

Spaghetti Bridge does its homework

Third place

Spaghetti Bridge has opened a string of specialist schools over the past five years, and has ambitious plans to work with local authorities to offer more much-needed places

Spaghetti Bridge has 10 schools across the South West of England, working with a range of children whose needs are not being met by the mainstream education system. The business supports children with complex special educational needs, alongside those who have spent long periods outside of the education system altogether.

“Rather than buying an established platform, with all that’s positive and negative about that, we identified a management team with a longstanding track record of opening schools and managing multi-site specialist education businesses”

Spaghetti Bridge is backed by private equity firm Downing where investment director Torsten Mack has played an integral role in building the business since 2020. “Rather than buying an established platform, we determined that our preferred market entry strategy was to establish a new provider. Subsequently, we went into the market and identified a management team with a longstanding track record of quality, opening schools and managing multi-site specialist education businesses,” explains Mack. “We sat down with that team and a blank sheet of paper, and set out a strategy based on buying properties, refurbishing them and opening new schools.”

The company is run by CEO Daniel Alipaz and executive chairman Stephen Bradshaw. “If you want to be a successful investor in specialist care and education, you need a high-quality, experienced team,” Mack reflects. “The exciting thing about this business is the impact you’re making on children’s lives – you’re giving them the tools to succeed as they move into adulthood.”

The business’s growth has been rapid, going from zero to eight operational schools over the past five years, with two more openings planned shortly. That has seen revenues accelerate too – Spaghetti Bridge has delivered a CAGR of 98.3% over the past two years.

98.3%

CAGR

Still, Mack believes there is plenty of room for further growth. “There is significant demand from local authorities because there are just not enough organisations providing high-quality specialist education,” he says. “We don’t open schools on a speculative basis: a lot of work goes into assessing a local market and speaking to local authorities to find out where they need new capacity.”

All the children in Spaghetti Bridge’s schools have an education and healthcare plan (EHCP), which comes with certain statutory entitlements around funding. Mack is keen to stress the importance of building a sustainable business.

“It is important to continuously invest in the business, which is where the profit generation element is important,” he argues. “Also, when you’re talking to commissioners and local authorities about fees, the key is to strike a balance – to be aware of their situation, but to set fee rates that enable us to provide children with the right support today, and to work with more children in the future who are entering the system for the first time or are coming from other broken-down placements.”