholic Senior Leader ?

CEO - Chief Executive Officer or Catholic Executive Officer ?

CCEO - Catholic Chief Executive Officer ?

- ▶ *'CEO' has currency outside of the sector and could be more marketable when advertising but can have negative connotations with many in education*
- ▶ *Chairs of Boards of Directors and local governing bodies would arguably be 'Catholic Senior Leaders' (but not Executive leaders)*
- ▶ *Alignment needed with academy mission and strategy and role description/person specification*
- ▶ *CSEL is a post that secures, protects and improves Catholic education across the MAC, and indeed the Diocese in the spirit of faith and servant leadership*

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Key areas for further research, development and engagement already identified

- *Need for a phased introduction including a transition period and approach for existing MACs versus new MACs*
- *Sustainable financial models to incorporate position to be identified, acknowledging multiple factors to be considered (number of academies, size of population, current financial status and educational challenge, etc.)*
- *Potential CSEL/CEO Remuneration models and good practice guidance on Performance Management under development*
- *CSEL/CEO Recruitment Process Good Practice under development (and updating of associated Diocesan guidelines)*
- *Related Training and Development will be required - upskilling current senior leaders and developing CSELS/CEOs of the future*
- *Effective accountability models and assurance within a governance framework that includes the CSEL/CEO*

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Pay and Performance: initial considerations

- ▶ What factors should be considered when determining pay: Complexity and size: pupils/no. of academies; Level of Challenge: deprivation? Current academic performance of constituent schools/academies? Financial position?
- ▶ Spot Pay or Pay Scale with Groups? with additional performance related pay element (consolidated or non-consolidated)? Other benefits (car, healthcare)?
 - Generally agreed that the pay differential between the CSEL/CEO and other senior leaders in a multi-academy should acknowledge the difference in ultimate accountability and scale, particularly when there are 6 or more schools or over circa 3,000 pupils
 - ASCL guidance states: "The CEO role sits outside of the STPCD, as it ceases to be considered a 'teaching role'," and "The trust's pay policy should make clear how pay is set for all staff, including the CEO. The pay setting arrangements still need to offer value for money and be a transparent and rational way for calculating pay."
 - Nottingham Diocese Salary model: A recommended salary scale for the CEO has also been produced which includes a methodology for calculating it based on a core element and a top-up element linked to the number of schools and pupils in the Catholic Multi-Academy Trust. This therefore recognises that whilst there are commonalities associated with the role, the workload will vary based on the number of schools within the trust.
 - Number of trusts paying at least one person in excess of £150,000 a year (bearing in mind associated on-costs)
 - 2014-15: 71
 - 2015-16: 121
 - However, **SIGNIFICANT** pressure to show executive pay restraint across the education sector (HE, Academies etc)
- ▶ Remuneration Committee or similar recommended to effectively review pay and performance, potentially with independent advice and/or mandatory training for Directors . . . See ongoing debate on whether executive pay should be externally regulated; Need for clear rationale on behalf of the Board
- ▶ Should a Diocesan CSEL Pay and Performance Policy Statement be developed to assist Boards?

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This chart shows the average and upper and lower quartile results of salaries paid to CEOs/ADs of academies within our sample. As one would expect, the top CEO/AD salary rises from primary to secondary academies, and there is a further increase for MATs.

Of course the remuneration of a MAT CEO can vary enormously depending on the size of the MAT.

Whilst Lord Harris received over £440k (The Harris Federation has 40 academies), at the other end of the scale the lower 25% of MATs paid their CEO/AD less than many single secondary academies and less than some primaries.

CEO/Accounting Officer salaries

	All	MAT	Secondary	Primary
Q1	£76,500	£90,200	£100,000	£82,100
Average	£105,800	£117,575	£104,950	£73,000
Q3	£120,400	£132,850	£115,000	£95,000

UYH's 2018 academies benchmarking report for academic year 2016/17

CSEL Project Timetable Update

I: Research and Review - Mid Oct through December '17

II: Initial Findings / Options Appraisal & Deepen and Broaden Engagement - January through May '18

III: Determination and Communication of Model(s) - June/July '18



- ▶ Currently at Phase II (April 2018)
 - BDES has reviewed initial findings and has identified further matters for research, consideration and development aligned to wider Academy Strategy developments
 - Now seeking further input and broadening engagement - **publication of provisional documentation, contextual research and information and response form in early May 2018 with deadline for responses Monday 11 June 2018**
- ▶ Phase III: Hopeful to communicate and publish role description and person specification and develop toolkit of guidance and resources for MACs in conjunction with CES developments to support roll-out from circa Sept 2018 [including sample governance and assurance models, role description/person specification, etc.]
- ▶ Acknowledged that framework will need to be flexible and respond to changing and challenging context; and therefore refinement and enhancements will be required
- ▶ National Leader of Governance, Yvonne Salter Wright, is the project lead. If you have questions or would like to discuss in further detail contact Yvonne at: ysalter@aol.com

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Selection of Related References Reviewed

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- ▶ BDES, *Scheme of Delegation for Academies within the Archdiocese of Birmingham* from 1 April 2017
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- ▶ Cirin, Rob (on behalf of DfE), “Academy trust survey 2017: Research report” (July 2017)
- ▶ Crehan, Lucy, “Clever Lands: The secrets behind the success of the world’s educational superpowers.” (2016)
- ▶ DfE, “Characteristics of Successful Multi-Academy Trusts” (August 2015)
- ▶ DfE, “Governance Handbook” and “A Competency Framework for Governance” (January 2017)
- ▶ DfE, “Multi-Academy Trusts - Good Practice Guidance and Expectations for Growth” (December 2016)
- ▶ DfE, “National Standards of Excellence for Headteachers” (January 2015)
- ▶ DfE, “School Teachers’ Pay and Conditions Document 2017”
- ▶ Education and Skills Funding Agency, “Academies Financial Handbook 2017”
- ▶ Exceed Trust, Executive Leadership
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- ▶ Reform (Amy Finch, Ben Dobson, Elaine Fischer, and Alasdair Riggs), “Academy chains unlocked” (September 2016)
- ▶ Spielman, Amanda, Speech at the Church of England Foundation for Educational Leadership (1 February 2018)
- ▶ Spielman, Amanda, Speech at ASCL Conference (10 March 2018)
- ▶ The Key, “Role of a MAT chief executive” (18 January 2017, ref 32866)
- ▶ The Key, “Stepping up from headteacher to MAT chief executive: 3 CEOs explain” (Nov 2017, ref: 34092)
- ▶ UHY’s 2017 academies benchmarking report for academic year 2015/16
- ▶ UHY’s 2018 academies benchmarking report for academic year 2016/17
- ▶ Westminster Academy Policy Statement (20 July 2017)
- ▶ Wilshaw, Sir Michael, *HMCI’s commentary: high performing multi-academy trusts* (October 2016)

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