

Introducing our expertise: GAG Pooling

There continues to be significant financial pressure on the academy sector so Trusts would be well advised to revisit the subject of GAG pooling to ensure they are maximising the effectiveness of their resources.

The government acknowledges that “the benefit of a strong multi academy trust is their ability to respond quickly, to direct resources to the schools that need them, supporting teachers to concentrate on frontline teaching”.

In order to deliver on this, MATs need to have the flexibility to deliver resources where they are needed most. Whilst a strong MAT will benefit from centralisation of the back office functions (Finance, IT, HR and Estates), centralising school improvement and the delivery of education, combined with having the ability to deploy resources where they are needed most allows them the flexibility needed to improve education.

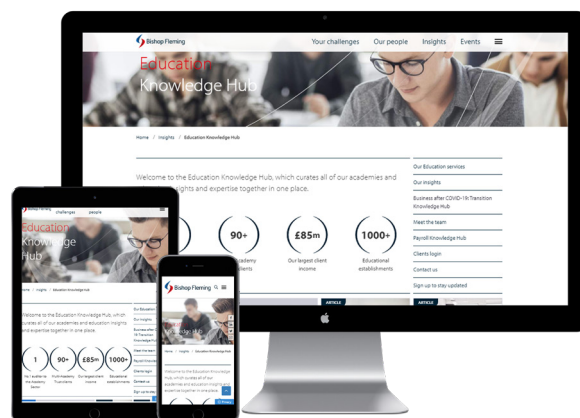
Pooling income helps a MAT manage its resources in the most effective and efficient way and allows it to target the schools that need the most support. Arguably this is already being done by the National Funding Formula. But until this is fully implemented MATs will continue to need flexibility on how they allocate their resources between schools. GAG pooling can of course be done at any level and the traditional ‘top slice’ is actually a method of pooling income, albeit at a small amount which typically only covers the core back office functions. All sources of income in a MAT belong to the MAT. This means that subject to any restrictions imposed by the funder the MAT is able to use the funds to deliver its objects. Any unspent reserves are the reserves of the MAT as the legal entity.

GAG pooling is not only a contentious topic in some trusts, it is also a complex area and one where it can easily go wrong if the policy is not robust. We are able to assist you in your review of how to implement GAG pooling.



Key takeaways & top tips

1. Centralise your back office functions first, including budgeting
2. Set robust GAG Pooling policy
3. Ensure you have the ‘buy in’ from all stakeholders
4. Watch out for funds that can’t be pooled e.g. PFI income



Our [Education Knowledge Hub](#) is being updated regularly with the latest insights and advice, but if you can’t find what you are looking for, please contact your usual Bishop Fleming adviser who will be happy to help you.



Relevant Blogs

[What is GAG Pooling?](#)

Everywhere you look these days the sector is talking about GAG pooling as the future and one way to help ease the funding crisis in a Multi-Academy Trust.

[How to achieve centralisation and GAG Pooling](#)

Here at Bishop Fleming we understand the difficulties a multi academy trust may experience when trying to centralise its finance function. We can help you with this journey. Schools will join a multi academy trust (MAT) for two key reasons...

[Academy trusts change gear on central issue](#)

Do you have concerns about your Academy Trust central function? According to the latest Department for Education (DfE) data for 1 September 2018, there are now 2,830 Academy Trusts of which 1,144 are Multi Academy Trusts (MATs).

[Thinking of Centralisation and a move to GAG Pooling? - get the 'pre nup' right](#)

There are a number of reasons to consider a change in financial policy and a move to a collective approach to funding within a MAT, but whatever the rationale, the overwhelming conclusion is there is absolute need to be clear from the start on the why, the how and the when.

Key contacts

To find out how we can assist your needs, please contact a member of team:



Pam Tuckett
Audit Partner & Head of Education

T: 01752 234309

E: ptuckett@bishopfleming.co.uk