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Pocket Watch – Financial health and efficiency in schools

Introduction

Buried in among the various papers released as part of the spending announcements last week was the Government's **Report** on efficiency in the school system. It follows a review conducted earlier this year and provides some important collateral for a Government keen to see as much of the limited resources it has devolved to those closest to the sharp end. The Report came up with nine proposals some of which were cited in the Chancellor's Statement

What did the Report find?

The Report was keen to stress that while no one approach fitted every school, consultation responses plus evidence from some visits and analysis showed that some schools were clearly able to operate more efficiently than others. In an effort to share good practice, the Report identifies seven '*drivers for efficiency*,' ranging from better deployment of the workforce, employing the skills of a business manager and making better use of financial benchmarking evidence

What were some of headline figures that the Report came up with?

One standout figure and quoted in the spending announcements was the enormous variance in per pupil admin costs. Evidence from maintained schools show that these range from £202 to £1432 per pupil in secondary schools and £144 to £1392 per pupil in primary schools. Other interesting data include the savings that can be made by working collaboratively. The DfE for instance claim to have saved £1.6m last year by negotiating national copyright licensing, while the National College reckon the deployment of Business Managers generated £306m in savings and income between 2002, when many first appeared, and 2008

So what do schools spend most of their money on?

Unsurprisingly most of it goes on staffing costs, 78% in secondary schools, 79% in primary schools. Other costs include: premises, 6% for secondary, 7% for primary; learning resources, 4% for both secondary and primary; bought in services, 1% in each case

What recommendations did the Government come up with?

As indicated, nine proposals. The large bulk cover what might be called operational efficiency: joint procurement, shared resources, and more efficient management practices. Some of these are intended to come from a strengthened role for school governors and some from Dept activity such as small start-up grants to help primary schools work together and hire a Business Manager. Other proposals include better use of financial data and benchmarking with the Dept pledging to develop a benchmarking report card as well as an overall school efficiency indicator. But a key proposal is more efficient management of human resources, both teachers and support staff with the Dept keen to stress the new freedoms that enable school managers to do this including, more controversially, the application of performance-related pay



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