



Department  
for Education

# **The Elliot Foundation**

**In-depth sponsor profile**

**April 2014**

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## Introduction

The Elliot Foundation is a specialist primary only sponsor, founded as an academy start-up by Dr Caroline Whalley in November 2011. The Elliot chain now consists of 13 open academies situated in the West Midlands, East Anglia and London. There is early evidence that Elliot's work is starting to have a transformational impact. Schools join, on average, with 63% achieving expectations in English and Maths and after one year with Elliot have gone to around 77%.

### Key themes

Raising start-up funding

Primary specialist sponsor

Managing rapid growth

Collaborative working within and between clusters of primary schools

Finance and business planning

Turning around failing schools

## Founding and ethos

*‘Children believe they can where teachers know they can’*

In November 2011, Dr Caroline Whalley and her team launched The Elliot Foundation as a primary specialist sponsor. Caroline had had an accomplished career in the education sector, including working as Director of Children’s Services in Ealing, and as Director of Education & Training in Babcock International (a FTSE 100 company) developing their BSF programme. She had a long-held belief in the value of early intervention and primary education which, coupled with the loss of her son in infancy some years earlier, had given her a strong determination to make a positive impact on the sector. Her assessment was that the outlook for the primary education sector was not strong. She feared tighter funding regimes and contracting local authorities would lead to more command and control of teachers with detrimental effects on children’s education. She viewed an academised system as having potential but was concerned chains were not properly oriented toward meeting the needs of primary schools and that this could lead to ‘primary orphans’ without sufficient systems to support them.

The Elliot Foundation - named after Caroline’s late son - was an opportunity to address this. As one of the first exclusively primary sponsors, the intention was to build a primary voice and champion the importance of 0-11 education, support innovation and build a professional confidence amongst primary leaders. The long-term vision was for a large national chain built from a number of strong local clusters. Excellence for all pupils would be realized through strong system leadership and a high degree of professional autonomy and collaboration.

Caroline described the Elliot vision as *“Providing better outcomes for children by creating a system that puts children first and keeps money, expertise and decision making as close to them as possible. Understanding that success has many faces and only variation and innovation will provide tomorrow’s answers; and above all believing that there is excellence somewhere in every school.”*

## Building a team

For Caroline, it was vital that the governance and leadership of the trust be made up of people who could bring together the best of school, local authority and commercial expertise. Her first step was to build a team and she needed to find people with the value base, skills and capacity to take the personal risk and give time to setting up the organisation up. She knew she would be dependent on individuals offering support in kind for a period, and this was especially the case given that she was starting the organisation from scratch. She found her Chair and Managing Director from the commercial sector. Henry Bedford, a leading hedge fund investment manager and ex Goldman Sachs employee, brought significant executive-level experience, building and leading small teams in both the private and voluntary sectors. Hugh Greenway had 15 years’ international experience as Managing Director of a number of major learning organisations including Reed Learning plc. He also knew the sector well having been vice chair of West London Academy – founded by his former employer, and where he had initially met Caroline where she

was Chair of Governors. On the school management side, Caroline was able to bring in the contacts she had developed through her time in the sector: Bob Anderson to lead HR, industrial relations and workforce reform; Trish Martin on estates and facilities management; Deryn Harvey on power to innovate; Dr Sue Robinson as Regional Director and Rachel Jones as Education Director. Sue and Rachel each had over 15 years' experience as headteachers (Sue in the primary sector and Rachel as a secondary head and cross phase inspector). Both held impressive track records for outstanding leadership, having rapidly turned around the performance of the schools they worked in. Together with the highly experienced finance director, Dr Robert Barr, they make up Elliot's board of directors. (See Annex 1 for the organisational structure of the Elliot Foundation)

With the governance and leadership in place, the next step was to start identifying a network of freelance school improvement experts that could be mobilised as necessary. The group they secured include former NLEs, LLEs and HMIs with school experience in the primary sector. They are referred to as school 'Progress Partners.'

## **Business Planning**

The Elliot Foundation took three months to draw up a detailed business, finance and risk model which was significantly beyond the material needed to apply for sponsor approval. They road-tested this model with a number of external peers in the sector before they started looking for schools. The principle question they asked themselves was, "What do primary schools need to make them safe, solvent and continuously improving in the long-term?"

The answer was a list that included an array of educational services, finance services, HR, governance, FM and estates support and business development. They wanted to provide all academies in the Elliot chain with these as a minimum and calculated the £500,000 they would need for start up and running costs based on this. The team felt strongly that the Trust mustn't be dependent on conversion grants to make it sustainable (which they feared would risk them getting into a situation where they were dependent on perpetual growth - a Ponzi scheme). The model therefore required the Trust to raise the full operational funding, once start-up had been established, through the top-slice charged to its academies. Keeping this figure sufficiently low was going to be a challenge, especially given the smaller budgets of primary schools. They studied the market and – although many of their competitors would not be offering such an extensive package of central services – judged 6% to be the maximum their schools would reasonably expect or be able to pay. For the average primary this represents around £75,000. The 6% can be broken down as 2% on education (1% for the cluster and 1% for the trust centre), 1.5% finance, 1% HR and governance, 0.5% FM/estates and 1% on strategy and business development. (See Annex 2 for details of how the breakdown of the 6% provided to prospective schools)

On the basis of this 6% maximum and the services they felt necessary to provide, they calculated that 15 primary schools was the 'critical mass' they would need to reach relatively quickly. This would bring in the £100,000 a month required to provide confidence that the model was robust and enduring. In pupil number terms, although

this only represents 5,500 pupils (or the equivalent of 3-4 secondary schools) no other sponsor has sought this rate of growth in number of schools recently. Yet until this point was reached Elliot would be dependent on finance raised in cash donations and support in kind.

## **Raising start-up funding**

All through this period, Caroline and her team were raising finance to support the start-up. This was to cover the cost of things such as legal fees, web and IT systems, travel and accommodation costs when presenting to schools. By August 2013 they had raised £475,000, made up of a £150,000 Sponsor Capacity Grant from the DfE, a total of £225,000 from the directors and over £100,000 from other cash donors. In addition to this they had benefited from very significant support in kind.

## Developing a chain

With the support of a Department broker and forward thinking head teachers Elliot found their first four schools relatively quickly. Kings Rise Academy, Billesley Primary school, Shirestone Academy and the Croft Academy were approved as sponsored academies in early 2012. All four opened their doors in the autumn term that year. Plans were in place to open up to 20 more over the next two years, but these were put on hold by the Department in spring 2013 reflecting the stronger emphasis on ensuring measured growth based on proven track record. They took a considerable chance investing in infrastructure, and it was to prove financially challenging for Elliot until the roll-out was agreed, based on the strong performance of open academies and the increase in capacity and expertise within the foundation. Elliot were also successful in gaining a £150,000 sponsor capacity grant from the Department in this period, which helped. One convertor opened in February and a sponsored academy in May. Once Elliot had its first tranche of successful KS2 results a further 8 academies (including one convertor) were approved to open later that year. In 2014 another 3 schools will open, bringing greater financial security. Once the 2014 results become available (currently forecast at an average L4+ combined of 79% across all academies), the position will be reviewed again.

## Turning around the first Elliot Academies

Elliot has used a consistent model to manage each of their academies' transition to the Trust. There aren't finances to support in depth due diligence work 'on the ground' before the academy is signed off so the first two days post approval are crucial for establishing what the challenges are in detail. The Trust sends a 2 or 3 person team, led by an externally contracted 'inspector' from their network into each school to conduct a two-day diagnostic exercise named 'Baseline.' This is an assessment of all aspects of the school carried out in partnership with the school to create a portrait of what is happening. The observation criteria map onto those used by Ofsted, but Elliot stresses that the emphasis is positive and collaborative with the school staff. In particular, Elliot notes the importance of establishing common ground and building trust with the school head and governors. As well as pinpointing weaknesses, the process first requires staff in the school to highlight what works well and to identify 'pockets of excellence' that could be shared. The output is a roadmap for progress, signed by the head, chair and the Elliot assessors. The plans agreed in this document are intended to be followed closely and the progress partner will revisit it with the head at regular intervals.

When asked about the approach to retaining school leadership in failing schools Hugh Greenway emphasised that the Baseline exercise was there to detect leadership failure but he also explained that it is Elliot's default position to maintain existing leadership where possible. *"We don't like to change heads - we have only had to change two of the thirteen heads of the schools we have taken."* Caroline Whalley drew attention to the national leadership crisis saying, *"There is no queue of superheads waiting round the corner. We have to recognize a range of qualities and styles and support our heads in their leadership. Changing senior leadership precipitously can waste time, disrupt improvement and impact negatively on children's education."*

## Managing rapid growth and physical distance

In terms of the challenges created by such exceptionally rapid expansion, Hugh Greenway highlights that it is the financial side of things rather than school improvement capacity that has been the issue. On the school improvement side, there is a model and people are so strong there have not been issues. But the numbers are often not what they expected and they have found that schools often lack the financial management that would be needed to give them the control they would have liked. As a result they have had to invest more than they planned in financial support in the centre. This includes day-to-day posting and reconciliation support, budget and planning, cash flow and treasury management all the way up to strategic financial control, responsible officer and audit work.

Elliot is very strong on collaboration between schools within their chain. Hugh recognises the benefits of geographical proximity - he thinks clusters of up to 15-20 academies in an area are ideal – yet he emphasizes strongly that there are other ways of achieving close collaboration across chains. As a result of the way opportunities arose, Elliot is currently working across four very small geographical clusters - albeit with a shared collective ethos. The Trust tries to maximise collaboration across clusters, for example instituting regular forums for sharing of professional expertise across schools in the West Midlands, Cambridgeshire and London. They feel that there are advantages from joining together schools with similarly disadvantaged intakes in different places, as sharing expertise can break down views about the limits of what children can achieve in particular contexts. Elliot's mobile 'progress partner' workforce also gives them some flexibility to identify local school improvement support and minimise inefficiencies from travel time – although Hugh acknowledges these do exist. Hugh believes that in the future technology will be used more actively by schools to share across distances but this is something they are still working on. (See Annex 1 for organisational structure of clusters)

Elliot actively looks to balance converter and sponsored projects in order to secure a mixture of performance and to support a school-to-school improvement approach. They currently plan to attract more converters in order to achieve more of a balance. They believe their school-led model will be appealing to strong schools who want to become academies but working closely as part of a secure chain.



## Sustaining a high quality chain

With the initial period of rapid growth now stabilising, Elliot recognizes the need to focus on sustaining momentum and quality - although in the short term they would be interested in expanding through taking on one or two convertor academies to achieve a balance of schools at various stages of improvement and support their school-to-school improvement approach. Governance and management, data monitoring, staff development and ensuring financial sustainability are all highlighted by the management team as critical areas for this phase, with financial sustainability being the trickiest.

### Governance and management

The trusts' governance and management structures were set up in the initial stages to enable rapid growth coupled with tight operational oversight. Each school is RAG-rated by each 'director.' The directors and senior management team meet each week for 45 minutes and target a particular part of the risk register. Each week they focus on a different theme but they cover matters across all schools, small and large, on a termly cycle.

All Elliot schools are put onto a common finance system – PS Financials. At a strategic level this allows one viewpoint and one consistent accounting structure and set of standards across all schools. At a pragmatic and operational level it means that staff from the centre can support each school in an immediate and hands-on fashion even stepping in on occasions to cope with sickness absence or high system stretch. Although this front end loads finance with significant harmonisation work Elliot's auditors Baker Tilly commented in their 2012 summary that compared to other multi academy trusts, Elliot's approach "*reduces the risk of non-compliance and irregular transactions.*"

The Elliot Foundation board meets at least every six weeks with the finance and audit committee preceding the main board. The tightness of primary academy finances demands a lean and flat structure with clear lines of accountability so the senior team draw up a one-page strategic plan each year that serves as the road maps for each director and against which reporting is focussed. The non-executive agencies on the board, sponsor representatives, governor representatives and union representatives then have a template to hold the management to account.

Strategic objectives	AIM: Secure TEF's future MEASURE: > 5,500 pupils DEADLINE: Easter 2014	AIM: Build DfE support MEASURE: > 5 senior advocates DEADLINE: Easter 2014	AIM: Improve TEF services MEASURE: Majority of TEF principals are net recommenders of all directorates DEADLINE: Summer 2014	AIM: All schools above floor and improving MEASURE: 2014 SATs show good progress (3 levels & 4b+) OFSTED judgements DEADLINE: August 2014	AIM: Consolidate clusters MEASURE: 25 or more schools with >5 new converters DEADLINE: Christmas 2014
Education objectives	AIM: Use real time data to support schools MEASURE: Scholarpack data dashboard live DEADLINE: February 2014	AIM: Build national profile for TEF education work MEASURE: > 5 speaker slots at national conferences DEADLINE: December 2014	Summer	AIM: Grow TEF online community MEASURE: 75% of TEF staff engage in collaboration space DEADLINE: September 2014	AIM: Secure funding for education projects MEASURE: One or more successful bids (poss. With partners) DEADLINE: December 2014
School improvement	Spring	AIM: All academies 'OFSTED ready' MEASURE: OFSTED judgements good or better DEADLINE: July 2014	AIM: Cross regional moderation of pupils' work MEASURE: Pupil progress data is accurate DEADLINE: July 2014		AIM: Strengthen E. Anglia cluster MEASURE: Four or more schools with >1 new converters DEADLINE: Christmas 2014
Developing people	AIM: Make TEF a national system leader for CPD MEASURE: relationships with national organisations where our academies lead development DEADLINE: Easter 2014	AIM: Develop Governors to hold schools to account MEASURE: L&M OFSTED judgements at least good DEADLINE: Summer 2014	AIM: Embed system leadership through online directory of learning partnerships MEASURE: Majority of principals across contribute and access DEADLINE: September 2014	AIM: National Pathways of CPD entitlement for support staff across all clusters MEASURE: Clusters using the microsite and accessing offers DEADLINE: December 2014	AIM: National Pathways of CPD entitlement for teachers across all clusters MEASURE: Clusters using the microsite and accessing offers DEADLINE: December 2014
HR & governance	AIM: HR & Governance capacity improved MEASURE: HR & Governance officer and admin assistant appointed, inducted and deployed DEADLINE: April 2014	AIM: Provision of bespoke support and development entitlement for governors MEASURE: Development plan agreed and implemented DEADLINE: May 2014	AIM: TEF web recruitment micro site operational MEASURE: Academy and Trust vacancies advertised on TEF web DEADLINE: June 2014	AIM: VFM HR service MEASURE: Single HR & payroll provider procured with full involvement of Academies DEADLINE: September 2014	Autumn
Money & projects	AIM: Raise standards of financial admin MEASURE: 80% of pre Sept-12 academies meet published standards DEADLINE: Easter 2014		AIM: Balanced or better budgets set MEASURE: Budgets set by Jun 30 <sup>th</sup> , DfE return submitted July 31 <sup>st</sup> DEADLINE: July 2014	AIM: Procurement compliance MEASURE: All procurements activity authorised and compliant DEADLINE: July 2014	AIM: Submission of clean, audited accounts MEASURE: Accounts return to DfE & Co.'s house by end Dec DEADLINE: July 2014
Buildings	AIM: Strategic approach to capital investment MEASURE: 5-year, costed, prioritised strategy in place for all academies DEADLINE: July 2014	AIM: Academies operate robust cyclical servicing and maintenance MEASURE: annual premises health check evinces legal compliance DATE: September 2014	AIM: Site managers trained & supported MEASURE: 100% attendance at training events & health checks RAG rated mostly green DEADLINE: September 2014	AIM: Asbestos compliance MEASURE: Accurate asbestos management plans in place at all academies DEADLINE: October 2014	AIM: Improve school environment MEASURE: Develop 1/2/3 FE accommodation brief to benchmark new and improve existing schools DEADLINE: December 2014

## Monitoring of performance data

Performance data is monitored on a continuous basis. All Elliot academies use a common cloud-based management information system that enables them to plan effectively for specific children from individual teacher and teaching assistant to whole school level. Data tracking includes P-scales and progress toward Early Learning Goals. There is a seamless transition from high-level data to detailed information about individual pupils and the facility to target and track intervention and impact for those pupils and identified groups. Digital images of work samples attached to individual pupil levels are used to verify pupils' progress and their levels of attainment.

Half termly meetings are held between the head teachers and regional directors and progress partners to review targets and the impact of intervention programmes on pupil progress - necessary changes and adjustments are made. All academies are expected to set lesson, weekly, half-termly and termly goals to check that they are on course - and the Elliot progress-partner is heavily involved. Notes of visit and action plans are stored on the Elliot's central database to facilitate governance and oversight.

## Professional development of staff

Providing continuing professional development opportunities for teachers in schools across the chain is a priority for Elliot. They currently work with three universities - Birmingham City, Newman and Warwick - to provide bespoke programmes up to MA level. They offer teaching for support staff, create networks between schools and are building a virtual learning network with a register of expertise across the whole Trust so that in the future individuals at all levels can identify whether there may be someone in another part of the organisation or a sister school with the skills to help them.

## Finance remains the greatest challenge

Finance remains a significant challenge to the Trust. The Trust remains on budget with no significant deficit, but from the point of view of the Hugh and Rob, the Financial Director, the cash position has always felt precarious. The most significant risks are estates and compliance related. Last year, for example, the boiler at one of their schools failed the day after conversion, costing £20,000 to fix the brown asbestos contaminated pipework. This year the roof at one of their schools failed after years of patch repairs and will cost £250,000 to properly repair. Had this happened last year it would have rendered the entire organisation insolvent.

They are able to make some efficiencies in the way they operate to partially off-set these risks. For example, Elliot make heavy use of free and close to free cloud systems and databases at the centre. More widely however, they emphasise that as a small MAT, you need sophisticated long term planning and a strong team at the centre to lead this. They expect to feel more financially stable once they have reached their 'critical mass' – although they acknowledge that a greater number of schools also poses greater risks.

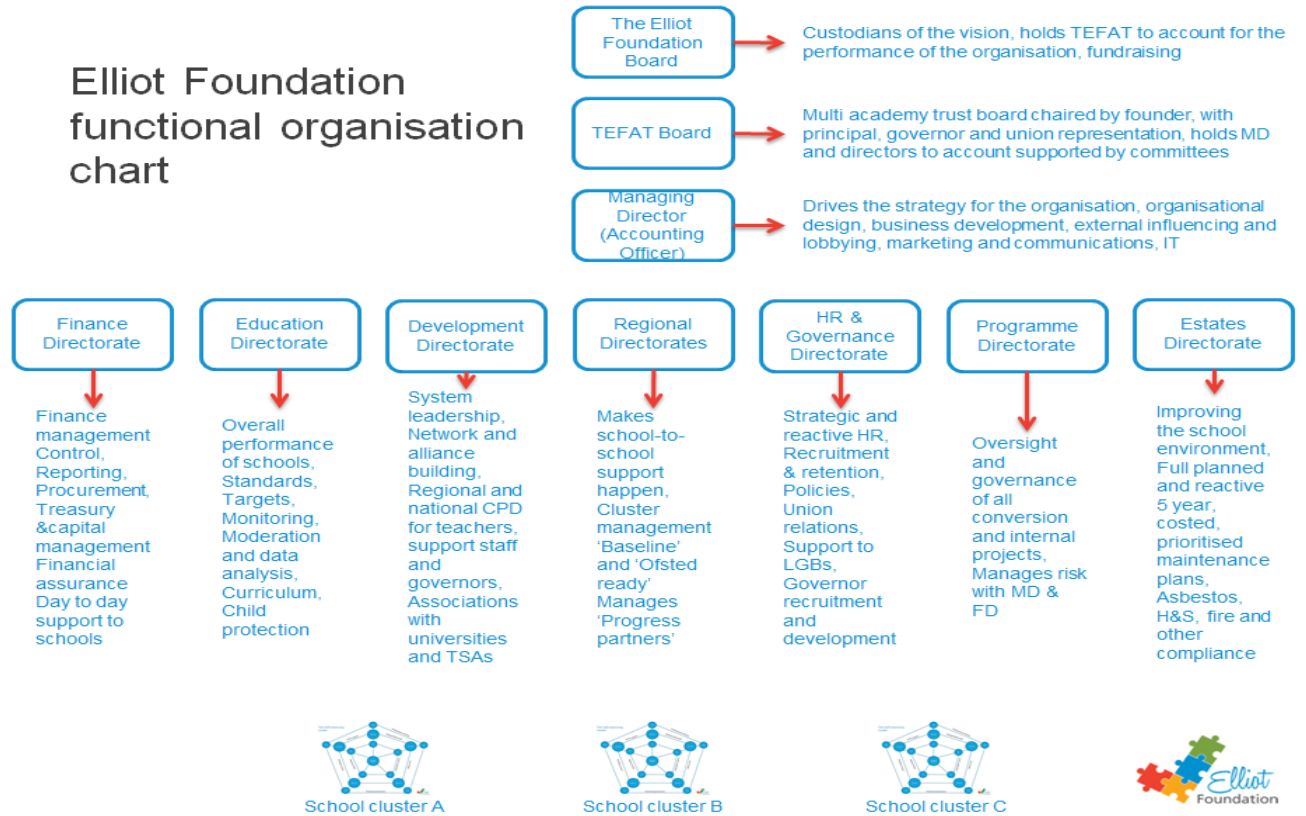
Hugh reinforced this saying, *“Had we not been fortunate enough to find a group of people committed to improving outcomes for children who were prepared to take the personal risk of working pro-bono in addition to the cash we have raised, the Elliot Foundation would simply not exist.”*

## Summary of key learning points

- Significant up-front cash needed because they were a business start-up. They raised nearly £500,000 donations/grants and similar in 'in-kind' support in their start-up phase.
- Model based on rapid initial growth to cope with small income due to low budgets of primary schools. But rate of growth paused by DfE in first year because of lack of track record creating challenge.
- A lot of time invested in working out ethos and business model very clearly before they started to prospect for first school. Especially important as business start-up with no supporting parent organisation
- School turn-around methodology is strong, forensic and uniform - but also positive in tone and collaborative with the existing school staff and leadership.
- Mobile army of 'progress partners' made up of very senior level educational contractors provide a quality, flexible school improvement function. Data and information between 'progress partners' and board is shared systematically and in real-time.

# Annex 1: Structure diagrams

## 1. Organisational structure of the Elliot Foundation:



## Annex 2: Elliot Foundation financial details

Details of what top slice 6% is made up of:



### What do you get for your 6%

- A structure that keeps every school safe, secure, solvent and improving
- Development of the school led system

#### Education (2%)

- Sustaining momentum – always up a gear
- Curriculum innovation and continual horizon scanning
- Standards monitoring, data analysis & trends
- Links to national and international groups

#### Regional cluster – devolved funding

- Regional Director: pace setting, custodian of regional standards
- Facilitated school-to-school networks, coordinating and brokering expertise
- Partnering for progress, peer monitoring, coaching, forum for next practice
- Planning succession - CPD pathways with TSAs and Universities

#### Finance (1.5%)

- Finance director & strategic financial planning
- Budget support, production of year end financial statements & external audit
- Finance Controller, treasury management & finance systems support
- Responsible officer visits, report to LGB and finance support to LGB
- Advice & emergency assistance
- Financial handbook, policy setting and liaison with the EFA
- Procurement service and insurance support

#### HR & Governance (1%)

- Strategic HR advice principals and LGBs
- Negotiations with unions at national level
- Provision of employment policies & procedures & employment law updates
- Review of HR practice & disseminating best practice
- Employee assistance programme, Membership of the Key and Ten Governor
- Principal recruitment
- Recruiting, developing & training for effective governance

#### FM, Estates and Compliance (0.5%)

- Provision of a planned and reactive site maintenance schedule
- Refreshed by a rolling programme of full site surveys
- Reactive maintenance helpdesk with 24 hour response and management of maintenance rectification
- Annual audit of H&S and legal compliance with premises legislation
- Access to pre-procured statutory compliance / maintenance framework

#### The Trust (1%)

- Creative, innovative and refreshing leadership
- Ministerial and DfE representation and lobbying
- PR, marketing and communications
- IT and systems support
- Risk management
- Contingency fund



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