

Financial Management

Jo Dawson

CFO, Ormiston Academies Trust

Introduction

Jo Dawson

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- **Jo Dawson – CFO, Ormiston Academies Trust (OAT)**
 - **Relatively new to Education**
 - Joined September 2019 (~18 months)
 - Responsible for Finance, Governance, Projects, Fundraising
 - Previously worked at PWC, Cadbury, BAT and JaguarLandRover – Finance + Transformation roles.
 - Chair of Governors at ARK St Albans in Birmingham for 7 years.

 - **Today**
 - Background on OAT
 - Integrated strategy
 - Decision Making
 - Focus on Finance - Last 18 months/ next steps.
 - Future Growth Plans.

Peter Murray, OBE



Founding Chairman

Peter founded Ormiston Trust in memory of his sister, Fiona Ormiston Murray, after her tragic death in 1969. He is a chartered surveyor (commercial investment) and ex chair of the Westminster Volunteer Bureau and All Stars Youth Club. He has served on the boards of Paddington Charities and the Yapp Charitable Trust. For several years he worked as a volunteer for the Samaritans and as a Prison Visitor. He is the founder member of the Association of Charitable Foundations, founding chair of Ormiston Academies Trust and vice chair of Ormiston Families, and founded both Birmingham Ormiston Academy (BOA) and The Gateway Academy.

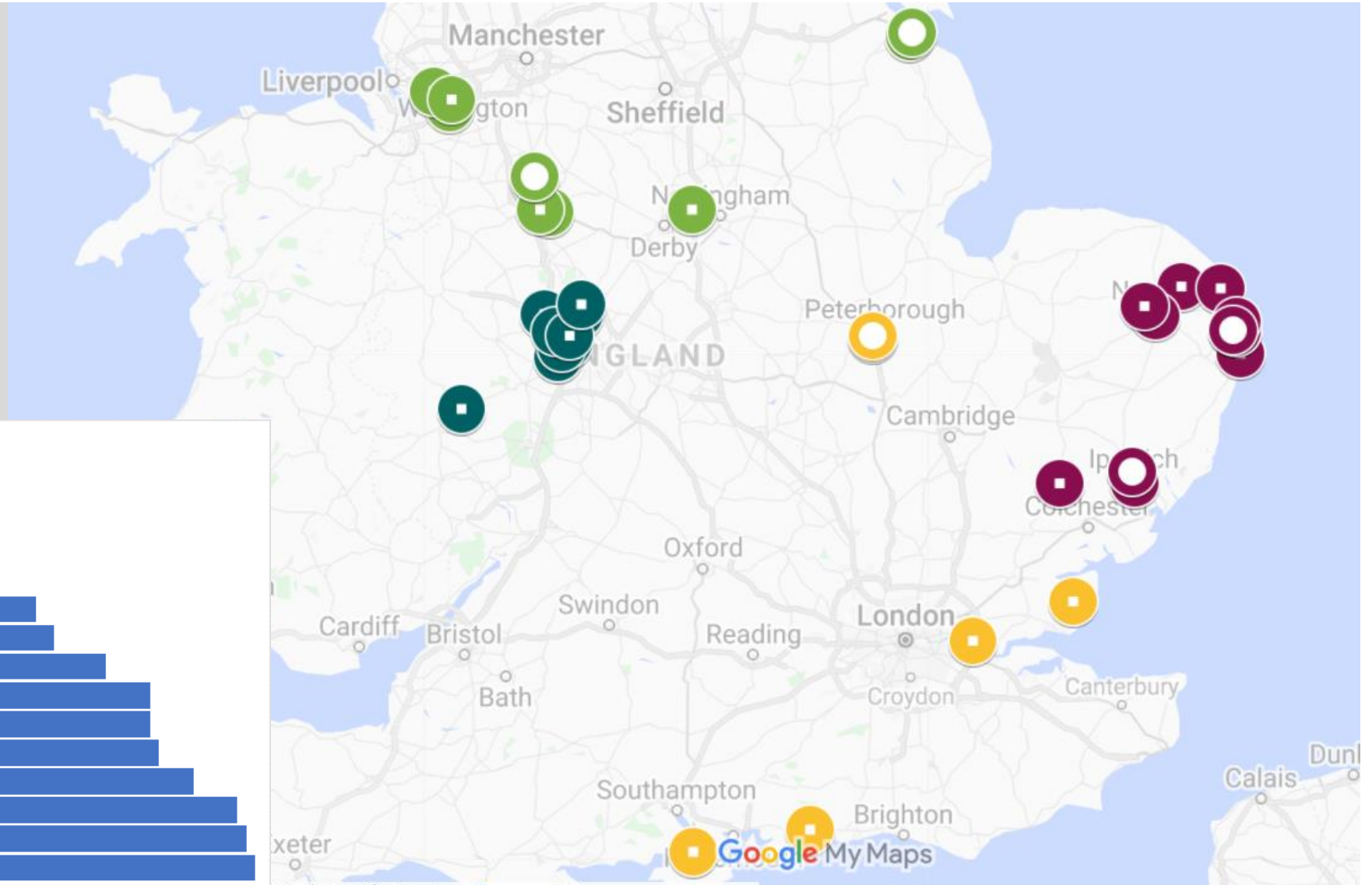
**Our Trust's Family Ethos and Values are exceptionally strong....
Built from strong foundations...**

Ormiston Academies Trust

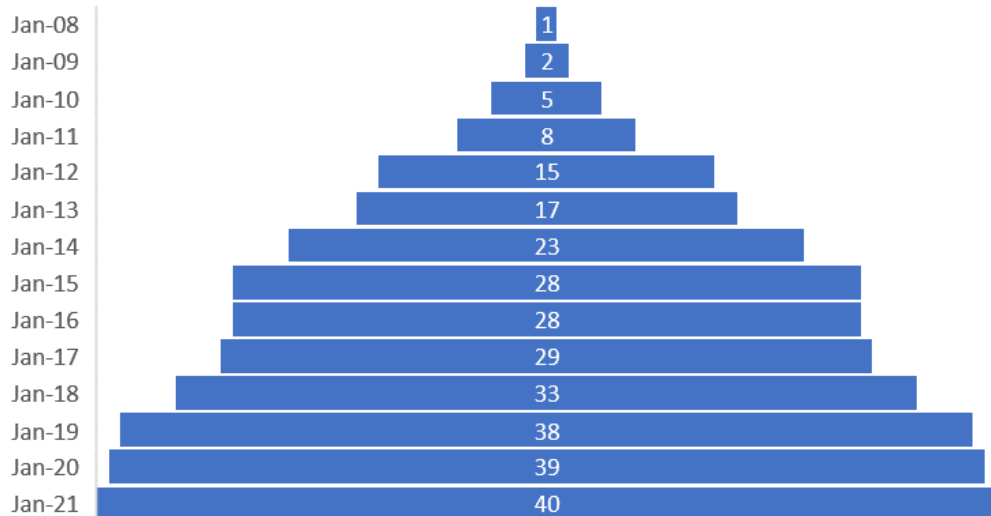
Growth

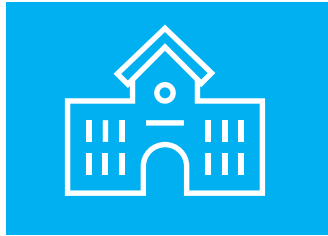
40 academies secondary regions + primary & special:

- 8 North
- 9 West
- 10 East
- 5 South
- 7 Primaries
- 1 Special



Growth by Year





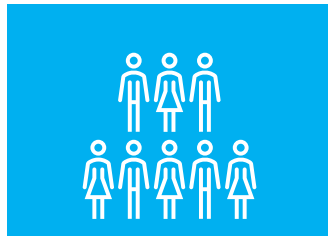
40 academies

15 Local Authority Areas



32,786 pupils

95 special, 2,445 primary, 28,236 secondary, 2,010 sixth form



>5,700 staff (including ~1,400 casual)

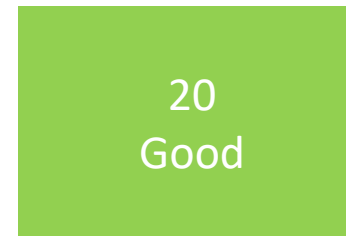
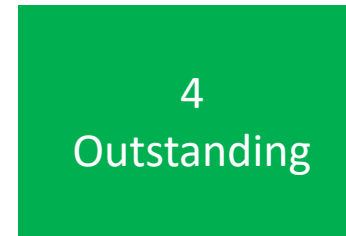
72 special, 303 primary, 3870 secondary, 9 Teaching school, 82 central including lead practitioners and regional teams, 1373 casual



> 360 Governance volunteers

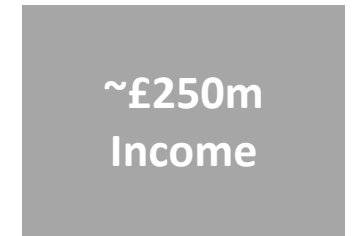
Including 350 governors, 9 trustees, 3 members

Ofsted ratings



7 academies have not been ofsted rated

Financials



Ormiston Academies Trust

5 year strategy - set in January 2019



Over 30,000 pupils
in 40 academies across England

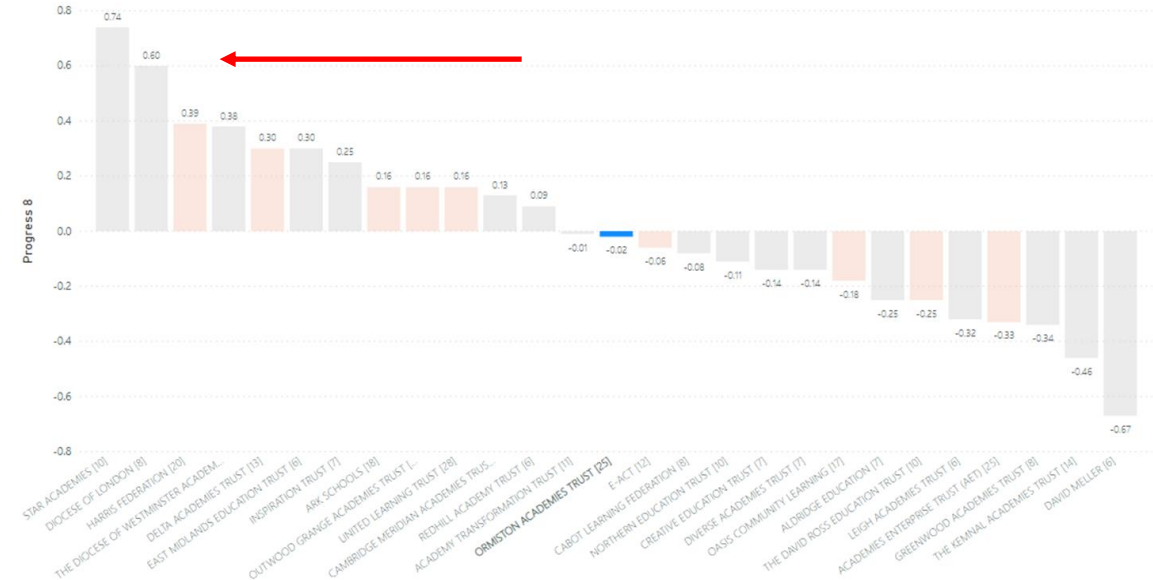


Achieving more together
teach, develop, change



Making the biggest difference
both inside and outside the classroom

- Make the biggest difference
- Top 20% academic performance
- Inside and outside of the classroom (enrichment)
- Enabled by **efficient operating model.**



- **No Trust wide financial strategy/ reserves policy.**
- **Decentralised** - Run as a **collection of schools.**
- **Low levels of standardisation**
- **Lack of integrated planning**
 - No clear top-down/ bottom-up planning between central teams and academies.
 - No standardised approach to resource planning or lifecycle planning.
- **Reserves were declining** after adjusting for one-off income injections.
- **Little 2 way-conversation** between:
 - Centre and Academies on strategy
 - Finance and non-finance teams on strategy
- **Reserves centralised at end of 17/18** without integrated planning -> further reserves decline.

**Good Intentions (Vision/
Values) + Education Plan**

But

**- No integrated (cross-
functional/ Academies +
central Strategic Plan**

**- Poor Financial
Information for decision
making**

Late 2019

Paused.... And reset...

Vision

Culture

Strategy

Structure

1. A common purpose = Mission/ Purpose...
2. To deliver a product/ service that meets the need of society/ customers - **Product/ Sales strategy**
[Education strategy]
3. By people – **People strategy**
4. Organised in such a way that is – **Operating Strategy**
5. Financially sustainable – **Financial Strategy**

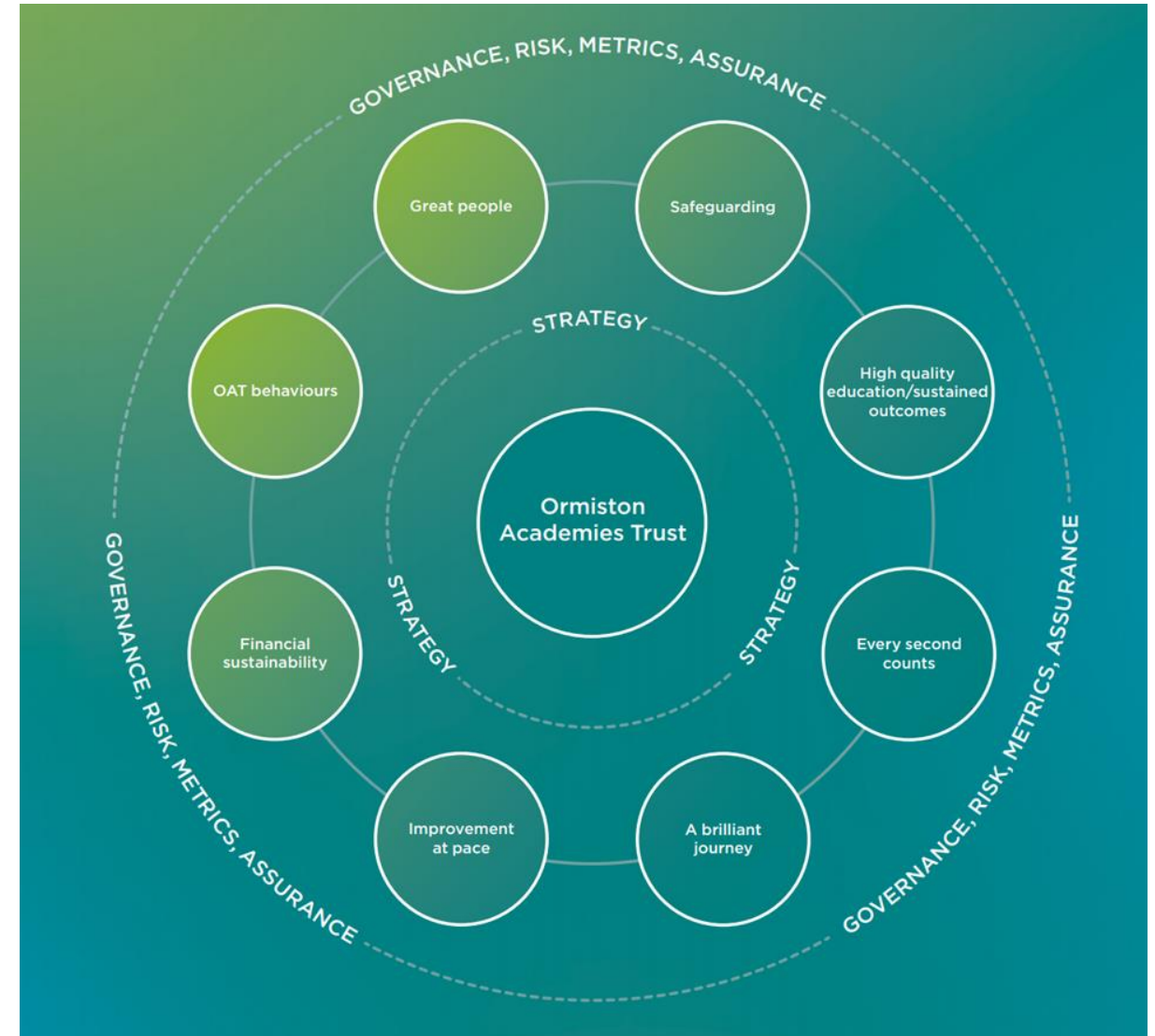
To make the biggest difference we have to be viable short and long term – all elements are important.

Top 20% -> deliver our Education (School Improvement Plan) -> develop and be aligned on our Financial, People and Operating Strategy holistically.

Ormiston Academies Trust

Strategy – Holistic and Integrated Plans

- Reviewed strategy (launched in Jan 2019) for any gaps.
- **Launched OAT 8 in September 2020 to ensure all aspects were covered:**
 - Education Strategy
 - People/ culture strategy – Behaviours
 - Operational strategy
 - Finance strategy
 - + Highlighted importance of governance, risk, information, assurance.



- In September 2020, we introduced:
 - OAT Decision Making Framework
 - OAT Risk Framework
 - OAT Reserves Policy
- In September 2021, this will be followed by :
 - New **Financial Delegation of Authority** document which pulls together all of our finance policies.
 - Further development of the standard “**OATway**” around processes.
 - New **Central Teams document** created to communicate accountabilities/ transparency and demonstrate some of the benefits of being part of Our Trust.
 - **Framework for governance information/ reporting.**

Operating structures are not about micro-management – they are the opposite – they drive **accountability**. They should empower and enable people to make day-to-day decisions.

Good/optimal operating structures:

- Reduce bureaucracy
- Increase accountability, autonomy and efficiency
- Improve performance.

What must you have to make it work?

- Clarity of roles and responsibilities
- High quality monitoring information (accurate, timely, fit for purpose)
- Optimal decision making processes
- Good 2-way communication channels on everything

Micro-management, reactive fire-fighting and low morale are common when the above does not exist.

In OAT – we are focused on standardising processes (CLFP) but not the outputs – we want the process to drive the right 2-way conversations to deliver optimal outcomes.

Focus on Finance

- Establish **trust in Finance** - #1 priority for OAT Finance = **optimise outcomes for children.**
- Establish **OAT Finance behaviours** – transparency, accountable, adaptable, collaborative, forward thinking, live OAT Values etc. **Drive ONE Team, Our Team, Our Trust** vs Trust vs Academies, HO vs Academies (them and us) -> 2-way conversation.
- **Establish Reserves policy** created which set top down targets for next 3 years between 3-5%.
- Establish **fully integrated bottom-up planning** (starting with **CLFP**) introduced complemented by **Improve Financial KPIs/ Targets/ Benchmarking.**
- **Improve monthly reporting** – accuracy and transparency – shared with Trustees/ Execs.
- **Improved efficiency + controls** - issue tracking and resolution.

Aim high –
average is not
good enough for
top 20%

- **Immediate areas of focus** (all inter-dependent)
 - Finalising Functional Strategic and Financial Plans
 - **Transparency of role of HO/ central teams** -> VfM/ partnership fees
 - **Lifecycle planning** – ICT and Estates
 - **Portfolio and Project Governance - Prioritisation**
 - **Decision making process**
- **Mid-term**
 - **Increased collaboration – internally and externally** – seek out subject matter experts – train the trainer.
 - **Finance Process/ Reporting/ System improvements** – dependent on other Trust priorities/ projects.

Vision/ Strategy/ Plan alignment

- Are functional/ academy plans aligned to vision/ overall strategic intent?
- Are the projects/ initiatives prioritised in the right order?
- What are the blockers/enablers to success
- what are the assumptions and associated risks/ opportunities?
- What are we going to do to mitigate/ optimise them?

- Every decision is a choice between “Do Nothing” and “Do Something” or “Do Something else”? **Have all options considered?**
- Ask the **what?** (scope/quality), **why?** (net benefits – qualitative and quantitative), **when?** (Milestones), **who?** (Stakeholder engagement) Be clear on what success looks like.
- What are the key **assumptions**/ sensitivities/ risks/ dependencies? Have these all been considered?
- Use your judgement/ be pragmatic but don't be scared to keeping asking... in order to optimise the outcomes. Evolution of ideas through **2-way conversation** is a good thing.
- Don't agree to the procurement of a new system or outsourcing etc until you have asked about the **wider process, governance, information, data, impact on people**? Why? It's important that all of that has been considered first – **good operational and project management**. It will also help you to consider roles and responsibility between your Trust and supplier and enable those to be reflected in the contract/ SLA – **good supplier management**.
- Ensure **finance function sign-off** on all financial information (and other key data assumptions e.g. pupil numbers) used in decision making is reconciled back to the most recent management accounts/ financial plans. Consider what the impact is vs latest financial plans (one-off costs/income and on-going costs/income). “I have budget” is not good enough.
- Ensure you have standard decision making templates (approval documents) with **FAQ checklists** attached to be completed in advance so that the process is not reliant on the strength of the CFO to provide constructive challenge. This has the benefit of making decision making less personal, ensures all aspects are considered prior to submission, develops decision making skills and ensures decisions are made more quickly. For example: 1) which functions will be impacted by this decision? Prompts other questions – have they been consulted? Are they supportive? Do they need to provide resource to support? Have they got capacity to support? 2) how will the decision to be communicated to stakeholders? Prompts other questions – who are the stakeholders? What impact will it have on them? When should they be communicated to? What information do they need?
- **Never lose sight of the fact that we are responsible for Public money. # 1 priority is making a difference to children.**

Future Plans for Trust /Growth

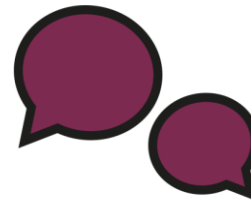
- **#1 priority** is to our existing academies and working on **school improvement** in those schools.
- However, the Ethos of OAT is to help those who need it most so we will always act with an open mind-set and look to support others in any way that we can. That may be through taking on schools or simply through collaboration, sharing ideas and/ or learnings to help find solutions.
- We are **driven by our core purpose and values**. As such, we expect to grow further.
- Strategically, we will look to take on:
 - Academies that are close to existing OAT academies. In particular, we are looking to take on feeder primary schools.
 - Smaller MATs which have expertise in a particular area and/ or are geographically located in an area that compliments and enhances the strengths of our Trust.



Anyone
can excel



Enjoy the
challenge



Share what
is best



Be
inclusive