



National Association of
School Business Management

GUIDANCE FOR IMPROVING SCHOOL FINANCIAL OUTCOMES RESEARCH REPORT

APRIL 2016



Co-developed with:



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Foreword

The education sector has grappled with efficiency for a number of years now and various initiatives have gone some way to improving operational effectiveness and a commitment to value for money.

National benchmarking has provided schools with a high-level appreciation of spend trends across the country. However, forensic and contextual local benchmarking may prove to be significantly more valuable.

Leveraging from industry best practice, NASBM is keen to explore opportunities to improve workflow processes, the effective deployment of management and the opportunities to achieve economies of scale and efficiencies through collaboration.

The education sector continues to administer operations in a very manual and paper-based fashion. Unnecessary levels of bureaucracy and multiple layers of sign-off are adding no tangible control value and perhaps most significantly the skills of senior leaders are not being optimised.

We have therefore commissioned this piece of research into operational effectiveness and efficiency. This deep dive exercise asks some searching questions of school leaders and their understanding of the strategic deployment of resources and effort.

This paper goes on to suggest a series of continuous improvement strategies. Over the last 15 years, first private- and now public-sector organisations have been delivering efficiency savings by developing knowledge of Lean and Operations Excellence techniques. Lean focuses on maximising the effectiveness of organisations, focusing them on their core purpose and ensuring they absolutely achieve the outcomes their customers and stakeholders desire. This is done by eliminating all costs and activities ("waste") that don't add value. Lean encourages a relentless drive to deliver great outcomes and a war on waste and the continual improvement of processes and practices by engaging everyone in the organisation.

Alongside Lean, Operations Excellence focuses on the capability of teachers and managers to carry out their day-to-day duties. It introduces simple but effective tools and techniques to prevent errors and to make better use of resources. It uses regular coaching as the most effective way of improving performance and changing behaviours in the workplace.

Together, Lean and Operations Excellence provide a platform not only for business improvement and cost efficiency but also cultural change. By its very nature it is collaborative and engaging, providing an opportunity for staff members to turn frustration into creativity in solving day-to-day problems.

Stephen Morales

Chief Executive, NASBM

Executive Summary

A study was carried out at a very efficient school with an Outstanding Ofsted rating with the objective of identifying whether there was any further scope for improvement. Despite the extensive progress that had already been made, many additional best practice efficiency opportunities were identified to save money, provide better value for money or release time for student-facing activities.

This paper provides guidance on what schools can do differently and outlines the actions that can be taken and the specific areas that can be explored for financial savings and efficiency improvements. The vast majority of the proposed best practice opportunities can be implemented at minimal or no cost, without specialist skills, and are applicable to schools of any type and size. Savings of 10—20% in costs (other than teaching staff and property) is a realistic expectation from implementing these recommendations effectively.

The following are the main areas covered in the report that you can explore for financial and efficiency improvements. These are ordered here by level of financial impact and/or ease of implementation rather than the order in which they are presented in the report:

Clusters or multi-academy trusts

Identifies the financial benefit potential of creating a cluster, as well as some of the implementation practicalities.

Optimising bought-in services

How to make use of widely available professionally negotiated procurement frameworks as well as apply best practice to minimise expenditure on all purchases.

Leadership including focus on finances

Ways to develop the SLT's financial and budget awareness and understanding as well as enhance their approach to teacher development.

Getting the most from technology in the school

Tips for getting the most from existing technology and how to reduce print and copy costs.

Making effective use of leadership time

Reduce the time spent on meetings and reduce the frequency of emails and incidents.

Administration and finance department

Techniques for managing cash and payments, plus the key processes to look at for improvement opportunities and how to approach these.

Organisation of admin teams and office areas

Ensure that team leaders are effective and avoid visitors constantly disrupting admin staff.

The following sections of the report are intended to help with getting the most out of your improvement efforts:

Developing capabilities for improvement

Skills not traditionally found in schools that would significantly enhance school performance.

Realising the benefits from improvements

Tips to ensure that improvements made turn into real financial savings or teaching capacity.

Introduction

Based on a strong belief that there are significant efficiency opportunities available, even in the most efficient schools, NASBM, Optimus Education and OEE Consulting undertook a research study to look at an “efficient” school. The school chosen for the study was a secondary school academy of 1500+ pupils with an Outstanding Ofsted rating and top-quintile results in all subjects. It was found to be well run by an engaged management team. They had made significant progress with their improvement efforts already and had succeeded in transforming their budget from a projected deficit to a balanced budget for the foreseeable future.

The approach involved a review of the finances, interviews with key members of the leadership and admin teams, process observations, workshops and diagnostic studies. This led to the identification of a range of best practice opportunities for reducing costs or improving value for money such as releasing more time for effective teaching, above and beyond the improvements that had already been implemented at the school. This paper outlines all of the improvement opportunities identified, whether previously implemented by the study school or seen as further potential. The best practice opportunities are grouped into logical areas and each opportunity is outlined with enough guidance to get started on implementation. A limited number of the improvements suggested may require research into, or training in, improvement techniques to realise the full potential. Nevertheless, a bit of clear rational thinking should enable some improvement to be made even with current capabilities.

The study also reviewed the organisation and budgets for a number of other schools in the local area of the study school to identify the cluster opportunities that may exist and the potential benefits that would derive from entering into such an arrangement. This paper includes a worked example of how a cluster arrangement could work and the financial benefits that would result, as well as some practicalities that need to be considered if implementing a cluster arrangement.

Improvement philosophy

It is a commonly held view in the public sector, much reinforced by the media in its coverage of public service issues, that there is a direct correlation between services delivered and cost.

- To improve service (especially from a position of failure) it is necessary to spend more
- To reduce cost it is essential to cut services

OEE Consulting fundamentally challenges this view. Their vast experience in both commercial and public sector clients is that, by using proven world-class improvement techniques, it is possible to both increase service and reduce cost simultaneously. This is done by systematically stripping away all of the waste and failure until all that remains is a system that provides great service at the lowest-possible effective cost.

The best practice opportunities set out in this paper are intended to achieve one or both of the following, but neither to the detriment of the quality of education provided:

- Reduce cost for the school
- Improve value for money, for example releasing time for other activities such as providing more effective teaching

To assist in these objectives, aim to minimise or eliminate the time teaching staff spend on non-teaching tasks. Arrange to transfer these tasks to (lower-cost) admin staff to enable teachers to maximise their time on educational activities as well as realise cost savings.

Leadership

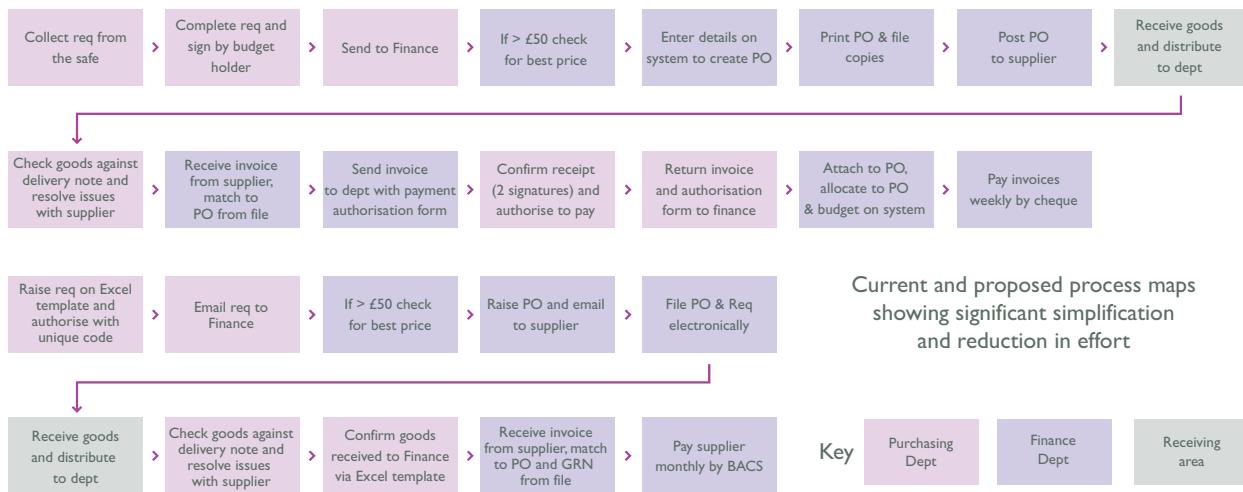
The school leadership team (SLT) are in an ideal position to influence the financial results for the school, as well as build a culture that promotes collaboration and good value for effort.

Best practice opportunity	Rationale
<p>The governors should hold the SLT to account on financial management matters, as well as prudent budget forecasting and planning. Key points:</p> <ul style="list-style-type: none"> • Recruit governors with financial skills • Finance & budget as a regular agenda item • Governors to challenge financial decisions 	<p>This is essential to ensure that the SLT don't become solely immersed in teaching and pupil welfare considerations and lose sight of their obligations to manage within their financial constraints.</p>
<p>The SLT need to be aware of and understand the finances and the implications of the budget. Create a regular agenda item at SLT meetings to review the finances and performance against budget.</p>	<p>A sound understanding of finances and budget implications will promote better and more balanced decisions.</p>
<p>Senior teaching staff should ensure that tutorial sessions are productive. Emphasise that there is an expectation of completing constructive work rather than focusing on social interactions.</p>	<p>Better value for money and educational outcomes.</p>
<p>The SLT should strive to create an inclusive team environment — one where the entire school staff work together for the benefit of the school:</p> <ul style="list-style-type: none"> • No demarcation lines between faculties or teaching/admin staff • Instil a mindset of “every penny counts” • Encourage all staff to take ownership of issues they encounter, e.g. stepping in to address discipline issues as they occur, not leaving them to the “responsible” staff member 	<p>Collaboration and taking ownership ensure that things are dealt with quickly and efficiently, with a minimum of wasted effort.</p>
<p>The SLT should strive to create an environment where teaching staff and admin/support staff collaborate to ensure that events are run well and safely.</p>	<p>Collaboration will ensure that events are managed efficiently and effectively, with a minimum of wasted effort.</p>
<p>Teaching staff (both new and experienced) can be helped significantly in their development and output quality by the introduction of an informal and regular observation regime (in addition to formal observations), supported by rapid constructive feedback and frequent effective coaching.</p> <p>This should include developing a culture of sharing best practice — either one to one or in group sessions so that teachers learn from each other what has proved to work well. Provided that this approach is implemented in a constructive and supportive way and not as a punitive measure, then it is well accepted and effective.</p> <p>The same approach applies to both admin and support staff.</p>	<p>Without identifying areas for improvement together with support or guidance on how to change, teachers won't improve. Teachers can develop and embed poor teaching practices that infrequent formal observations can fail to identify.</p> <p>Admin and support staff are often left without any support on how they can develop and improve.</p> <p>Better performance results in better value for money and educational outcomes, as well as improved job satisfaction.</p>

Administration and finance

With schools having their primary focus on teaching and student welfare, it is easy to take administration and finance areas for granted and lose sight of inefficient or ineffective processes. However, this can be one of the areas where improvements can be implemented easily without having to worry about the effect on educational outcomes.

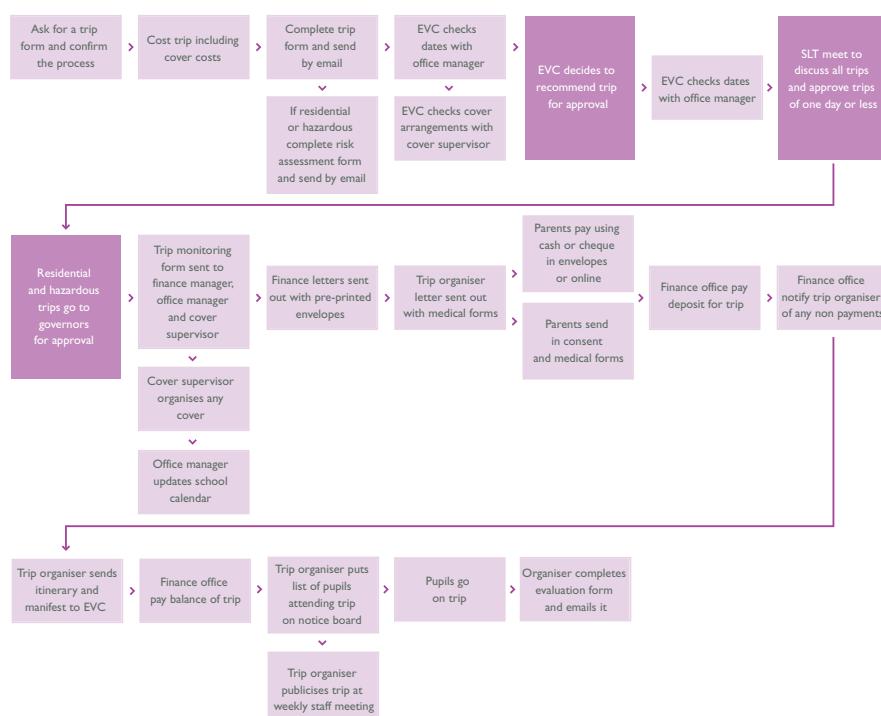
Best practice opportunity	Rationale
<p>Pay attention that the basics are done well throughout school admin activities. Establish clear lines of responsibility for admin processes and communicate these well throughout the school so all staff know who to contact for a specific need.</p> <p>Document and validate all admin processes to ensure that they are robust and not reliant on the knowledge of individual staff members.</p>	<p>Poor admin impacts all staff and therefore student outcomes. Processes that aren't well documented are at risk of catastrophic failure on the loss of key staff.</p>
<p>Use BACS to pay supplier invoices rather than cheques.</p>	<p>Saves time writing cheques, postage costs and bank charges for cheques.</p>
<p>Keep a close track on any invoices raised by the school and tightly manage the debtor status — don't let invoices become overdue.</p>	<p>Unmanaged invoices increase risk of bad debt and therefore lost income.</p>
<p>Use innovative techniques to maintain accurate student data, e.g. add additional fields (if necessary) to the consent forms for school trips or events and capture this information into the student database on return.</p>	<p>Accurate student data is critical and can incur a lot of effort to capture and verify.</p>
<p>Ensure that there is only one version of student data, i.e. not electronic and paper, or multiple electronic versions.</p>	<p>Avoid duplicate amendments and mismatches/inaccurate data.</p>
<p>Consider carefully the value of advertising the school in local press etc., particularly if the school is over-subscribed.</p> <p>As an alternative, focus effort on good-quality editorial pieces which have a better impact at little cost.</p>	<p>Advertising is unlikely to be good value for money.</p>
<p>If the school is carrying a cash surplus, do not leave these funds idle in the current account for extended periods.</p> <p>Take the time to research and invest these funds in a safe financial instrument that will pay a good rate of return yet allow access to the funds as required.</p>	<p>Current accounts pay little or no interest on cash balances. Many bank savings accounts are little better.</p>
<p>Ensure your school bank account includes free electronic payments and money transfers and pays interest on credit balances.</p> <p>Be aware of how bank charges are applied and plan your financial activity accordingly to minimise these.</p>	<p>Bank charges can mount up and result in an unnecessary financial burden.</p>
<p>Check that your end-to-end “requisition to pay” process is as simple and robust as possible.</p> <p>Aim to minimise the use of paper in the process where possible, but it isn't necessary to invest in specialist software packages.</p> <p>If required, use simple MS Excel and Access solutions. (Give your ICT students a project.) Your solution should provide a clear picture of current live orders and current outstanding commitment. An example process improvement is shown in Figure 1.</p>	<p>A lot of time and effort can be wasted managing and running ineffective and inefficient processes.</p>



▲ Figure 1. Process simplification example

Best practice opportunity	Rationale
Use a digital payments portal (such as +Pay or Parent Pay) to manage online payments from parents or cash via PayPoint. Integrate with cashless payments for catering.	Minimise the use of cash to limit risk of theft and loss. Minimise bank charges and cash management effort.
Obtain a business credit card for online and other purchases that will accept cards. Ensure that adequate controls are maintained.	Business cards will simplify orders, consolidate invoices and payments.
Establish a continuous improvement culture. Educate all staff in problem-solving techniques and the skills needed to identify waste, inefficiency and ineffectiveness.	All staff continuously focused on driving even small improvements builds into significant change over a period of time.
Challenge staff to drive out all waste and to implement improvements that will make their working life easier and more rewarding.	
Build flexibility into admin teams by multi-skilling staff so they can perform more than one task, as required by varying demand.	Staff with only a single skill restrict the ability to match resource to demand.

FINDINGS



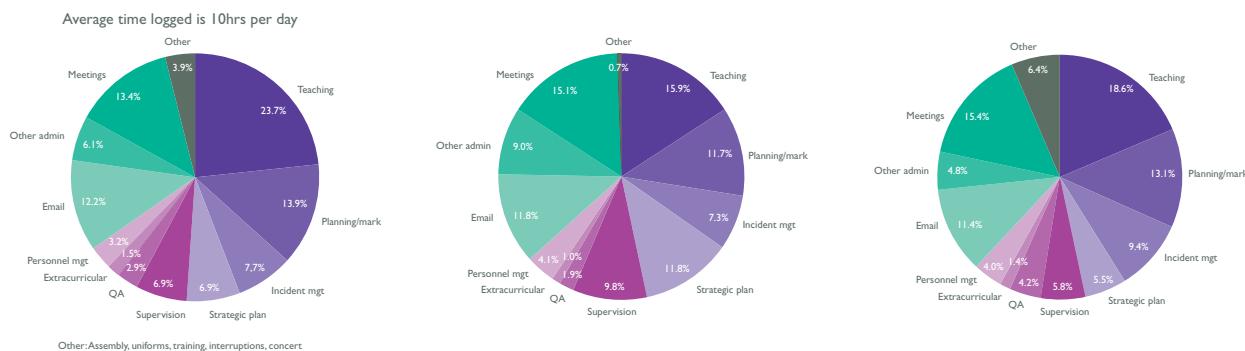
▲ Figure 2. A typical school process with waste opportunities identified

Effective use of time

SLT and senior admin staff have multiple intense demands on their time. It is therefore essential that the value and importance of these activities is well understood to avoid spending a lot of time on wasteful or non-essential tasks. It is also important to ensure that necessary tasks are completed as efficiently and effectively as possible.

An activity-logging exercise was carried out to identify how the time of the SLT and senior admin staff is expended and to identify opportunities to improve the effective use of their time.

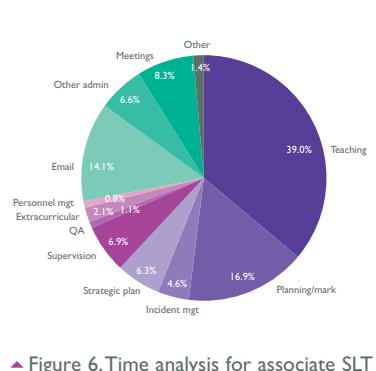
Figures 3 to 7 set out the results from the activity logging and the best practice opportunities that were identified as a result. Due to the timing of the logging activity, the sample size was relatively small and some of the activities were under-represented through the sample period. Nevertheless, it is felt that the results still provide useful insight into where opportunities exist. Meetings and emails were the obvious candidates for further attention due to the sheer amount of time expended on these potentially non-value-adding activities. Incident management is a problem area in that it is nearly all unplanned and can be very disruptive. Some opportunities not covered by the study are also included for consideration.



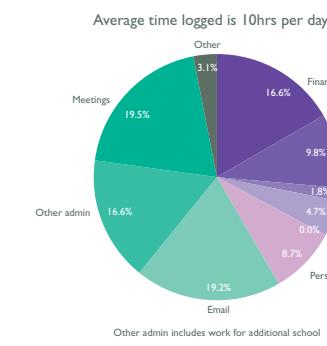
▲ Figure 3. Time analysis for SLT who teach

▲ Figure 4. Time analysis for deputy heads

▲ Figure 5. Time analysis for assistant heads



▲ Figure 6. Time analysis for associate SLT



▲ Figure 7. Time analysis for senior admin team

Meetings

It is very common for meetings to be both time-consuming and ineffective, driving further meetings to address unresolved issues. It takes a concerted effort to break out of this cycle. Rethink how time is used. Don't keep going to meetings every week to discuss things. Focus on what you want to achieve and devise actions to let you achieve those goals.

The key step is to ensure that any meeting is as effective as possible; the following steps will help:

- Pre-distribute any documentation for the meeting at least 24 hours before to allow attendees to pre-read the content
- Have an effective chairperson to keep everyone on track yet ensure all who need to are able to contribute
- Make sure that someone is monitoring the agenda timing to keep everyone strictly on schedule
- Schedule "any other business" for the start of the meeting and for each item decide whether to include it at the end of the meeting or defer to a subsequent meeting
- Assign actions to individuals with a target deadline; follow through on actions and timing as part of the meeting to instil an expectation that actions need to be completed on schedule
- Use smaller working groups, led by the action owner, to research, plan and recommend decisions. The action owner should come to the meeting with a decision-ready plan and aim to present this to the group in under two minutes
- For SLT meetings, break the meeting into an operational and a strategic section. Ensure that the operational section is kept short to allow strategic issues to be resolved
- Consider holding SLT meetings fortnightly rather than weekly. This would allow the time reserved for the SLT meeting on alternate weeks to be used for working groups to progress actions
- For shorter meetings, consider having stand-up meetings to keep them short

Best practice opportunity	Rationale
<p>Email is a pervasive stealer of everyone's time. Many poor practices have developed over time which make the problem worse, e.g. "cc all".</p> <p>Staff newsgroups can be set up and used to consolidate a number of internal "update" messages or other low-priority communications.</p> <p>Email inbox management is an area where there tends to be a wide range of personal preferences and which provides an opportunity to improve.</p> <p>Set up a working group to identify email best practice and then share it with all staff.</p> <p>There may need to be a period of monitoring to ensure that staff are adopting best practice.</p> <p>A useful set of tips for reducing email traffic is available from http://emailcharter.org</p>	<p>Excessive emails potentially obscure important emails, as well as take time that could be used more effectively elsewhere.</p>
<p>Incidents triggered by student behavioural issues are disruptive to both staff and other pupils and take a lot of time and effort to resolve.</p> <p>Start by logging all incidents in the school ensuring that all relevant data is captured. Analyse the incident log to identify the root cause as well as any patterns or themes.</p> <p>Implement mitigating or corrective action to reduce the occurrence.</p>	<p>Incidents are often treated as inevitable or unavoidable. However, by understanding where, when and why they occur, it should be possible to manage and reduce the frequency and/or severity.</p>
<p>Make sure that you are making effective use of your TA resource.</p> <p>Implement data gathering to establish how their time is spent and to evaluate where and how they add most value.</p> <p>Reconsider how TAs can be used in innovative ways rather than continuing to follow established practice, e.g. using experienced TAs as cover teachers may be a more cost-effective solution than supply teachers.</p>	<p>TAs are a significant proportion of the resource pool and should be used to add as much value as possible.</p>
<p>Check to see how well the allocation of teaching time via timetabling matches teaching demand. Is there an excess or shortage of teaching capacity? If there is an excess, how effectively is this spare time utilised?</p> <p>Supply teacher expenditure can be an indicator of whether teacher staffing levels are correct or not: Very low expenditure on supply teachers can be indicative of excess capacity that is being redeployed to cover shortages. Very high supply teacher expenditure probably indicates a systemic shortage in teaching resource. Making up the shortfall with permanent staff would likely be more economic than continued use of supply teachers.</p>	<p>As the major cost line in a school's budget, the number of teaching staff requires careful management and control to minimise total costs.</p>
<p>Ensure that all staff, particularly managers, fully understand the concept of value-add and non-value-add time.</p> <p>Have them analyse their own activities, identify and eliminate non-value-add activities to free more time for value-adding activity, e.g. time spent rekeying data could be better spent on coaching staff.</p>	<p>Removing non-value-add activity is a relatively easy and cost-effective way to create additional capacity.</p>

Organisation

How admin team leaders and their teams are organised can impact the effectiveness of the teams as well as the cost. Another key organisation issue relates to poor office layout. Where there is an interface between office staff and either parents, students or other staff, poor layout can result in repeated interruption of staff trying to do their work with consequent loss of productivity.

Best practice opportunity	Rationale
<p>A common problem in schools is a desire to retain experienced admin staff who aspire to a higher earning potential.</p> <p>The consequence is the creation of additional (unnecessary) team leader roles and promoting staff into them. This results in teams with very small spans of control and a top-heavy cost structure.</p> <p>Paradoxically, with small teams the level of management of the work actually goes down as the team leader focuses on doing work themselves rather than managing.</p> <p>This whole situation needs to be addressed by resetting team sizes to the optimum span of control of between 8 and 12 to 1.</p> <p>This will be more effective even if the manager then operates across functions. The benefit is the manager can then focus on team quality and performance.</p>	Optimum team sizes will ensure minimum overall cost as well as maximum productivity and quality.

Office layout for greeting and work

- Ensure that access to the school site is restricted and controlled through the day to maximise security and child protection
- Plan for the reception desk to be staffed constantly throughout the day to enhance security and welcome visitors. This can be achieved by rotating roles, having two staff who cover each other, or one staff member who has designated covers. The person staffing the desk should have appropriate work that they can complete at reception when there are no visitors. If they have to leave the reception for any reason, then they need to ensure that their cover is in place first. There will therefore always be someone there to allow visitors access on to site, greet them and log/control their movement into the school
- For office areas such as student services, parent services, or admin areas that staff regularly drop into, provide a focal point for visitors such as a service counter or an arrivals desk. Ensure that this desk is staffed at all times as per reception by someone who deals with visitors' queries and then channels them elsewhere in a controlled manner if appropriate. This eliminates the problem of visitors walking in and addressing the whole team, disrupting the flow of work for many
- Adopt similar arrangements for telephone calls. Route all calls to one phone. This phone can be diverted when that person is away from the desk. The phone line should overflow to a second designated phone when the first one is busy,
- Arrangements should also be made for work (e.g. documents.) that is being dropped off or collected. Have a single drop/collect area clearly marked so that the location of all deposits/collections is known and searching for lost work is avoided
- Rotas for manning the welcome desk and phone can be set up if appropriate

Bought-in goods and services

Diligent procurement and attention to detail offer abundant opportunities to reduce costs from suppliers.

Best practice opportunity	Rationale
<p>There are many government and local authority procurement frameworks available for access by schools.</p> <p>These frameworks have agreed bulk purchase deals with a range of suppliers, are fully compliant with EU requirements and do not require further tendering.</p> <p>Examples include: YPO, ESPO, Crown Commercial Services. NASBM also operates an energy framework and has contacts for others.</p>	<p>Group purchasing arrangements can negotiate much better pricing than individual schools could.</p>
<p>If cleaning services are to be outsourced, ask the suppliers to quote for an output specification (a defined quality standard of cleanliness) rather than a fixed-hours contract.</p> <p>Once in place, ensure that you regularly monitor performance against the contract standard and hold the supplier to account if there are any shortfalls in quality.</p>	<p>An output specification allows the supplier to invest in improved cleaning techniques and technology to reduce the cost of the contract. It also ensures that a defined quality will be achieved, which isn't the case with a fixed-hours contract.</p>
<p>If you don't have capable timetabling software or in-house expertise, consider outsourcing timetabling.</p>	<p>Make use of specialist expertise and gain access to dedicated technology.</p>
<p>Outsourcing payroll can be a good way to reduce fixed costs. Just make sure you negotiate a good deal and check service references.</p>	<p>Make use of specialist expertise and gain access to dedicated technology.</p>
<p>Give a specific member of staff responsibility for procurement (part time) and train them how to do it properly.</p> <p>Analyse current spend on suppliers and start work on the biggest spend areas or those large ones with contracts due for renewal in the short term.</p> <p>Provide temporary expert help if OJEU tenders are required. Set a threshold for purchases and check all requisitions over the threshold for best price.</p>	<p>Increases awareness of opportunities and frameworks and capability of purchasing process. Experience facilitates better negotiation and the expectation of lower prices.</p>
<p>Establish a procurement policy for the school.</p> <p>Ensure that all purchases go through the designated procurement process and are subject to the same rigour and control.</p> <p>Also ensure that the budget holder for the purchase approves and commits to all of their purchases.</p> <p>Limit teaching staff to defining the requirement and task the admin team with sourcing the best supplier.</p>	<p>Having established an effective procurement process, ensure it is used for all purchases. Minimise teaching time spent on non-teaching tasks.</p>
<p>For distributed stocked items, such as stationery and other consumables, maintain a central stock control or reorder triggers to maintain total stock at a minimum practical level. Redistribute stock when possible.</p> <p>Aggregate orders for all stock locations.</p>	<p>Minimise effort and the number of invoices and payments. Take advantage of volume pricing and reduced delivery costs where appropriate.</p>
<p>Train someone in process design so that if processes are outsourced, an effective overall process can be put in place.</p>	<p>Outsourcing can result in inefficient interfaces with the outsourcer.</p>

Technology

There are a number of opportunities to take further advantage of the technology that may already exist in your school.

Best practice opportunity	Rationale
<p>As school laptops reach the end of their scheduled service life, retain a number of them rather than disposing of them. Once configured with appropriate software and maintained with current lesson plans these can be provided to supply teachers for their use while at the school. The supply teacher can then take the register without paper records and may be able to cover lessons.</p>	<p>Make more effective use of supply teachers and avoid manual work keying records data.</p>
<p>Ensure that all school computers and laptops are well maintained (run disk clean-up and defrag and keep operating system, drivers and software updated) and be careful to install all software correctly.</p> <p>Leave PCs on or on standby during the day.</p>	<p>Minimise disruption during classes due to computer problems and avoid wasted lesson time waiting for computers to boot up.</p>
<p>Consider using email, text or a service such as ParentMail for all parent communication and documentation rather than sending letters home with pupils or via post.</p> <p>Survey parents or conduct a small random trial to test response & reaction before committing. It is recommended that inbound email is routed through a single email address which is filtered and distributed by a designated member of staff.</p>	<p>Reduce printing and postage costs and time distributing letters. Increase the response rate and reduce the incidence of lost or undelivered letters.</p> <p>Filtering email will minimise disruption to senior and teaching staff.</p>

Regraphics and printing

Regraphics and printing can be a significant recurring cost for schools. A bit of thought and application can go a long way to reducing costs and improving service in this area. Prioritise: a) print avoidance, b) print reduction, c) print cost reduction.

- Establish a standard submission route and format (e.g. by email with attachment to a designated email address with a template form: document, quantity, date/time required) so that work can be effectively organised and prioritised
- Analyse print and copy usage by department and focus attention on saving costs for big users
- Review the copy/print charge in your supply contract and plan usage accordingly
 - If the copy charge is a fixed amount per page, irrespective of size, then print A4 documents on A3 and guillotine
 - If printers are charged by ink coverage on the page, then send heavy coverage documents for printing on the copier
 - As larger copier/printers typically have a lower charge, place a limit on local print runs and centralise others
- Invest in print/copy management software such as Papercut:
 - Set control rules for printers/copiers, e.g. default to B&W with authority required for override
 - Set print quantity limits per user, departments and local printers/copiers
 - Reports per department highlighting usage to enable analysis and cost avoidance
- Copy paper is a large expenditure — shop around carefully but avoid low-quality paper as it results in more problems with jams and maintenance costs. Copier and printer leases are an even larger expenditure warranting effort to find good deals. Savings of over 20% can be made in these two areas
- When durability is required, print on plastic paper rather than print on paper and laminate — just as durable and saves a lot of manual effort/cost
- Scanning is often a free capability — encourage teaching staff to scan documents and use electronically to avoid copying costs
- Consider investing in graphics software, if not already available in school, and use this to lay out documents such as the school handbook alternatively, outsource graphics creation and self-print
- As capability develops, the above can be extended to providing a chargeable service to the local community, with clear management and controls to ensure that school work doesn't suffer

Cluster opportunities and associated benefits

The advantage of schools entering into a cluster arrangement or a multi-academy trust (MAT) are many. Some of the specific areas that should be considered for financial benefits potential are:

- SLT. A cluster of schools can be run with a single representative SLT, reducing the number of senior roles required. For example, there could be a single head teacher for the group located at one site with senior deputy heads at the other sites. Faculty leads could be shared across secondary schools in the group, etc.
- The finance departments. A cluster or MAT can expect considerable savings from consolidating finance activity. A single finance function can be established to manage all financial activity and reporting for all members of the cluster/MAT. This potentially reduces the number of senior staff required with capacity shifted to lower-cost roles. The consolidation would also reduce volume and costs in a number of areas: reduced invoices and associated payments, single payroll overhead, single financial report, reduced audit charges, etc.
- Other options for consolidated teams across the group could include: procurement, timetable planning, exams planning, IT support, etc. Larger teams allow more efficient spans of control
- Capital equipment intensive activities could share capital and human resources to reduce investment requirements as well as improve resource utilisation, e.g. reprographics, groundskeeping, general building maintenance, and catering

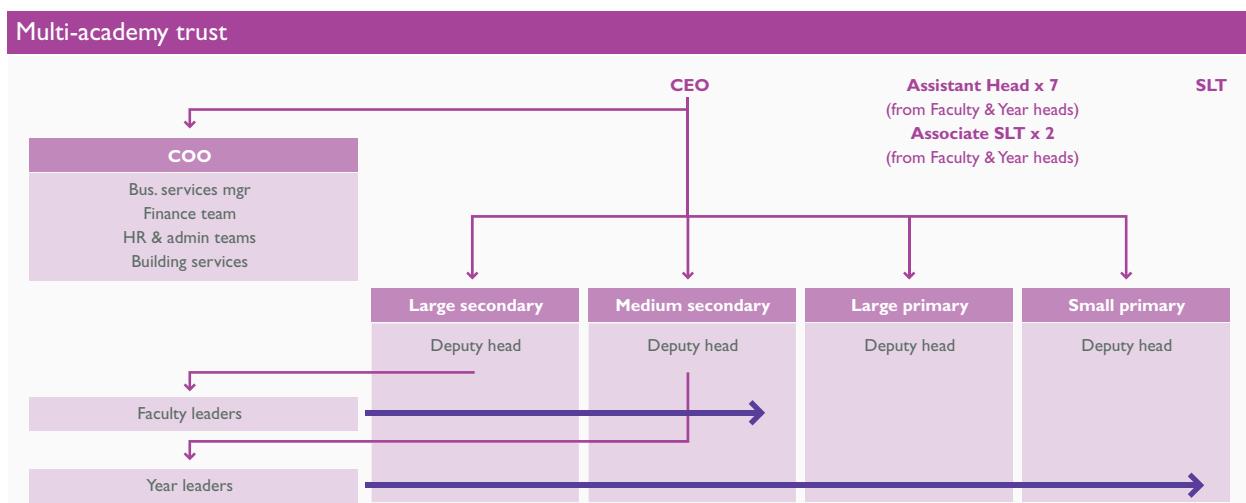
Outsourcing cleaning and catering contracts should enable the negotiation of better rates for a cluster as a single supervisor should be able to manage activities across sites and catering may be able to produce all meals in one location for distribution to the cluster.

Clusters — Worked example

An example of a conceptual MAT could comprise: large secondary academy, medium secondary academy, large primary and a small primary. The organisation charts prior to becoming a cluster are shown in Figure 8 and the new organisation as a cluster is shown in Figure 9. The projected financial implications of this can be estimated as shown in Table I.

Large secondary	Medium secondary	Large primary	Small primary
Head teacher SLT	Head teacher SLT	Head teacher SLT	Head teacher SLT
→ School bus. mgr	→ School bus. mgr p/t	→ Deputy head x 2	→ Year head x 2
Bus. services mgr Finance team HR & admin teams Building services	Bus. services mgr Finance team HR & admin teams Building services	Bus. services mgr Finance team HR & admin teams Building services	Bus. services mgr Finance team HR & admin teams Building services
→ Deputy head x 2	→ Deputy head x 2	→ Year head x 4	
Faculty leaders Year leaders	Faculty leaders Year leaders		
→ Assistant head x 5	→ Assistant head x 3		
Associate SLT x 2	Associate SLT x 1		

▲ Figure 8. Organisation charts for schools prior to cluster



▲ Figure 9. Organisation chart for schools as a cluster

Area	Before	After	Savings
SLT	Large secondary: Head + SBM + 2 x deputy head + 5 x assist head + 2 x assoc SLT Medium secondary: Head + administration support (p/t) + 2 x deputy head + 3 x assist head + 1 x assoc SLT Large primary: Head + 2 x deputy head + 4 x year head Small primary: Head + 2 x year head	CEO + COO + 4 x deputy heads + 7 x assist heads/year heads + 2 x assoc SLT Junior school heads retain role as senior deputy heads	Saving = 1 head, 0.5 x administration support, 4 x DH, 9 x AH/YH Some of these would be replaced with teachers
Finance	BSM + 3, BSM + 2, BSM + 1, sub-con	BSM + 6	2 x BSM + audit fees
Exams + data	ExO + data + 2, ExO + data + 1	ExO + data + 3	ExO + data - 1 x exam assistant
Reprographic	Imgr + 1p/t, 1p/t, 1p/t	Imgr + 1	1 p/t + several leases
Cleaning/catering	Cleaning: 1xTL, 1xTL, 1xTL Catering: 1xTL, 1xTL, 1xTL	Cleaning: 1xTL Catering: 1xTL	2 x TL cleaning, 2 x TL catering
IT support	IT mgr + 2, IT mgr + 1, 1	IT mgr + 4	IT mgr
Facilities	F mgr + 7, F mgr + 6, 2	F mgr + 13	F mgr + 2
		Total savings (estimate):	£645,000

▲ Table 1 — Cluster schools worked example

Practicalities

There are a number of practical considerations that will need to be taken into account when implementing a cluster arrangement:

- The aggregate number of senior roles will need to be reduced to realise the benefits of the cluster. This is achieved by giving managers broader responsibility, thereby reducing the overall number of managers. Some of these will need to be replaced by a smaller number at a more junior level to maintain the baseline teaching capacity. There will need to be a managed reduction in staff, mainly at the larger schools
- The lead role for the cluster will likely be more akin to a CEO than a head teacher, with increased emphasis on realising value from the cluster and exploiting potential synergies. This will need a broader skill set to take full advantage as well as introducing succession planning challenges
- The creation of centralised teams and functions will need to be carefully managed. It is essential that these teams do not become self-interested bureaucracies with consequent poor service levels. They need to be inspired to be very (internally) customer focused with service levels suited to the needs of their customers
- Use Skype for meetings to minimise travel between sites
- Plan transport to minimise inter-site costs. Use staff travel trips to deliver printing and copying between sites etc

Capabilities

In order to fully realise the improvements identified in this paper and to seek out yet further opportunities, schools need to develop a further new set of skills and capabilities that would not typically be found in schools:

- Business management — As the financial pressures on schools continue to grow, it is essential that the school management team develop their commercial acumen. Being able to spot opportunities to reduce costs or raise additional revenues on an ongoing basis will help the budgetary challenge
- Operations management — Having all managers in the school build up a range of skills which together make up operations management capability will improve the overall effectiveness of the school
- Planning — In addition to refining the planning of day-to-day activities, improving the planning of specific events and projects would save a lot of effort and produce better results
- Performance management — Giving teams clear goals and using visual management to track progress towards them, being able to coach and develop staff more effectively, monitor and motivate them to higher levels of quality and productivity, and address behavioural issues by being prepared to have the difficult conversations with staff when required
- Continuous improvement — Building a set of team-based problem-solving skills together with the ability to identify and capture improvement opportunities, resolve and implement solutions and track the improvement that the solutions deliver
- Process management — The ability to evaluate and improve processes, as well as the skill to ensure that processes are being executed in line with design intent

Training is widely available covering these key skills. Schools can minimise investment expenditure by sending a suitable representative on training who can then return and share the new skills with a wider group.

Realising benefits

Tips on how to realise the benefit of changes

As improvement opportunities are implemented, it is important to track and manage the benefits that are realised to ensure that the released time isn't simply absorbed into other non-value-add activity. Some key techniques that can be employed are:

- Establish a baseline for productivity in a team prior to implementing improvements — how much work effort is required to complete the task prior to change and then measure again after. This establishes the impact of the change and how much capacity/benefit has been created
- Maintain a central benefits tracker to keep track of the aggregate benefit over time — offset this against the time and investment made to implement the changes to confirm the net benefit
- As benefit is created, make sure that it is realised — utilise the time saved in a team by adding other value-adding work or aggregate several savings across teams to release a role. Alternatively, transfer admin work from teachers to admin staff, as capacity becomes available, to release more teacher time for lesson planning, coaching and observations, and other student-facing activity

Consider carefully whether to use “moving to part time” as a way of realising benefit. While it might seem an elegant way of capturing savings of less than one full-time employee, the aggregate costs to the school of managing dozens of differing work schedules, the added real-world costs and complications of job-sharing and the fact that many people-related overhead costs (e.g. payroll, appraisals, IT licences) are fixed irrespective of the hours an individual works, mean that part-time working could be less of an economy than it first appears.

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