

Review of efficiency in the schools system

1. Purpose of this Report

The purpose of this report is to consider the recent document published by the DFE on school efficiency and facilitate a discussion on how schools achieve better efficiency.

2. Recommendations

- The Forum note the DFE report.
- That Forum members encourage their collaboratives to feedback practical case studies on value for money.
- A benchmarking club is set up to consist of School Admin Officers and Local Authority Officers with the purpose to collect examples of good practice amongst schools on value for money projects and to share these with all schools.

3. Background

3.1 The Department for Education has published a review of school efficiency. They undertook the review as they wanted to make sure that schools do their part in securing value for money in public spending. They wanted to support schools to learn from the best and drive even better outcomes from the money that they spend. The review identified seven key characteristics of the most efficient schools, which are detailed in paragraph 4 below.

3.2 There are many tools available to heads and governors to help determine how to secure better value for money. If anything maybe too many. Recently we considered and held discussions with schools regarding the research undertaken by the Sutton Trust in relation to the pupil premium. The Sutton Trust analysed different types of expenditure and linked them to the number of months improvement in children outcomes. A pictorial representation of their findings is shown in Appendix E to this report.

4. The review of efficiency in the schools system

The full DFE report can be found on the following website

<https://www.gov.uk/government/publications/review-of-efficiency-in-the-schools-system>

The latest DFE research describes what they feel to be the seven key characteristics of the most efficient schools. They conclude these schools:

- 4.1 Deploy the workforce effectively**, with a focus on developing high quality teachers. It is accepted that teacher quality is proven to be the single most important feature of successful education systems. The DFE feel the most efficient schools they visited, invest a great deal of effort to get the staffing structures right, recruiting the right people and ensuring that they are continually supported to improve.
- 4.2 Make use of evidence to determine the right mix of teaching and education support staff.** The DFE found that, particularly in the secondary phase, high attaining schools tend to spend proportionately more on teaching staff and proportionately less on education support staff than their lower attaining peers. This was still the case even when comparing schools in similar circumstances and with similar pupil intakes. However, the way schools deploy support staff is also important, with the potential to have a significant and positive impact on pupil outcomes if used in line with the evidence on what works.
- 4.3 Employ or have access to a skilled school business manager who takes on a leadership role.** They state that there is strong evidence that the employment of a high quality school business manager (SBM) can enable schools to save significant amounts of money. In all the schools we visited the SBM plays a prominent role.
- 4.4 Make good use of financial benchmarking information to inform the school's own spending decisions.** Schools that use benchmarking information to compare themselves to similar schools, and who act on what they find, manage to generate significant savings.
- 4.5 Make use of school clusters**, sharing expertise, experience and data, as well as accessing economies of scale when making shared purchases. All the schools that they visited that were part of some kind of cluster arrangement, they felt there was clear evidence that schools can drive far-reaching efficiency savings by working together with other schools.
- 4.6 Manage down back office and running costs.** The DFE feel there remains considerable variation in the amount that similar schools spend on running costs, such as energy or premises. The most efficient schools drive these costs down through improved procurement practices and a greater focus on value for money.
- 4.7 Have in place a strong governing body and leadership team** that challenges the school's spending. A governing body that is willing to

Efficiency Review

challenge schools on their use of workforce, their use of benchmarking information and the other aspects drawn out above, is a vital factor in encouraging greater whole-school efficiency. Where this is supported by a strong leadership team that is open to and welcoming of this challenge, schools can make significant efficiency gains.

- 4.8** The findings are probably not surprising as they surround similar themes that have been discussed widely in the past. The importance though is that Governing bodies and Headteachers are considering them when setting their school development plans and school budgets and ask themselves challenging questions.
- 4.9** The DFE in this report produced a number of graphs to compare spending patters in high and low performing schools. Their conclusion being that high performing schools spend more on teaching staff than they do on education support staff. This ties in with the Sutton Trust research. The graphs have been recreated for Lewisham schools and are attached in the appendices(A to D) to this report. While there is not such a marked correlation, if you apply a trend line to the graph it does broadly support this argument.

5 The next steps

- 5.1** We plan to send out our own benchmarking data at the end of this month and will include details of the findings of the DFE report together with some of the graphs on spending on teaching and education staff. We will encourage governors to review their spending patterns as they build next years budget.
- 5.2** It is important that there is sharing and co-ordination of good practice where a school has already made efficiency gains. One vehicle for this deliberation would be the collaboratives. Alternatively a group of School Admin Officers work with Local Authority Officers could be set up to discuss practical ways to increase value for money in schools. This would be originated and supported by officers who would report back to the Forum in the Spring.
- 5.3** An alternative avenue would be to equip school business managers to use benchmarking data and other sources to identify areas where some schools do well and for them to bring ideas to your management teams which are relevant to your school.
- 5.4** Perhaps Forum can initiate the process by forming a sub group of Heads who would bring examples of developments they have undertaken in school that have led to improved efficiency or effectiveness in the use of resources. The group could be asked to produce two or three examples of case studies for Forum consideration that could then be promoted with all schools?