

Financial Efficiencies Workshop

Leading efficient and effective schools



Programme

- Review of Efficiency - Setting the scene
- Staffing matters
- Managing the business of schools
- Effective procurement



What do we know about our most efficient schools?

Review of efficiency in the schools system, 2013



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What do we understand by efficiency?

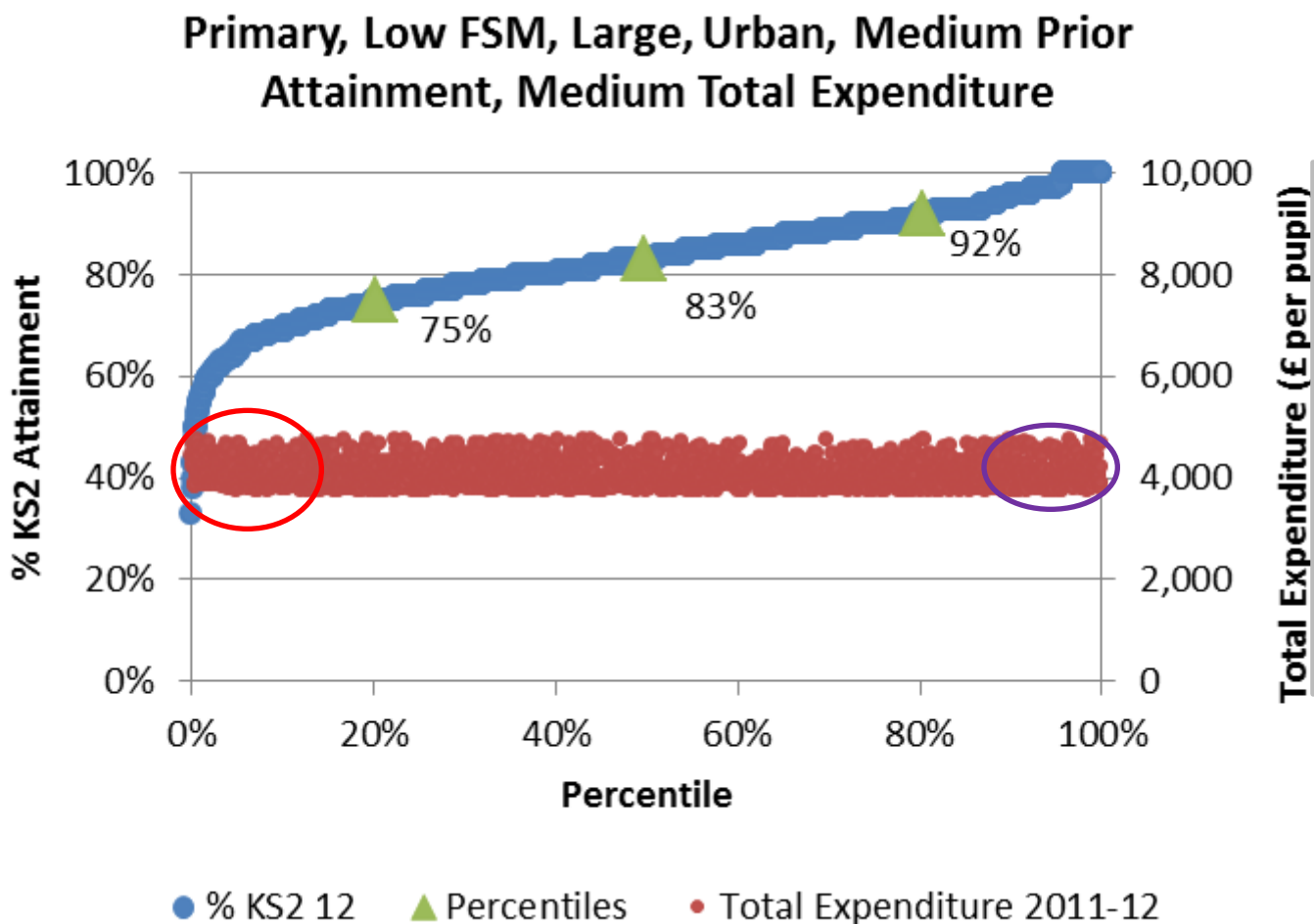
‘There was a strong and consistent response that being efficient meant **getting the most out of the money available** to give children the best quality of education.’

(Review of efficiency, p34)



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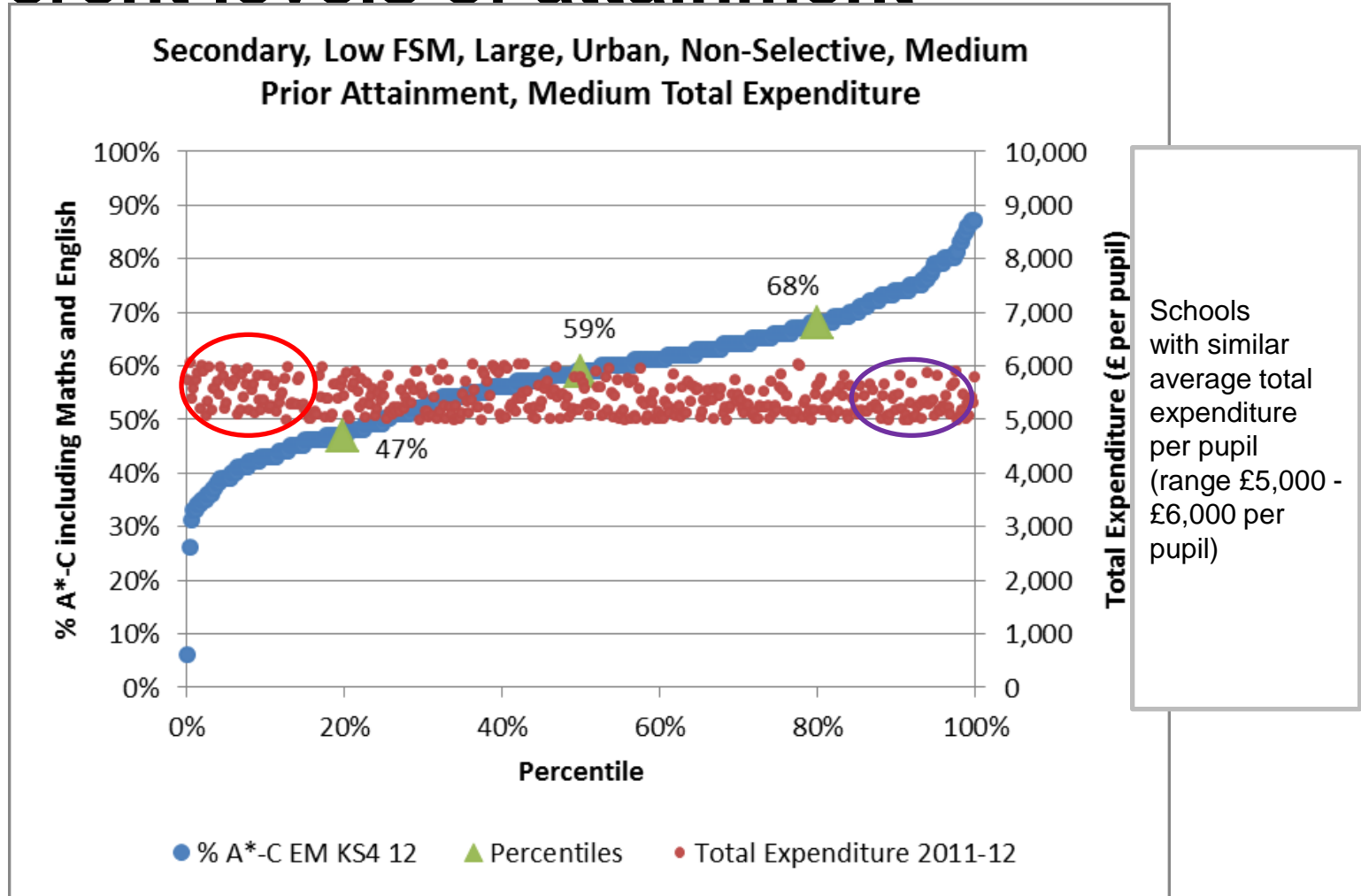
Similar schools.....similar spending different levels of attainment



Schools with similar average total expenditure per pupil (range £4,000 - £4,800 per pupil)



Similar schools.....similar spending different levels of attainment



Review of efficiency in the schools system: key findings

The most efficient schools:

1. Deploy the workforce effectively, with a focus on developing high quality teachers
2. Make use of evidence to determine the right mix of teaching and education support staff
3. Employ or have access to a skilled school business manager who takes on a leadership role

Continued..



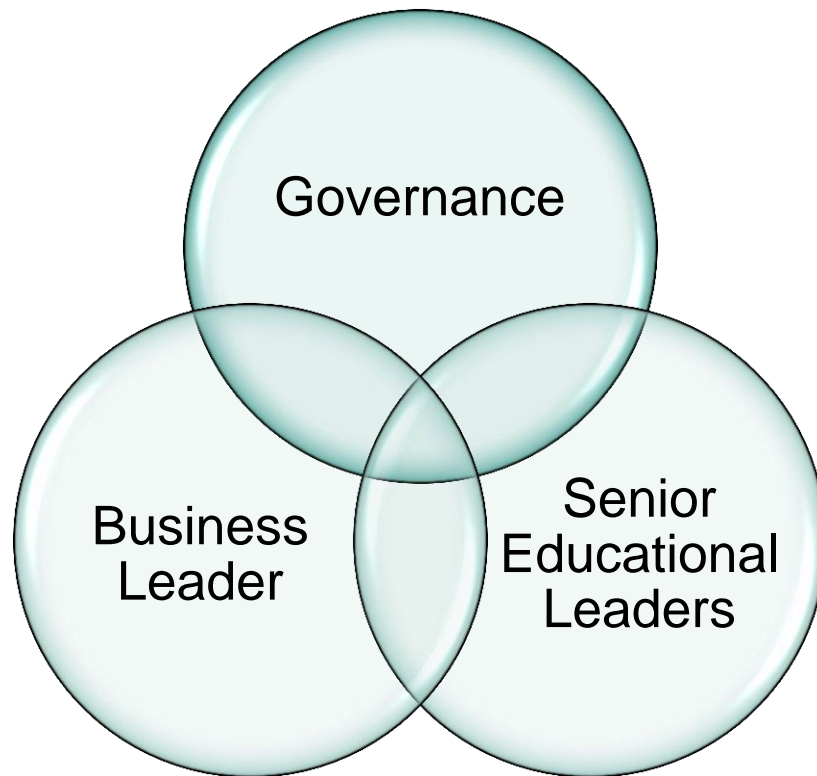
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Review of efficiency in the schools system: key findings contd.

4. Make good use of financial benchmarking information, to inform the school's own spending decisions
5. Make use of school clusters, sharing expertise, experience and data, as well as accessing economies of scale when making shared purchases
6. Manage down back office costs and running costs
7. Have in place a strong governing body and leadership team that challenges the school's spending



Responsibilities for efficiency strategies?



Staffing matters

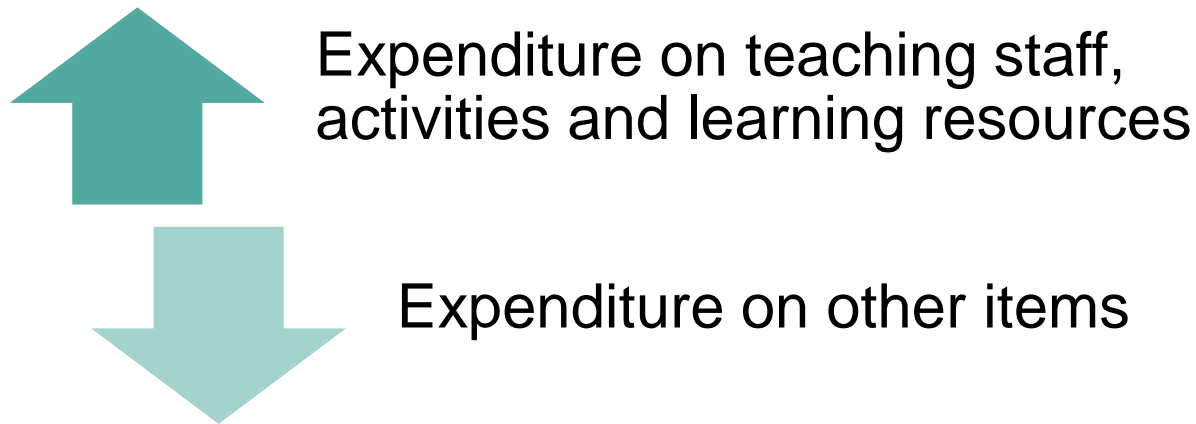
This is where most of your budget is spent.

Are you spending enough?

Are you spending wisely?



Review of efficiency in the schools system – key finding



We have found that the most efficient schools **maximise** their investment in teaching staff, activities and learning resources that make the greatest difference to pupil outcomes – and they are creative in **minimising** all other running costs. (DfE, 2013, p 6)



Teacher staffing matters

‘Teacher quality is the single most important feature of successful education systems and schools spend, on average, over half of their total budget on teaching staff.

This is by far the largest amount of money spent on a single area. According to research that measured teaching effectiveness across England, having a good teacher rather than an average teacher for two years is estimated to be worth three grades for pupils taking 9 GCSEs.’

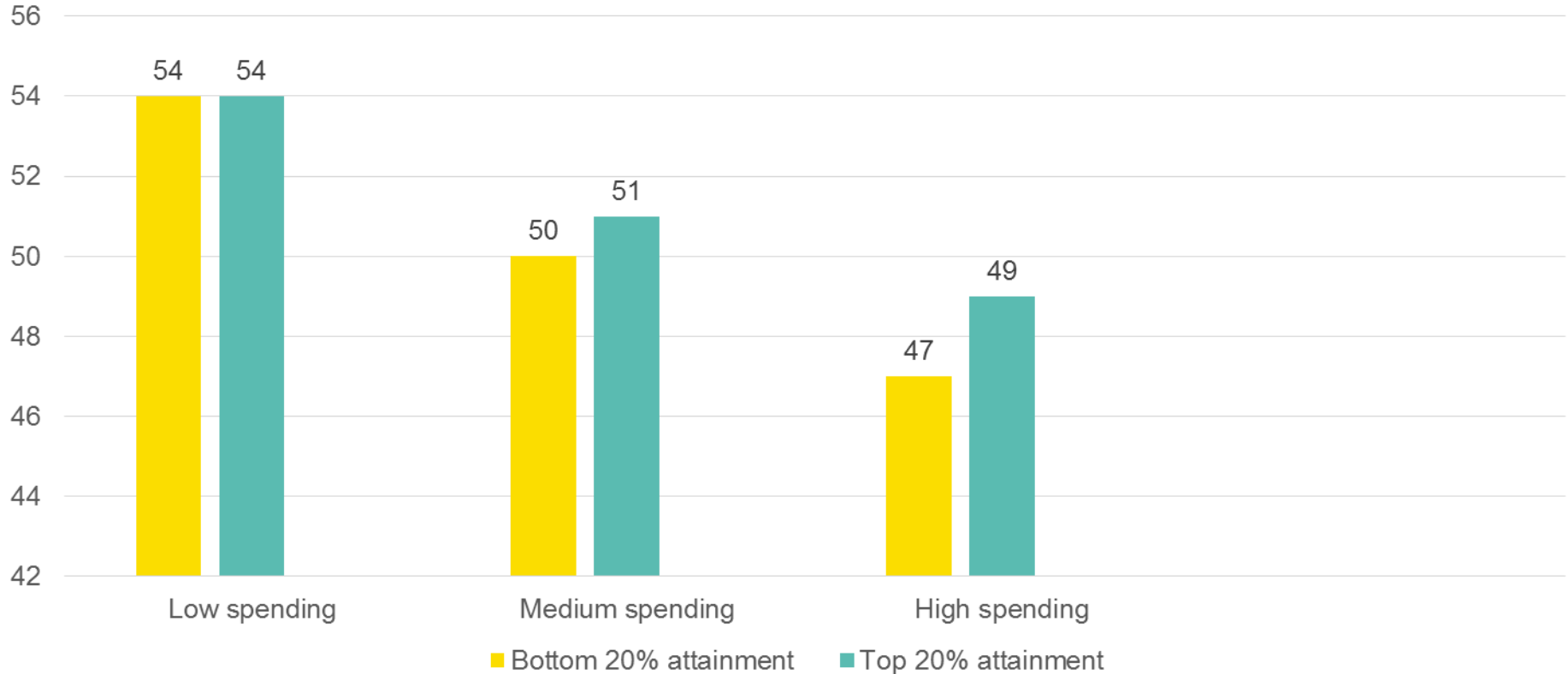
(Review of efficiency, 2013, p9)



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Spending on teachers (primary schools)

Percentage of Primary School Spending on Teaching Staff

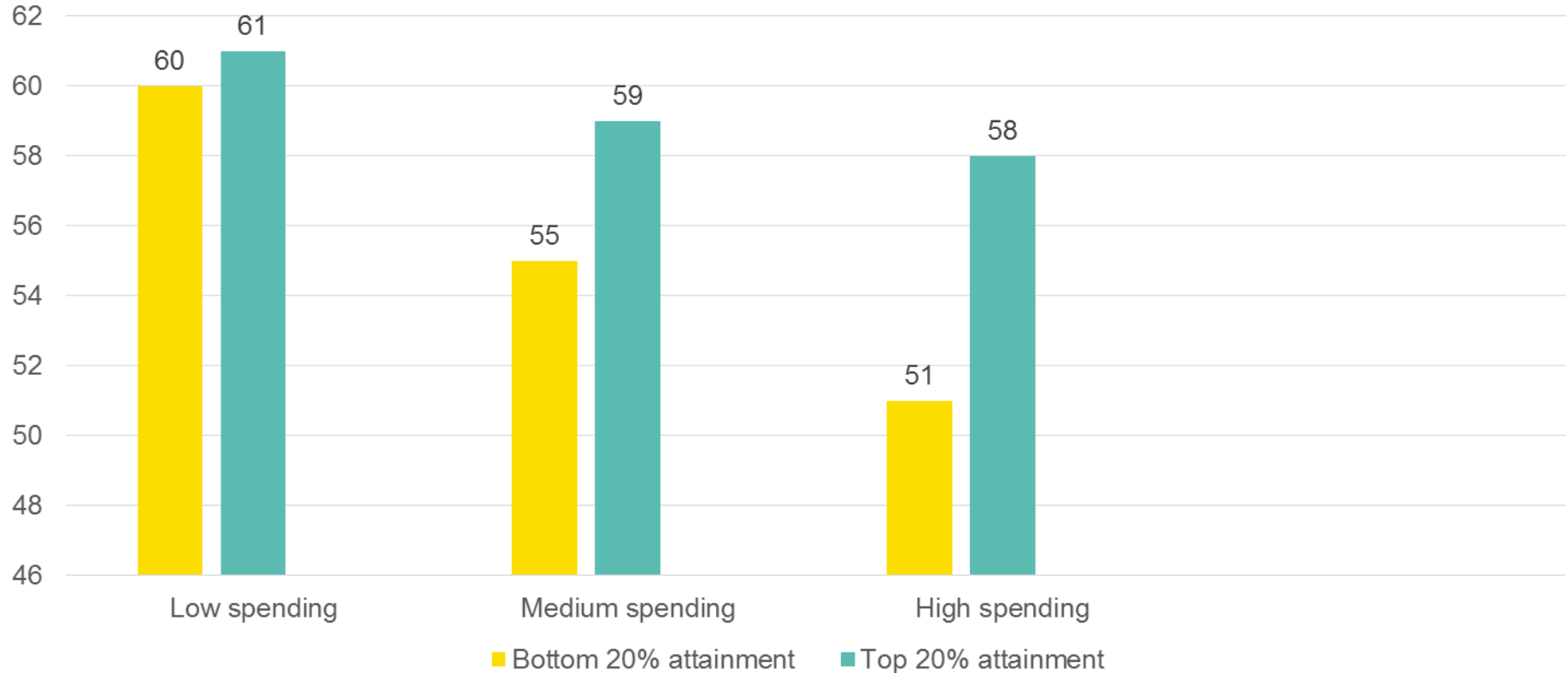


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School type: Low FSM, Large,
Urban, Non-selective, Medium
Prior Attainment

Spending on teachers (secondary schools)

Percentage of Secondary School Spending on Teaching Staff



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School type: Low FSM, Large,
Urban, Non-selective, Medium
Prior Attainment

School workforce spending – key considerations

- Teaching assistants:

‘It is clear that not all of them are being utilised to best effect in the classroom. Schools may wish to review the deployment of their teaching assistants. In particular, where teaching assistants offer more general support, schools may want to consider their impact and how it might be improved, for example through specific training’

- Teachers:

‘Schools may want to weigh up their overall spending on support staff compared with teaching staff, in light of the available evidence about the balance in high performing schools.’

(Review of efficiency, p 14)



Staffing –things governing bodies and the senior leadership can do

- Review their staffing structure regularly – have you got the right balance between teachers and other staff?
- Review their teacher utilisation ratio – what proportion of their time do teachers spend on teaching?
- Review their appointments process – have you a good track record of making the right appointments?
- Review their use of the Teachers' Pay Reform – does your pay policy support your strategic aims?
- Review their approach to managing staff absence – does the school use agency staff or its own dedicated team?
- Use the Efficiency Review Tool



Managing the Business of Schools

Solid foundations

How are you managing the business of your school?

Do you have access to appropriate specialist expertise?



School business managers

- ❖ 90% of secondaries have access to an SBM
- ❖ 40% of primaries have access to an SBM

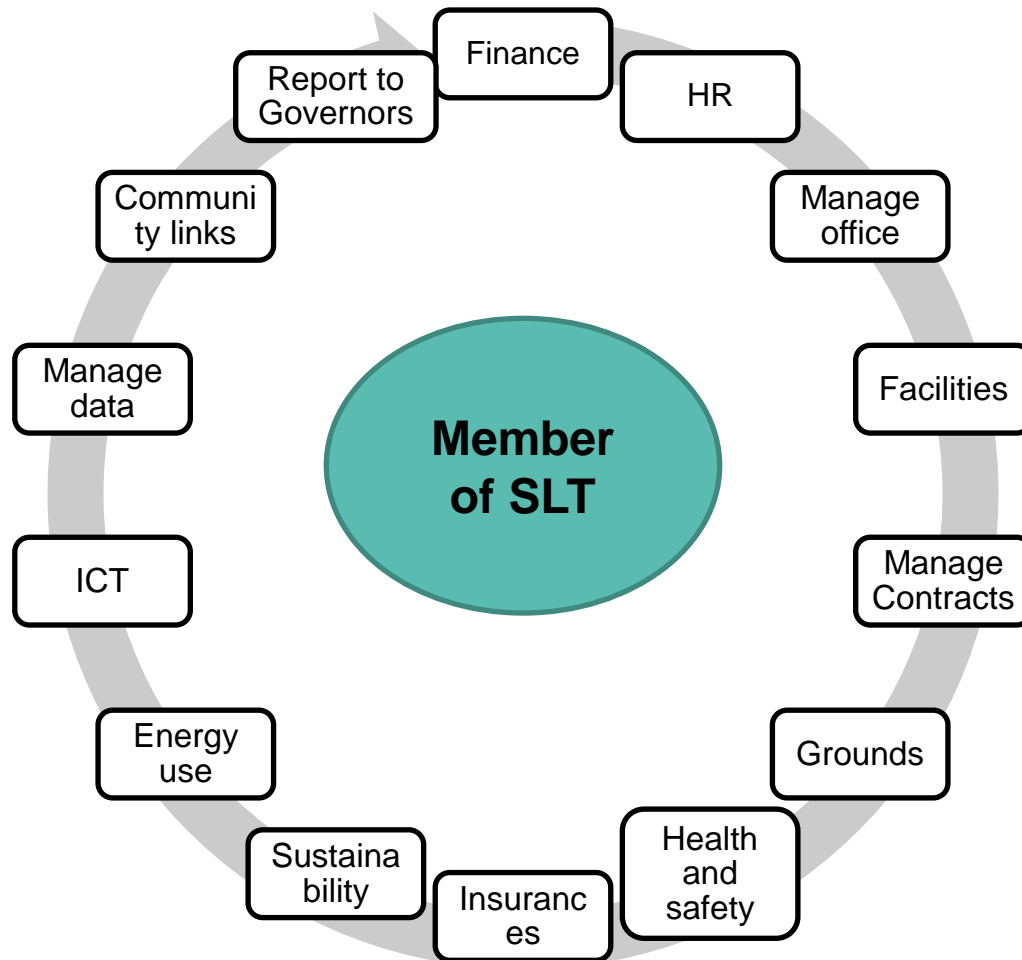


Benefits of employing an SBM

- **Reduction in SLT workload – focus more time on teaching and learning**
- **Financial gains**
 - Implementing more efficient staffing structures and increasing the use of shared staffing;
 - Better management and negotiation of contracts;
 - Taking advantage of bulk purchasing opportunities; and
 - Improved project management, particularly important in reducing capital costs



What can SBMs do?



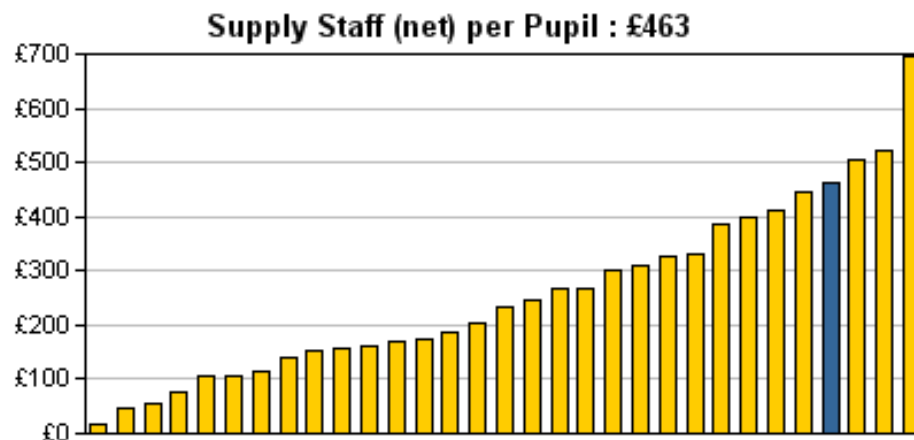
Better benchmarking

How does your spending on teachers compare with similar schools?

How does your spending on goods and services compare with similar schools?



Benchmarking: how much are you spending compared with other similar schools?



Data for a non-London primary (blue) with high FSM; compared with statistical neighbours.

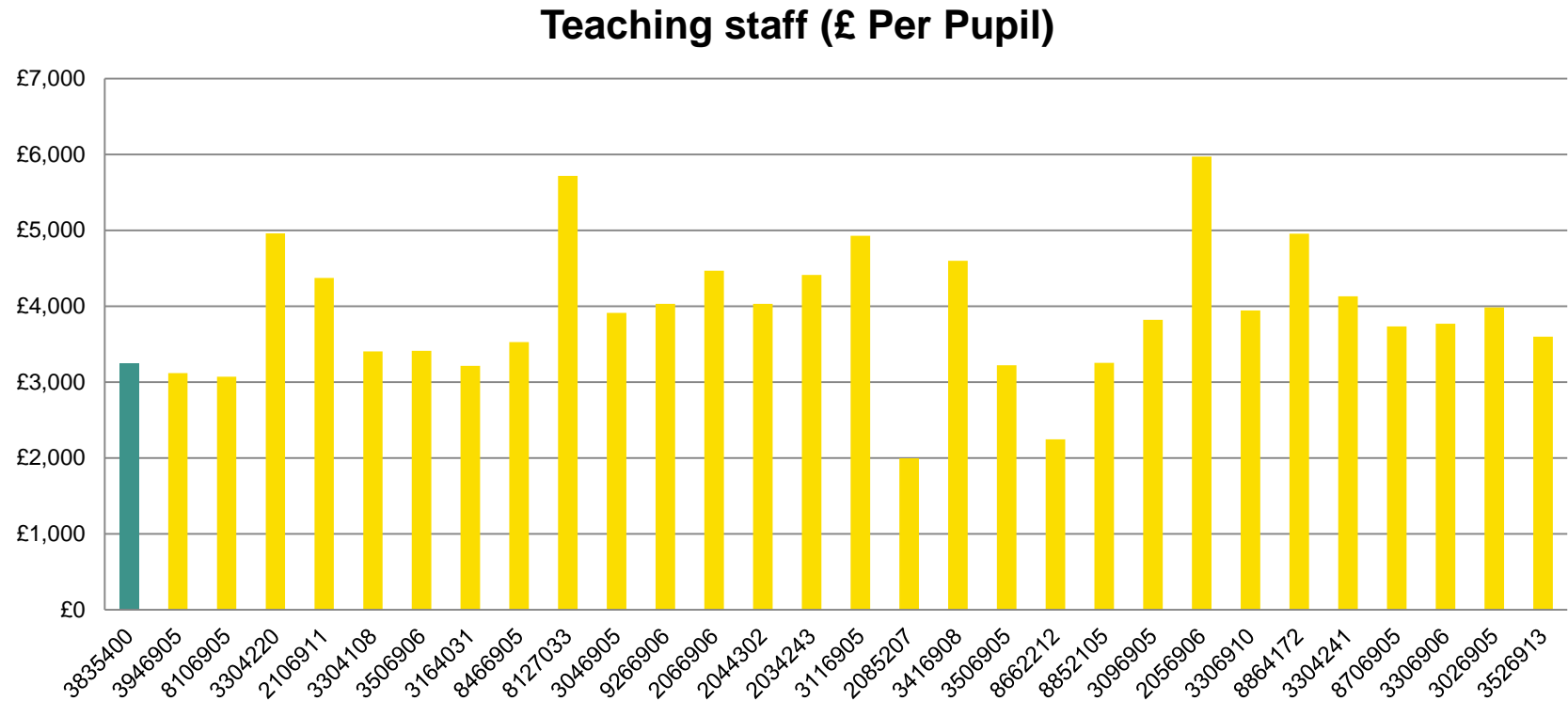
(Source DfE/Audit Commission Benchmarking Website for Maintained Schools)

<https://www.education.gov.uk/sfb/login.aspx>



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Academies Benchmarking tool



Better buying

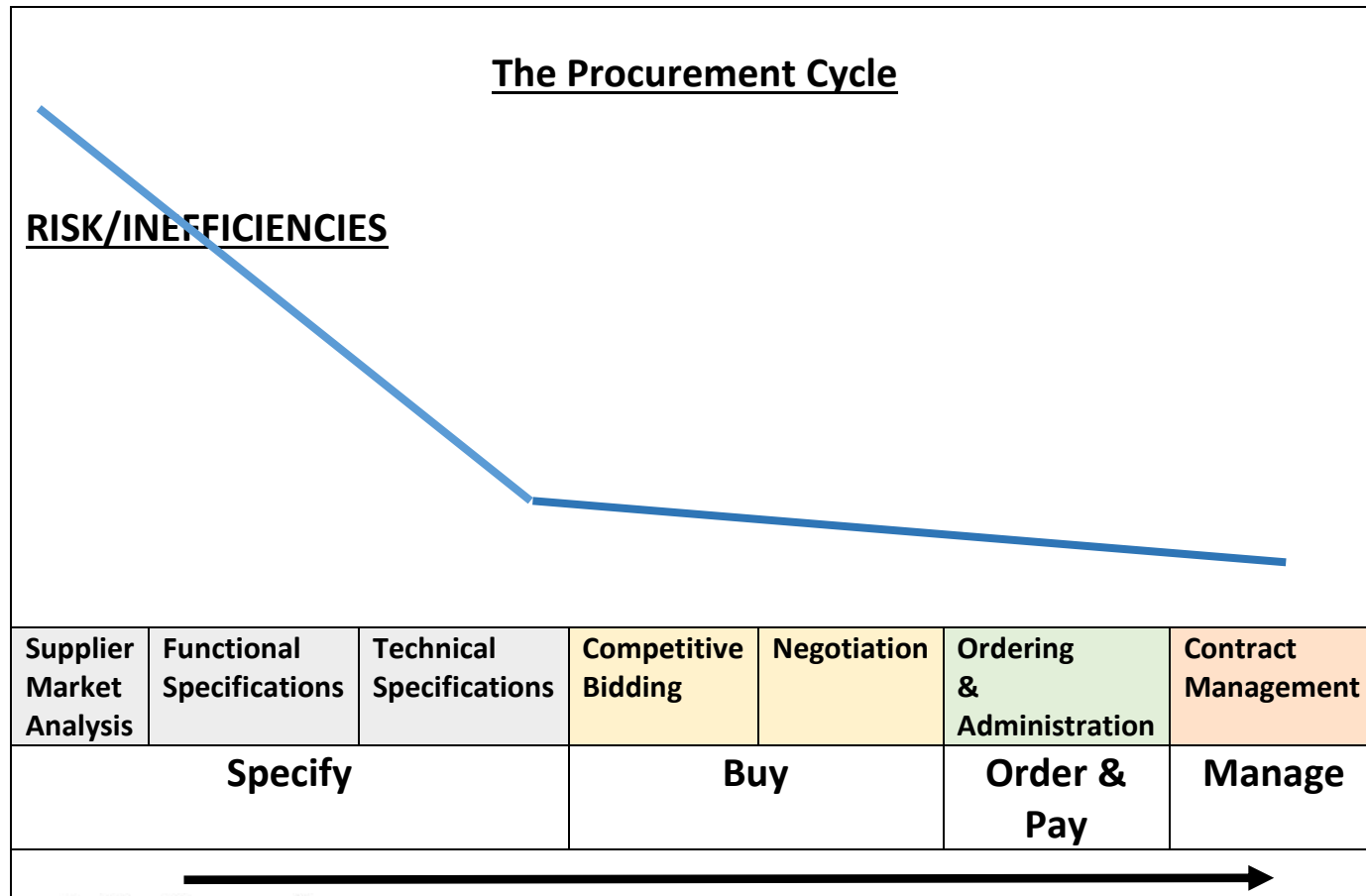
Does your school have effective procurement processes?

Does your school use the procurement services available?

Does your school benefit from economies of scale?



Procurement cycle and risk



Economies of scale

Too many schools continue to procure **on their own** for goods and services, failing to realise potential economies of scale. A recent survey of prices for routine items purchased by all schools showed how costs varied hugely by supplier. Many of the items surveyed had a price variance of over 100%, rising to a variance of 966% for one item depending on the supplier selected. (p 30)

A large number of schools fail to access critical information on costs, prices and contracts. **Indeed, without joining some form of cluster, it is very difficult for a school to benchmark how efficient their procurement function is.** (p 30)



Why don't these schools collaborate?

- 23 schools within a 15 mile radius
- Total non-pay spend £5m per annum
- 1828 different suppliers were used
- 1524 different suppliers were used for a transaction value of under £500
- The schools in the survey were using the same suppliers but on varying terms and conditions and paying different amounts



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‘If each of these schools spent 5 minutes a week with half of these suppliers it would add up to 961 hours of duplicative time a year, not to mention the missed savings opportunities from shared procurement’ (p 19)



Collaborating with other schools

Table discussion:

- Does your school engage in joint procurement activities with other schools?
- What opportunities / challenges are there to your school engaging in joint procurement activities with other schools?
- Does your school share staff/expertise/training with other schools?
- Has your governing body discussed collaborative working? What conclusions did it come to?



External support with procurement – framework agreements

- Framework agreements may be held by your local authority, public sector buying organisations (PSBOs) or central government departments.
- Suppliers named in an existing contract or framework agreement will have already agreed general terms and conditions.
- For a framework agreement, the main thing you will need to do at a school level is to carry out a ‘mini-competition’ among the relevant suppliers.



External support with procurement – framework agreements

- Existing contracts and framework agreements may be available from:
- Your local authority – contact them for details
- ESPO
- www.espo.org
- Crown Commercial Services
www.gov.uk/government/organisations/crown-commercial-service
- Crescent Purchasing solutions
- <http://www.thecpc.ac.uk/>



External support with procurement – DfE guidance

Publications:

‘Advice for effective buying for your school’, DfE, 2013

‘Academies procurement resource’, DfE, 2013

Essential school leaders read and understand what is available.

Training:

‘Buyways’ online course in procurement skills



National initiatives

- Effective workforce deployment
- Better benchmarking data
- Efficiency indicator to be developed
- Procurement services for schools
- Greater access to clusters and school business managers
- Enhanced role and skills of governors



Reviewing efficiency in your school

Three key questions:

- Foundations – does the school have access to appropriate business management skills?
- Practice – are effective processes, procedures and practices in place to promote efficiency?
- Culture – is there an efficiency culture which permeates the whole school community?

Finding the answers:

- Conduct an internal review – use the Efficiency Review Tool
- Find out what other schools are doing
- Read the 'Review of efficiency in the schools system'



Final word

Please remember to complete the evaluation form and return it to the trainer before you leave today.

Thank you!



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