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**National College**

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**Schools and academies**

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# School Business Management

## A quiet revolution

Part 1

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**Resource**

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## Part 2

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# Introduction

Revolutions in education tend to occur quietly. The upsurge in numbers of teaching assistants and higher level classroom assistants in schools is one such revolution. Another is the growth of school to school leadership support working beyond their own school sites to support other leaders and schools in need of help. A third revolution is presently under way; it is the move to the appointment and effective deployment of school business managers (SBMs).

When Estelle Morris, the then Secretary of State for Education, pledged in 2001 to train 1,000 bursars by 2006, few people in the education sector anticipated that this would trigger the groundswell of interest that it did. Yet that announcement launched a movement across the school system which continues today and is set to go further in the future. It was the start of a quiet revolution.

Announcements from Secretaries of State are, by today's standards, common enough events. Those that set in motion new trends in schools and have lasting appeal are perhaps less common and more important. The introduction of training for bursars started a trend that has grown and developed, and at a rapid pace. Moreover, the trend, whilst co-ordinated and supported by the National College for Leadership of Schools and Children's Services (hereafter the National College), has happened because the emphasis on school business managers has a clear logic and appeal to school leaders and governors.

There have been bursars in schools for a long time. The independent sector in particular has made good use of such postholders for many years, but so too have secondary schools in the maintained sector. What has happened since 2001 has been an increase in both the number of these posts in all types of school – primary, secondary and special – and in the number of schools having access to them. Furthermore, the nature of the role has changed. Bursars typically were responsible for finances, but because the role has expanded, today the majority have the job title of 'school business manager'; and that is the title used throughout this book.

School business managers deal with much more than money. They have a portfolio of responsibilities and skills that supplement and complement those of other school leaders, especially those drawn from classrooms and with teaching backgrounds. There has been a series of studies conducted recently examining school business managers' roles, responsibilities, development and deployment. This book draws upon these studies

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and shows there is strong evidence demonstrating that a change is now under way to transform how schools, and groups of schools, manage their organisational resources and maximise the yield and returns from them.

The book is organised in two parts. Part 1 presents an overview of the evidence, showing where the move to school business managers started and what happened in the early years of training them. Then the current state of play is set out before looking at what is needed next and in the future.

Part 2 summarises four major studies that underpin the narrative in part 1 and these can be found at: [www.nationalcollege.org.uk/sbm-resources](http://www.nationalcollege.org.uk/sbm-resources)

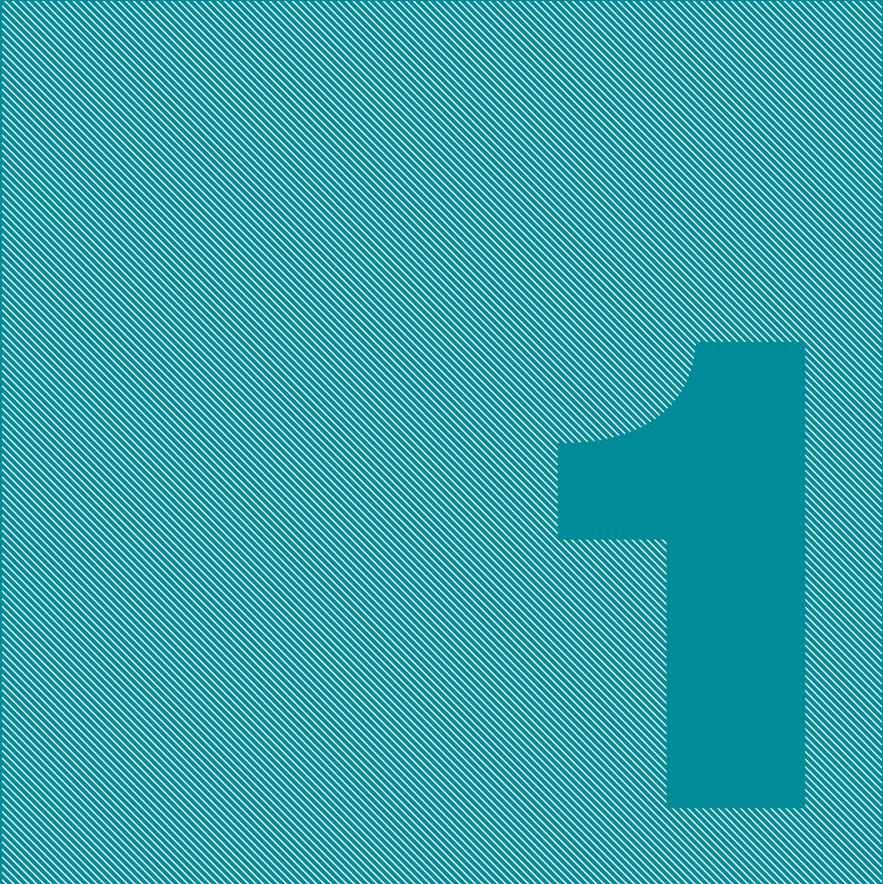
The studies are:

- PricewaterhouseCoopers (PwC), 2010a, Strategic Study of School Business Managers and School Business Directors, Nottingham, National College for Leadership of Schools and Children's Services
- PricewaterhouseCoopers, 2010b, Cost Benefit Analysis of the School Business Management Programme, Nottingham, National College for Leadership of Schools and Children's Services
- Oakleigh Consulting, 2010, Financial Impact Assessment of the National College's School Business Manager Demonstration Projects, Nottingham, National College for Leadership of Schools and Children's Services
- University of Manchester, 2010, School Business Management Demonstration Project Evaluation Study, (Woods et al, 2010)

Part 1 draws on these four studies as well as other reports including an evaluation of the impact of the SBM programmes (National College, 2004), McKinsey & Co (2007) A New Frontier for School Business Management, the Audit Commission discussion paper Valuable Lessons: Improving economy and efficiency in schools (2009) and the publication from the Department for Children, Schools and Families (DCSF) Securing our future: using our resources well; a discussion paper on the better use of resources in schools (DCSF, 2009a). Part 1 also includes three case studies from the demonstration projects the National College has supported. In Part 2 a fourth case study is included to show what the Darlington Education Village has done - without additional funding to provide access to an SBM.

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# Part 1



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# Background and early developments

Following the announcement from the Secretary of State for Education in 2001, the National College, along with the Training and Development Agency for Schools (TDA) and Lincoln University designed a certificate programme for school business managers. The design was informed by the National College's experience of best practice in leadership development and after pilot work the programme was rolled out nationally in 2003.

The case for such a programme came from recognising that with increased autonomy and delegated funding, schools were not only making the majority of decisions about how to use their funds and deploy resources, but also needed expertise to help them do so and to ensure school leaders were freed from day-to-day involvement in these matters. Given this recognition two things follow: quantity and quality.

Schools need business managers, and therefore, it was essential to ensure there were more of them. Second, they need systematic training to ensure the quality and effectiveness of SBMs remains high. Consequently, the purpose of the programmes was and remains:

to provide SBMs with the training opportunities to expand their skills, knowledge and competences, so that they play a lead role in the management and leadership of the non-teaching elements of schools so that all students can capitalise on their strengths to achieve the social, academic and economic growth required for a sustainable future.

**National College, 2009a:8**

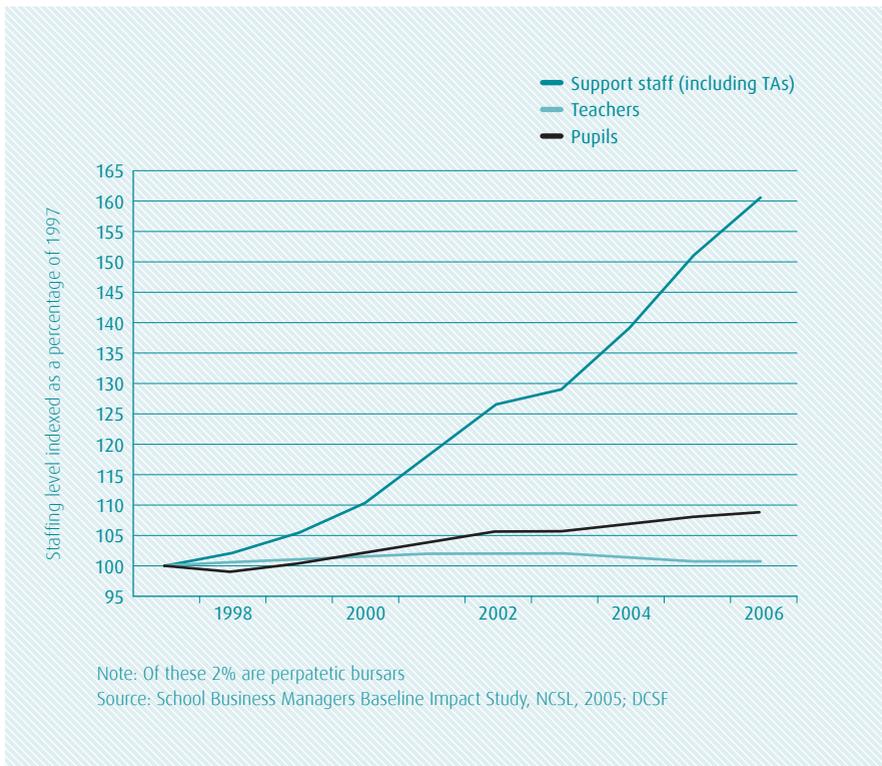
The Certificate of School Business Management (CSBM) is an entry-level programme that provides SBMs with the essential skills and competences required to manage finances and resources effectively. The programme covers:

- financial management
- human resource management
- information and communication technology
- office systems management
- facilities management
- risk management
- sustainable development

These skills relate to more than financial management because alongside delegated budgets, schools have gone through a period when their organisational and

administrative tasks have increased in complexity and their workforces have grown in numbers and been remodelled. Twenty years ago, teachers were the single largest group in a school; today teaching assistants (TAs) and other support staff often outnumber them (Figure 1). Managing those with different professional backgrounds has proved, in some cases, to be a challenge for some headteachers. Having access to well-qualified SBMs who can manage support staff has been one of the benefits SBMs bring to a school.

**Figure 1:** Increase in support staff in schools 1996-2006



The CSBM programme quickly became established. There was great interest and a high demand for places, as Table 1 shows. The number of places available increased from an original 750 to 1,200 in 2004-05. The programme was also accredited by the Institute of Administrative Management (IAM), and is equivalent to Level 4 qualification on the National Qualifications Framework (NQF).

The programme has enabled significant improvements in business management within participants' schools. It has resulted in better use of resources and helped headteachers, other leaders and teachers, to be relieved of administrative tasks, thereby releasing them to concentrate more on teaching and pupil learning. Satisfaction rates with the programme exceeded 90 per cent, as this comment supports:

I've been (at this school) for ten years and I thought I knew everything. It's (the CSBM programme) that totally and utterly opened my eyes and you realise you're doing a job but you are just skimming the surface, there's so much more to the job...and now I want to take it to another level, to go into the more strategic roles of a school business manager.

(Primary School SBM)

40 per cent of participants were able, even at an early stage in the programme's delivery, to cite examples of how they had improved the effectiveness of their school. In fact, all the indicators were so strong that it was decided that additional provision was needed, and so a Diploma of School Business Management (DSBM) programme, as a higher qualification, was introduced during 2003-04 equivalent to Level 5 qualification on the NQF.

**Table 1:** Enrolment figures for CSBM and DSBM, 2001–2004 (academic years)

	2001/02	2002/03	2003/04	2004/05	To end of 2004/05
<b>CSBM Enrolments</b>					
Pilot	100	100	-	-	-
Roll-out	-	-	900	1,200	2,300
<b>DSBM Enrolments</b>					
Pilot	-	-	101	-	2,401
Roll-out	-	-	-	100	2,501
<b>Cumulative Total</b>					<b>2,501</b>

Other data on the early stages of the formation of these programmes is shown in Part 2. Recent studies on the CSBM and DSBM programmes report equally impressive data:

Since the programme started, over 7,000 participants have graduated as qualified SBMs. By the end of 2009, over 5,100 people had completed the CSBM and 1,000 the DSBM...during the period April 2007 and March 2009, the National College

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delivered over 3,600 CSBM and 1,130 DSBM places. This represents the highest numbers of places since the programme began; however demand remains high as indicated by numbers on the programme waiting list.

**PwC, 2010 b:8**

During the early years of the programme's development, international links were established so that the participants and programmes could benefit from awareness of what was happening outside the UK. In the USA, SBMs are seen as a distinct profession, whilst in South Africa the need to release school leaders to concentrate on teaching and learning is critical to improving school performance and sustaining teacher motivation.

It was also acknowledged that a further qualification was needed, beyond the DSBM, and to this end the Advanced Diploma of School Business Management (ADSBM) was developed in 2008 and rolled out nationally in 2008-09. The ADSBM is designed to provide SBMs with the skills and competences to work in more complex environments, for example clusters, federations or trusts. And a further programme, the School Business Director (SBD) programme, which is set at the level of a first year of a Master's degree, was piloted in 2009-10.

To ensure progression and continuity within and between these programmes, a competency framework has been developed. The framework was created in association with the National Association of School Business Management (NASBM). The framework sets out the six main aspects of the SBM role, outlines the professional attributes, knowledge and understanding that form these competences and maps how they are manifested at different levels of business management within schools. The six main aspects in the framework and the subsections within them are shown in Figure 2.

The significance of the framework includes mapping out the extended role many SBMs play in schools. The role of SBMs has transcended that of a bursar and the framework reflects more precisely what these postholders can, and do, contribute to their schools. This wider conceptualisation of the role enables SBMs' line managers to exploit their talents and skills to the full, rather than limit them to a narrower definition and task list.

As the training programmes were established, the benefits and impact of SBMs became evident. As the next section shows, SBMs have brought about financial savings, increased income, saved headteachers' time and improved their work life balance, creating more time for strategic leadership and enabling them to increase their focus on teaching and learning. Those SBMs who play a full role and are deployed effectively impact positively in all areas covered by the competency framework.

**Figure 2:** Six SBM competences and professional attributes, knowledge and understanding

**1. Managing self and personal skills**

- Managing own resources
- Maintain continuing professional development
- Developing personal networks
- Maintain professional values and ethics

**2. Providing direction**

- Provide leadership
- Plan school improvement
- Ensure compliance with legal, regulatory, ethical and social requirements
- Manage risk
- Foster school culture

**3. Facilitating change**

- Plan, lead and implement change
- Develop innovation
- Build capacity for organisational change

**4. Working with people**

- Allocate and monitor the progress of work
- Develop productive relationships with colleagues and stakeholders
- Recruit and support workforce planning
- Manage staff performance and development
- Build, develop and lead teams

**5. Effective use of resources**

- Manage finance
- Manage technology
- Manage health and safety
- Manage physical resources
- Manage environmental impact

**6. Achieving results**

- Manage projects
- Manage school processes
- Implement school service improvements
- Develop and strengthen community services
- Improve school performance

Source: SBM Competency Framework 2009

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The programmes themselves have been evaluated positively too. There is clear evidence that the programmes enable participants to widen their frames of reference. The CSBM and DSBM programmes enable participants to network with others doing the same role in different schools and to learn about what happens in one another's schools.

This has really been one of the best things about the programme, the getting to know others working in similar roles. The group really gelled and was very supportive. I think we are getting a bit of a community of SBMs going through it.

(Secondary school SBM)

Such contact and networking liberates participants from the limits of their own knowledge and imagination. If it is true that we are all prisoners of our own perspectives, then programmes that bring together colleagues from a range of schools and contexts enable individuals to: connect with one another; become aware of other ways of doing things; and consider alternatives to their own ways of working.

Programmes encourage all who participate and engage to see things anew and to think about possibilities. Participants learn to reflect on how they do things in their schools or clusters – **what is** – and move to thinking about **what might be** – to improve their work and performance.

Training programmes therefore play a part in spreading ideas. In his book **The Tipping Point**, Gladwell (2000) talks about how ideas and behaviours spread just as viruses do. There is no doubt that the SBM programmes have helped to spread good practice. Equally important though is the strong likelihood that these programmes have also facilitated the spread, **virally**, of the idea of SBMs playing a full leadership role in their schools. It is a strong likelihood because the National College and its programmes have championed the move from bursars to SBMs and introduced the idea of a profession of SBMs. These ideas have taken root and quickly, which is entirely in line with Gladwell's thesis that change can be contagious, that little causes can have big effects and that some changes can happen dramatically. Gladwell's argument underscores the notion of a quiet revolution in the last 10 years. Something has definitely been happening with regard to business management and it has happened relatively quickly by the more usual rates of change within education.

Of course others have played their part. The professional associations now accept SBMs as members because they are seen as part of the leadership of schools. The Association of School and College Leaders (ASCL) did so in 2004-05 and the National Association of Headteachers (NAHT) in 2006-07. This has helped to raise the status of SBMs and added impetus to the change process.

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As interest, demand and support for the work of SBMs grew, and the outputs and outcomes from training and deployment increased, the National College realised in 2006 that there was scope for further development of the role of SBMs both within schools and across groups of them. It commissioned McKinsey & Co, a consultancy firm of international repute, to look into the work of SBMs and to scope out possibilities for the future.

McKinsey & Co (2007) reported that reform efforts in the last 10 years had driven a culture change in schools and transformed the nature of headship. Also, reforms then being planned by central government further emphasised the need for distributing the leadership of business management within schools. McKinsey's consultations with school leaders, especially primary school leaders, identified how this increased need could be met. They noted that penetration in the primary sector was still low and that there was some confusion around the role of SBMs. They recommended a spectrum of support be provided by SBMs:

- basic
- leadership
- strategic

They also identified four levels of SBM, each one an advance on the previous level:

- administration
- school business manager
- advanced school business manager (ASBM)
- school business director

McKinsey illustrated this thinking in a helpful table (Figure 3), which maps out what each role and level of support covers.

From the outset, McKinsey made it clear that the role of SBMs was, in large measure, context specific: the size and type of school influences what SBMs do, as does location and relations with neighbouring schools. Staff at the National College share this view and have always been careful to provide a range of examples to illustrate how the work of SBMs can be conducted with sensitivity to context.

McKinsey & Co (2007) also made the following observations.

- Some secondary school headteachers were benefiting from leadership support. However, leadership support was being provided only by the top cadre of SBMs (currently ASBMs), but this would be the minimum requirement of nearly all headteachers in the future.

**Figure 3: Illustration of the possible spectrum of roles**

	Admin/clerical/operational roles	School Business Manager (SBM)	Advanced SBM	School Business Director (SBD)
People	<ul style="list-style-type: none"> <li>- Order processing</li> <li>- Purchasing</li> <li>- Cash/banking</li> </ul>	<ul style="list-style-type: none"> <li>- Prepare budget</li> <li>- Prepare reports for governors and LA</li> <li>- Track performance to budget</li> </ul>	<ul style="list-style-type: none"> <li>- Fundraising and grant-writing</li> <li>- 3-year budgeting</li> <li>- Provide advice on optimising spending</li> <li>- Ensure standards and compliance</li> </ul>	<ul style="list-style-type: none"> <li>- Lead multi-year financial planning</li> <li>- Redesign financial systems</li> <li>- Negotiate major business partnerships</li> </ul>
Operations	<ul style="list-style-type: none"> <li>- Administrator contracts</li> <li>- Manage payroll</li> <li>- Maintain staff records</li> </ul>	<ul style="list-style-type: none"> <li>- Manage some support staff</li> <li>- Liaise with LA when HR queries arise</li> </ul>	<ul style="list-style-type: none"> <li>- Manage support staff</li> <li>- Administer performance management processes for all staff</li> <li>- Provide expertise on legal issues</li> </ul>	<ul style="list-style-type: none"> <li>- Reconfiguration/optimisations of staffing (across network)</li> <li>- Dispute resolution</li> <li>- Talent management</li> </ul>
Extended schools/pastoral	<ul style="list-style-type: none"> <li>- Office management</li> <li>- Maintain pupil records</li> <li>- Secretarial duties</li> <li>- Site management</li> </ul>	<ul style="list-style-type: none"> <li>- Premises management</li> <li>- Manage contracted-in services SLAs</li> <li>- Insurance</li> <li>- Update policies</li> </ul>	<ul style="list-style-type: none"> <li>- H&amp;S, fire and risk management</li> <li>- Manage capital projects</li> <li>- Manage ICT/MIS systems</li> <li>- School marketing</li> <li>- Develop policies</li> </ul>	<ul style="list-style-type: none"> <li>- IT-enablement</li> <li>- Large-scale project management (eg BSF; site configuration)</li> </ul>
Networks and partnerships		<ul style="list-style-type: none"> <li>- Lettings</li> <li>- Before and after school clubs</li> <li>- Luncetime management</li> </ul>	<ul style="list-style-type: none"> <li>- External agency relationship management</li> <li>- Manage extended services provision</li> <li>- Liaise with parents on non-T&amp;L</li> </ul>	<ul style="list-style-type: none"> <li>- Set-up and develop very broad service lines</li> <li>- Manage multi-agency relationships</li> </ul>
Networks and partnerships		<ul style="list-style-type: none"> <li>- Part of bursar networks to share best practices</li> </ul>	<ul style="list-style-type: none"> <li>- Main liaison with other schools on non-T&amp;L matters</li> <li>- Shared services</li> </ul>	<ul style="list-style-type: none"> <li>- Help realise federations</li> <li>- Explore/promote federations</li> </ul>

McKinsey & Co, 2007

- 
- Very few headteachers had strategic support or thought-partnership on business management issues. Truly strategic business support was a clear gap that could be filled by school business directors (SBDs) within appropriate settings.
  - The proposed senior business management roles were applicable to all schools but specific needs would differ across a range of settings.
  - The application of the ASBM or SBD role was driven by complexity and scale, and flexible provision was required to account for variability over time.
  - Primary schools had a number of options for accessing higher level business support.
  - Enhanced business support would have a very significant impact on school effectiveness, was at least cost neutral and should free up funds for reinvestment in teaching and learning.

McKinsey's detailed and forward-looking analysis set out the likely benefits of fully trained and deployed SBMs and options for the National College. The report also showed two key issues, that in 2007:

- the case for SBMs was even more powerful and relevant than ever before
- despite having come a long way since 2001, there was further to travel

In short, a good start had been made, but there was more to do.

The next steps were therefore about building on these foundations and had to achieve two things simultaneously: more breadth and greater depth. Breadth means engaging with more and more schools to increase and maximise access to SBMs. Depth is about making sure SBMs provide highly effective business support and are deployed to the full so that schools and their leaders can capitalise on their expertise. Together, breadth and depth rest in large measure on demonstrating the relevance, suitability and affordability of employing an SBM and developing them over time.

The early years were a time when SBMs were championed and many school leaders were won over by the arguments and data. Others remained unconvinced and/or unwilling to commit. Therefore, in light of McKinsey's work, it was decided in 2008 to set up a number of demonstration projects. These aimed to explore the practical implications and impact of fully utilising an ASBM or SBD to lead the business management function within a range of school settings. The emerging evidence from these demonstration projects is reported in the next section.

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# The current state of play

The work since 2001 can be characterised as doing three things. First, designing and developing a suite of programmes that provided relevant training to increase the effectiveness of SBMs and provided them with continuous professional development (CPD) opportunities. Second, providing proof of concept concerning SBMs. Initially there was scepticism about the validity of SBMs for all schools, and although this scepticism had substantially reduced by 2007, the demonstration projects aimed to provide further proof of concept across a range of contexts, including for example the primary phase. Third, the number of trained SBMs was such that it was appropriate to begin thinking of a profession of business managers.

The current state of play shows:

- 90 per cent take-up in secondary schools
- 30-40 per cent of primary schools with access to an SBM

These are strong figures for the secondary sector, less good for primary schools.

These figures raise some challenging questions, including:

- Are all of these SBMs trained, skilled and competent to do the job required in this decade?
- Are they all as effectively deployed and utilised as they could be?

The National College has amassed substantial and compelling evidence of the benefits of SBMs. It has collected independent evidence through the research work of PwC, Oakleigh Consulting and the University of Manchester and is using the demonstration projects to examine impact in different contexts across the country. The evidence-base is presented in more detail in Part 2, but it is important to include some of the key findings here to show:

- what has been learnt about SBMs
- the contribution they make to their schools
- their impact in terms of efficiencies and value for money

The following subsections look at what the evidence has to say about financial benefits and time savings, as well as what has emerged so far from the demonstration projects.

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## Financial benefits and savings

Financial benefits have been investigated in detail by both PwC and Oakleigh, although McKinsey & Co also did some work on costings in 2007. McKinsey anticipated that SBMs would impact positively on costs:

- Through improved financial management (eg, multi-year financial planning, spend optimisation and improved negotiation and contract management), funds will be freed for reinvestment in teaching and learning.
- SBMs, advanced SBMs and SBDs will drive increased income generation through improved relationship management, school promotion and grant application preparation.
- Shared SBMs and SBDs will be able to help smaller primary schools (those with fewer than 250 pupils) to attain the scale benefits of larger schools whilst maintaining local, multi-site and often rural provision.

Improved financial management is not simply a matter of making savings; it is about freeing up funds to reinvest elsewhere in the school. Savings is sometimes understood as code for 'cuts'. Here it means two things:

- saving to **reinvest**; and
- increasing **value for money**

The purpose of the demonstration projects was to gather evidence of these financial benefits and savings. Oakleigh's work looked at around 19 demonstration projects, each comprising a cluster of between 3 and 19 schools and the majority involving primary and secondary schools operating collaboratively in a variety of ways. The objectives of the project are set out in Figure 4.

**Figure 4: Main objectives of demonstration projects**

The main objectives of the demonstration projects:

**1. Potential for impact on quality of teaching and learning and the wider provision for children and young people:**

- Headteacher working time, focus of attention and role satisfaction
- Strategic decision-making
- Effective management of financial resources
- Income generation
- Networking and partnering arrangements

## 2. Improve understanding of roles and requirements such as:

- Existing roles and responsibilities
- The qualities, skills and attributes that make for successful ASBMs/SBDs
- The training requirements both for internal and external participants
- The impact of school context on roles

## 3. Identify enablers and barriers to impact, such as:

- Which roles are most effective in which contexts
- Different operating models for the settings set out above
- The skills and attributes that headteachers and other school leaders need to enable ASBMs/SBDs to succeed
- The contractual and governance arrangements that best enable impact
- Successful approaches to business change

Source: National College, 2009b:1

Oakleigh's findings showed that SBMs achieved cost savings in the following areas:

- staffing structure - reduced costs from more efficient structure
- contracts - savings through better management and negotiation
- reduced employee costs through shared staffing
- contract costs - bulk purchasing
- premises utilities costs - more efficient management
- capital costs - improved project management
- insurance - savings in premiums and claims receipts

These types of savings were also identified by PwC (2010b) in a study of the impact of qualified SBMs.

Oakleigh surveyed 123 schools in the 19 projects. The authors reported that substantial savings were identified by SBMs or SBDs in their projects and estimated these for the 123 schools (Table 2).

**Table 2:** Estimated savings in 123 schools from 19 demonstration projects

	Gross savings (£m)	Net savings (after SBD/SBM costs) (£m)	Approved grants included in figures (£m)
2008/09	£0.7	£0.6	£0.3
2009/10	£3.1	£2.6	£0.9
2010/11	£2.5	£1.9	£0.2
Ongoing	£2.3	£1.7	£0.1

Source: Oakleigh Consulting, 2010

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The projected financial savings for 2009/10 are shown in Table 3.

**Table 3:** Projected savings across demonstration projects, 2009/10

	Gross savings	Net savings (after SBD/SBM costs)
Per school	£25,200	£20,800
Per member of leadership and teaching staff	£2,064	£1,705
Per pupil	£115	£95

Source: Oakleigh Consulting, 2010

Furthermore, Oakleigh saw the potential for additional savings. If the savings identified for 2009/10 in the 123 schools studied are extrapolated to a national level then assuming 11,000 schools do not have an active school business management structure in place, financial savings of £277 million (£229 million net of SBD/SBM costs) can be anticipated in year 1. Excluding approved grants, the savings would be £199 million (£151 million net of SBD/SBM costs).

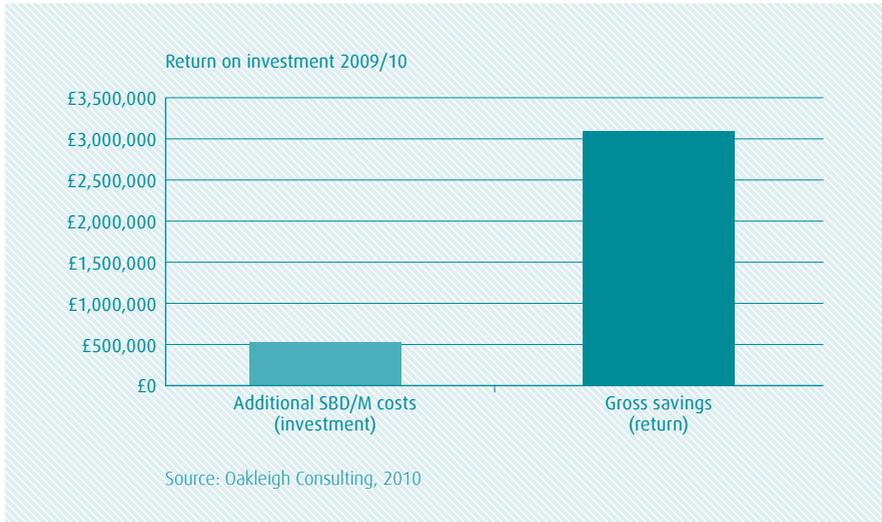
The sums shown in Tables 2 and 3 and the projected figures are substantial, both at school level and nationally. Oakleigh also analysed what the returns on investing in SBMs/SBDs might be (Figure 5). Reporting that the return on investment projected for the 19 projects in 2009/10 was 575 per cent. At the school level these savings are one of the ways SBMs see they are making a contribution to their schools' core purpose:

Effectively what I am doing is trying to make more efficient use of our resources so we've got more money to spend on the children which should, ultimately, make a difference. Things like providing additional teaching support hours so that children with special education needs are better supported. So there is definitely a link there, it might not be direct but I believe I can make a difference.

**(Primary school SBM)**

PwC examined the school business management programmes with the objective of providing a robust analysis of their economic and financial costs and benefits. The report (PwC, 2010b) looked at the costs of recruiting and training SBMs and SBDs and the benefits these postholders bring in the form of cost savings through improved purchasing arrangements, increased school collaboration and the time saved by headteachers and other stakeholders (time-saving data will be reported later in this section). Interestingly, the study assessed how the costs and benefits vary by level of training provided by the programmes.

**Figure 5:** Estimated return on investment in SBM/SBD, 2009/10



Overall, the PwC study and the Oakleigh study are in agreement. Moreover, the analysis can be broken down by level of qualification achieved (eg, CSBM, DSBM or ADSBM). This enabled PwC to say:

Approximately 82% of DSBM and 88% of ADSBMs are active members of the senior leadership team, compared to around 50% of CSBMs and non-qualified SBMs. Therefore, the SBM programme, particularly the DSBM and ADSBM, appears to have been effective in increasing the strategic nature of the SBM role.

**PwC, 2010b:6**

This statement suggests that the more highly qualified a business manager is, the greater involvement he or she has in school. Moreover, data showed that, for the majority of SBMs, completion of a National College qualification had a positive impact on the perceived value of the SBM role in their school. Graduating with a National College qualification heightens individuals' self-worth and enables them to play a larger role in the school. Increasing SBMs' self-efficacy and extending their contribution to their schools are two important and very valuable outcomes.

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The PwC report also states that:

Over the period 2002/3–2008/9, it is estimated that National College qualified SBMs have generated an additional £306 million, which includes procurement efficiencies, increased income and monetised headteacher time savings. Survey evidence shows that the higher level qualifications generate higher levels of savings per SBM and higher levels of benefits per SBMs in secondary schools and collaborations due to the higher number of pupils per SBM.

**PwC, 2010b**

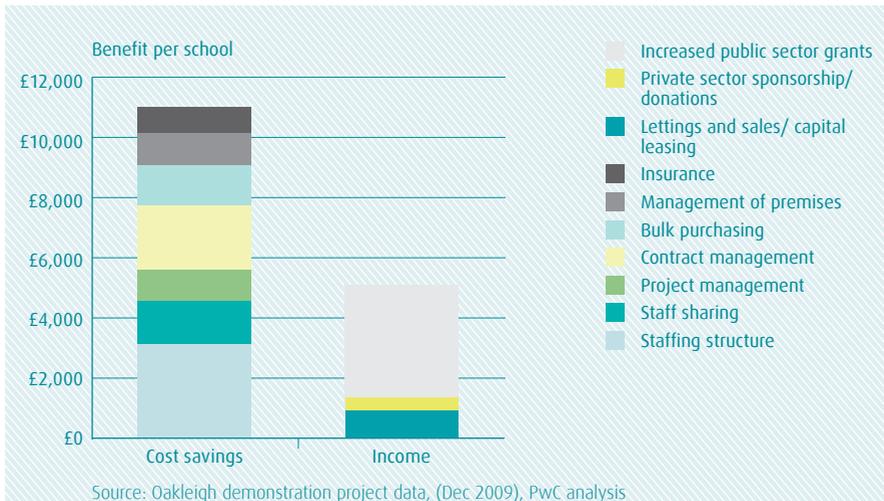
It seems then that there is a positive relationship between qualifications, role and benefits. It may be too strong to say that better qualified SBMs bring greater savings than less, or unqualified, SBMs, but there is an association between qualifications and the level of savings and it appears to be a positive one.

It also seems that there is another ingredient in this equation, namely the number of pupils per SBM. The larger the number of pupils the SBM is responsible for, the more likely it is that savings will be greater. This implies that creating collaboratives of schools (or federations, or clusters), be they composed of secondary and primary schools, or a set of primaries, increases the likelihood of savings and efficiency gains if there is a qualified SBM to strategise and manage them.

PwC's report included many tables and charts, a sample of which is reproduced in Part 2. In a presentation to staff at the National College, PwC specified the financial benefits to schools in graphical fashion. Figure 6 shows where cost savings were being made and the source of income generation.

Figure 6 reinforces Oakleigh's findings of the benefits to schools. PwC's analysis also showed clear evidence that savings could be made if schools worked together in collaborations (Figure 7). This is an important finding, particularly for smaller primary schools. It is accepted that many small schools cannot afford to appoint a full-time SBM. But this is not to say they cannot have access to one. The demonstration projects have conclusively shown (as have other clusters outside the demonstration projects) that when schools form collaboratives and jointly appoint, or agree to share the SBM of their local primary or secondary school, then it is both possible and viable for small schools to have access to an SBM.

**Figure 6: Benefits per school**



### Assumptions and methodology

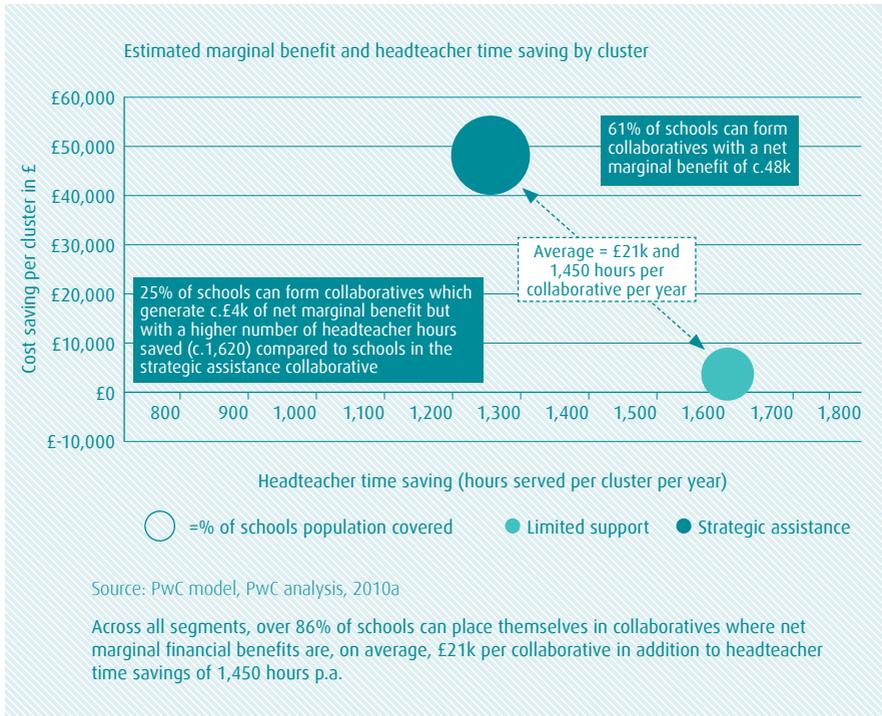
- We analysed the latest evidence from the demonstration projects to calculate the average total benefit per school of the additional SBM provision. The diagram segments these benefits by generated income and cost savings.
- Overall, the available evidence suggests that additional SBM provision could save the average school a total of approximately £16,000.
- This is comprised of roughly £11,000 of cost savings and £5,000 from income generation.
- We assume that most of these benefits can be fully realised in schools when considering a nationwide rollout.
- We consider that although there would be some additional public sector grants available to schools due to increased awareness, not all schools would be able to replicate the gain made in the demonstration projects. We therefore take a conservative view, and estimate that only 50% of these gains could be realised in an average school.
- We have not included the gains made in the demonstration projects due to an increase in pupil numbers, as when this is considered at the macro level, no additional pupils enter the system.
- These figures are the basis for the gross benefit figures in this section.

Source: PwC, 2010a

There has been some confusion on this matter for some time. Access to an SBM is what is critical, not appointing an SBM to every school. The evidence implies it is time for those who do not think they can afford an SBM to think again; to give serious consideration to working with other schools in order to provide themselves, as a group, with the dedicated and specialist support they need and deserve.

This review of the latest evidence, by independent consultants, shows that SBMs reduce costs and increase savings which can be used for other things in a school. The savings are significant and definitely worth having.

**Figure 7: Potential savings from formation of a school cluster**



## Time savings

PwC identified three types of savings SBMs make:

- financial benefits
- financial and non-financial benefits arising from greater collaboration
- non-financial benefits

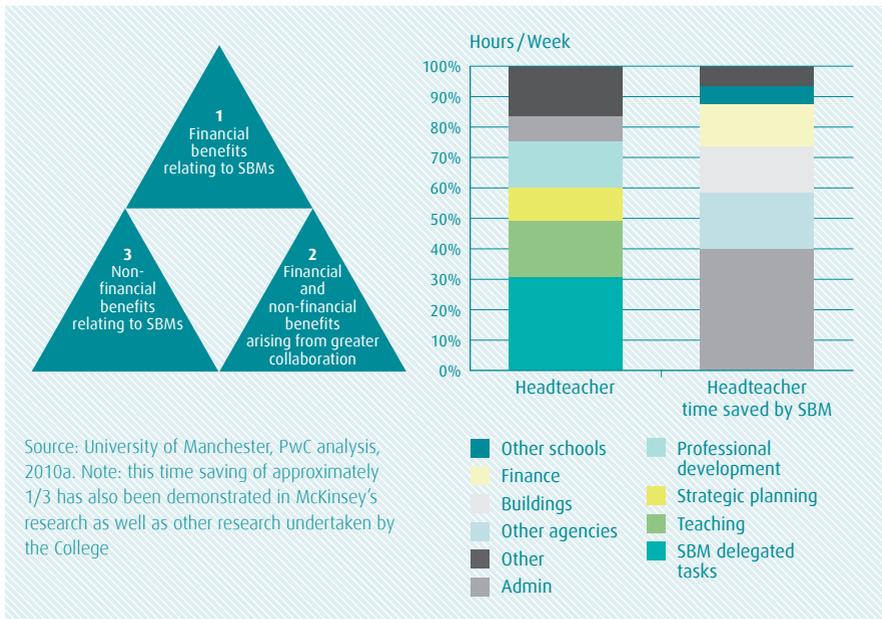
Having looked at the evidence for the first two, this subsection focuses on the non-financial benefits. These non-financial benefits centre largely on headteacher time savings.

Drawing on data from the demonstration projects and the University of Manchester’s evaluation evidence, PwC estimated that SBMs could save 31 per cent of a headteacher’s time. This finding is in line with McKinsey’s (2007) estimate that savings of up one-third of a headteacher’s time were possible. Such significant amounts of time saving can be generated by SBMs in the following ways:

- SBMs can take on the administration and management of non-teaching staff, HR functions and risk management.
- Administrative tasks, such as budget preparation and procurement, can be delegated to SBMs by headteachers.
- Some long-term strategic planning can be delegated to SBMs (eg, responsibility for managing capital projects).

Figure 8 provides more detail as to how SBMs can save headteacher time.

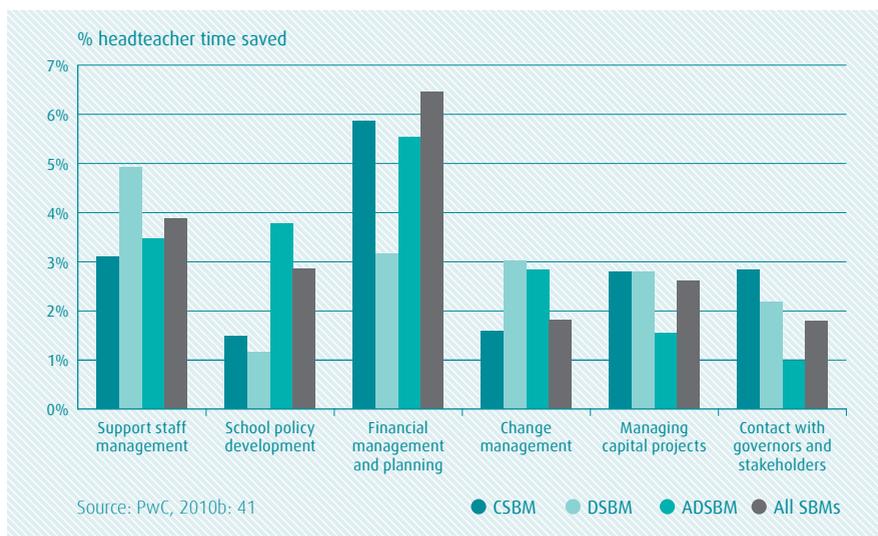
**Figure 8: Headteacher time saving by category**



PwC also reported how the types of activities that SBMs had undertaken, which proved effective in saving time for headteachers, varied according to SBMs’ levels of qualification (Figure 9). Unsurprisingly, it is in financial management and planning where SBMs

have saved the highest proportion of headteacher time, followed by management and interaction of support staff. Figure 9 also confirms that the more strategic role of ASBM makes SBMs operating at that level more likely, compared with other SBMs, to be undertaking school policy development activities previously undertaken by headteachers.

**Figure 9: Main activities in which SBMs save headteacher time, by level of qualification**



PwC also reported time savings for deputy headteachers and other members of the senior leadership team. These amounts of time were lower than for headteachers, and the relevant activities also differed. For example, a higher proportion of time saved for deputy headteachers was associated with arranging teaching duties, completing timetables, pupil allocation and supply teachers.

It is clear from this data that SBMs improve the financial management of schools, and thereby take pressure off headteachers and the broader senior leadership team. Their effective deployment also opens up significant potential to unlock wider benefits such as providing greater support to teachers, increasing the leadership capacity within the school and improving educational outcomes for students.

Taken together, these are very significant benefits. Moreover, they go beyond the numbers; they have implications for workload, work life balance, job satisfaction and motivation. These implications transcend the fiscal side of the benefits, important as these are, and introduce the human side of the evidence. The following quotes outline what these benefits mean to those who do the work.

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I used to have brain shatter every Friday and Saturday at 2 in the morning. I simply couldn't sleep. That's reduced with the demonstration project. I don't get that now.

**Primary headteacher**

I think SBMs save about a third of headteacher's time. I do all the finance and will then meet with the head to go through it with him. If I wasn't in post, the head would have to do this work instead.

**School business manager**

Another big problem in schools is recruitment to headship. SBMs reduce the workload and stress on heads and make it more attractive.

**NAHT**

SBMs free up headteacher time from the general operational noise that goes with running a school. This can sometimes have stunning results.

**National Governors' Association**

These are powerful quotes which show how SBMs can and do relieve headteachers of some of their work, enhance their work life balance and make the job of leading a school more attractive.

If these findings are aligned with what we know about the factors that motivate and demotivate headteachers (Table 4; PwC, 2007), then it becomes apparent that SBMs play an important part in sustaining the motivation and job satisfaction of the existing supply of headteachers.

Table 4 indicates that administrative demands are the greatest demotivator for headteachers. Therefore, when SBMs reduce headteachers' workload, it not only saves headteachers' time, it also removes the largest source of dissatisfaction in their work.

SBMs, then, play a part in making headship more attractive to aspiring school leaders and contribute to making leadership succession less of a challenge. It is recognised that some aspiring leaders do not, at first sight, like the look of leadership because they perceive it as taking them away from contact with children and young people. There are a number of ways this perception can be overcome, and one way is to ensure headteachers have access to an SBM who will support them and enable them to have the time to remain close to teaching and children's learning, and their pupils' progress and achievements.

**Table 4:** Factors that motivate and demotivate headteachers

Factors that motivate and demotivate headteachers			
Motivating factors	%	Demotivating factors	%
Role is dynamic/not routine	58	Administrative demands	54
Building shared values	54	Inspection/measures of accountability eg. Ofsted	50
Collegiality/teamwork	46	Low status/negative media image of the profession	41
Job satisfaction/sense of personal achievement	45	Changes in policy	39
Changing social culture	45	External interferences (eg. LAs, DfES)	39
Maintaining high standards	43	Problems with recruitment/retention	33
Sense of vocation	42	Stress	32
Professional autonomy/implementing own vision	39	Financial responsibilities	20
Passionate belief in the role	38	Less contact with pupils	18
People management (staff)	33	Isolation	15

IPSOS, MORI (2006) Base=911

Source: PwC, 2007:8

Aware of these patterns, as well as the financial benefits, Oakleigh Consulting, as part of its financial impact assessment of the demonstration projects, came to the conclusion that:

It is likely that even if only small financial savings are made, when the cost of additional SBM provision is netted off then the introduction of the SBM function will still be worthwhile because of the softer non-cash savings in time and effort resulting from their activities which frees up time for improved pupil-related learning.

**Oakleigh Consulting, 2010:16**

In other words, time savings and the wider benefits that come with them for headteachers and other school leaders are significant, valuable and well worth having.

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## Demonstration projects

Reference has been made on a number of occasions to the demonstration projects, so it is appropriate to look more closely at them, describe what they are doing, and see what main lessons can be drawn from them.

The projects were launched in 2008-09 to explore the potential of expert business management practices to be used across groups of schools. The specific project objectives have already been shown in Figure 4. The groups of schools included:

- groups of large or small primary schools or a mix of them
- cross-phase groups, eg all-age campuses, linked primary, secondary and special schools and 14-19 partnerships
- groups of secondary schools

The University of Manchester's interim evaluation of these projects shows that just over 94 per cent of headteachers involved rated the extent of the benefits to schools as exceeding or meeting their expectations, with just 5.7 per cent rating the project benefits as falling short of their expectations. Just over 91.4 per cent rated a favourable impact on their workloads and none saw a negative impact (8.6 per cent perceived no impact).

Comments from participants gathered by the University of Manchester were equally positive:

The project is a vehicle for moving things forward. There's been a fantastic amount of learning. I mean superb... I've had my mind blown this year and really challenged in terms of where things could go... Having an ADSBM particularly, which is a strategic job, is just totally different to anything else that's happened in education before.

**Primary headteacher**

As a headteacher you want to make sure every i is dotted and every t is crossed and that what you do is your best... We all know about this trust element we have with our team of teachers, but what people don't realise is that if you have got someone alongside with what is in effect the backroom stuff that nobody else gets to see in the school then that's a lot of weight off. That de-stresses big time. I mean I don't think my staff realise how much the [the SBM] does to be honest... but I do.

**Primary headteacher**

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The following three case studies are included to show the different ways access to an SBM can be achieved. The first, Dyson Perrins, shows how a secondary school went about providing SBM access and support to six primary schools.

### Case Study 1: Dyson Perrins

This demonstration project involved one lead (11–18 high school, Dyson Perrins), and six primary schools ranging from small rural schools to two-form entry schools. The schools serve a semi-rural community in Worcestershire, with many pupils travelling to the high school by bus. All the schools were keen to work collaboratively and to share best practice in business management. The project aimed to develop a business support structure with the secondary school sharing expertise across the primary cluster particularly in areas such as income generation, financial planning, ICT development and a review of current systems and processes.

With a school business director (SBD) already in place, project funding was used to appoint an assistant SBD who would, in the future, become the new SBD. The project was successful in a number of ways. For example, other schools expressed interest and the SBD is now considering a second cluster of schools using the same model. Another success is that headteachers' perceptions of the SBD role have changed from early scepticism to all becoming advocates of SBDs.

The transition across the project primaries from an old financial management package to a new software package (SAP) was undertaken by the secondary school's bursar under the guidance of the SBD. The SBD was instrumental in assisting in bespoke training, both for the headteachers and the administrative staff across the cluster:

*We swapped over to the SAP finance package and the limited training we had from the local authority really wasn't good. ... one of the administrators from Dyson came in and went through some things, and it was really good.*

**Primary headteacher**

Interest and requests for help from schools outside the project have come in and there have been opportunities to give advice and share ideas to potential new demonstration project schools. According to governors, three key benefits have been identified since the introduction of the assistant SBD role.

- One primary school was using Early Years capital funding for an extension project and

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the assistant SBD was very good at focusing these ideas at a governors' meeting into something more concrete.

- Car parking was a significant issue for one primary school in terms of pupil safety as the school is sited at the end of a residential cul-de-sac. The SBD handled the situation very successfully by engaging with all stakeholders including the highways agency, the local authority and residents to find a suitable solution. This SBD support had a positive impact on parents who could see progress being made in terms of safety.
- Help with the Financial Management Standard in Schools (FMSiS) was a definite benefit across all the primary schools. For primary headteachers, FMSiS is a huge undertaking and the support given by the SBD was invaluable in helping all the primary gain FMSiS accreditation.

Joint SBD and headteacher reports to governors also increased governors' understanding of the SBD role. School travel plans were introduced across the cluster with the involvement of the assistant SBD contributing significantly, as the local authority's travel adviser acknowledged: 'Everyone knows her, [the schools] trust her because they feel [the school travel plan] is in safe hands if she is moving it forward.'

Support staff benefited from the specially created administrators' network. Job satisfaction, performance and efficiencies improved for isolated associate staff because of in-house training. Headteachers reported that the SBD had freed up more of their time and increased their job satisfaction.

There was a concern that schools had unrealistic expectations of what could be achieved in a pilot year and would make more and more demands on the SBD role because of its success so far. On the other hand, the fact that headteachers were looking to the SBD for assistance is an indicator of the project's success:

I think I've probably underused [the SBD resource]. I'm happy to buy into it next year, my governors are happy as well... I was thinking now we've got a refurbishment planned for the summer.. project managing it, all of that takes too much time so I haven't involved them in that yet, but I will.

**Primary headteacher**

The second case study, for Wellacre Technology and Vocational College, shows how this secondary school played a leading role in providing a menu of services for local primary schools. As the study demonstrates, the range of services provided covers more than simply financial management. As with Case study 1, this shows how collaboration can enhance and extend support among schools.

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## Case study 2: Wellacre Technology and Vocational College

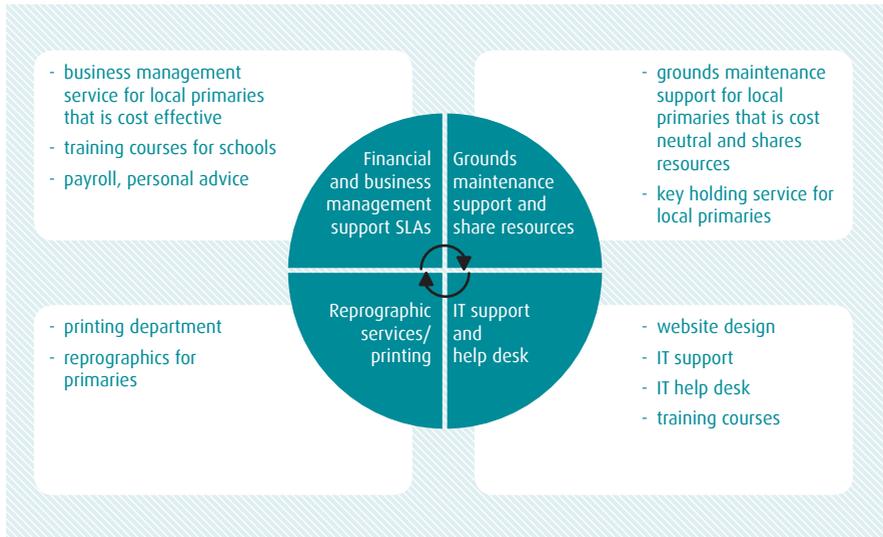
Wellacre Technology and Vocational College is a high-performing and over-subscribed boys' secondary modern school (11-16) of average size located in a borough of Greater Manchester. Pupils are drawn from diverse social and economic circumstances. The percentage eligible for free school meals is average; the proportion of pupils with learning difficulties and/or disabilities is higher than the national average. In its Ofsted report for 2007, inspectors described Wellacre as 'an outstanding and happy school'.

Since project start-up, Wellacre has developed a menu of SBM support services to a growing number of local primary and special schools: currently 14 plus schools ranging in size from 160 to 450 pupils. The goal of the project was for Wellacre to provide a bespoke business management service to schools. These services contribute to school improvement and financial efficiency in schools lacking the time or expertise to do this for themselves. Wellacre offers an alternative, wider menu of services and higher level of support than that provided by the local authority. Wellacre aimed to:

- enable a shift in focus of senior teaching colleagues away from routine administration and towards educational matters
- improve the effectiveness of resource management
- provide strategic input to school management and secure new potential funding streams
- work with the local authority's SBM forum to develop a model for school business management that focused on financial and business management, with subsequent services to include grounds maintenance and IT support

A chartered accountant working as a finance officer for the local authority joined Wellacre as the SBM five years before the demonstration project began and had a track record of improving efficiency in the college, had developed a strategic role and taken a lead in the local SBM network. A colleague in the local authority who had moved from private sector accountancy because of a desire to work in education, shared Wellacre SBM's vision for delivering enhanced SBM services to smaller schools, as shown in Figure 10. Together they set up a private company to provide service level agreements (SLAs) and support to local primary schools. Later this company was transferred to Wellacre and has since operated solely as part of the college. Demand for its services has been healthy and continues to grow. Currently the structure consists of a school business director overseeing SBM operations at Wellacre and the company, and two SBMs who focus on the provision of services to primary schools. One of the SBMs has completed the CSBM.

**Figure 10:** Business management support partnership: service level agreement model



Headteachers within the primary schools reported a number of benefits including improvements in their working lives and high levels of satisfaction with the project. Notable financial benefits are in evidence through the SBM service personnel devoting time to researching offers that represent best value for money and through bulk purchases. Other benefits are:

- time and energy saved in administration
- access to Wellacre’s facilities
- career progression for support staff

Important benefits have been identified for Wellacre:

- closer ties with its feeder primary schools
- significant opportunities for professional development
- career enhancement and succession planning amongst SBM and finance staff

Though there was some unease when the private company was set up, all stakeholders are now supportive of the service offered by Wellacre. Some primary schools have proved wary of moving away from the local authority’s services, though demand for services among local primary schools is growing and discussion with the local authority about how, and how far, the project should expand are ongoing.

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Case study 3 looks at how a group of primary schools worked together and shared an SBM in order to make the work of headteachers in small primary schools, with significant teaching responsibilities, sustainable and more focused on teaching and learning.

### Case study 3: Withernsea

The project is located in the Yorkshire and the Humber region. The local authority organises schools into clusters and the project involves a group of schools from across two different local authority clusters working together. Withernsea Junior (the lead school for this project) and the infant school are federated and will amalgamate in September 2010. The project involves six primary schools, plus the lead school. Withernsea junior and infant schools have 300 and 169 pupils on roll respectively. The other schools have pupil rolls of 54, 83, 88, 89 and 160.

The local authority covers one of the largest geographical areas in England with some sparsely populated areas. There are 140 primary schools under the remit of the local authority, of which around 50 have fewer than 100 pupils. In many schools the headteachers have a teaching commitment of 50 per cent each week. The local authority had a task group looking into the sustainability of schools because of falling rolls and had decided to introduce access to qualified business management support for all schools. The project aimed to:

- develop the role of SBMs to a far greater extent
- reduce the workload of headteachers
- identify financial savings for schools

From the outset it was understood that the SBM was to work at a senior level in the schools. The SBM is part of the senior leadership team at her lead school: the headteacher at the lead school said: 'I treat her as equivalent to my assistant headteachers.' The amalgamation of the junior and infant schools has fully involved the SBM. Joint procedures and policies have been developed and the schools are moving towards integrating FMSiS documentation.

The local authority is impressed with the project and aims to have 35 SBMs to support all 140 schools although this is expected to take time to implement fully. One of the major project enablers was the support of the local authority: 'The local authority has been my backbone really, it's been behind [the project] the whole way,' commented the SBM. The local authority has piloted a local DSBM course which is currently being evaluated.

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If the evaluation is positive, the local authority aims to run a further DSBM programme and continue with the local programme for the CSBM.

The commitment of the lead school to the project is another driver. Moreover, the services and skills of other staff, such as an ICT technician, caretaker, and a higher level teaching assistant from the lead school, have also been utilised by schools in the project. Headteachers who committed to the project also played an important part in enabling its success. It was recognised by the SBM that these headteachers had been open and flexible in terms of their approach and time. Another key success factor has been the commitment, experience and enthusiasm that the SBM has brought to the role.

One barrier to the effectiveness of the SBM role was headteachers who did not want to work with an SBM. If headteachers do not want to relinquish control of roles that can be delegated, ultimately the SBM role is going to have little impact. Another challenge is the workload of the SBM when working with several schools. There had been a very busy period for half a term, and whilst the work levelled out during the next term, the number of schools the SBM takes on remains an important consideration.

One of the main benefits reported by headteachers was a reduction in workload. This happened not only because the SBM took on some of their tasks such as making phone calls, emailing and writing reports, but also through the reorganisation of the school administration systems: 'You can feel over-powered by the work you've got to do and "when am I going to fit it in? I don't have much time" I feel more confident now to say please do this... and I know it's going to happen,' said one headteacher. The SBM undertook an energy review at one school, thereby saving the time of the headteacher who otherwise would have carried out the review. The review highlighted the fact that the school had a high water consumption compared with schools of a similar size, so capital funding was used to install sensor taps to reduce consumption and new thermostats were fitted, both saving money.

A further benefit is having an experienced, qualified SBM supporting headteachers and governors with their financial responsibilities. The SBM took on the role of budget monitoring and report writing for the governing body's financial committee meetings. The SBM also acts as a facilitator in terms of knowing people, or finding people who can help schools save money or time. For example, a caretaker at the lead school is very knowledgeable about fire risk assessments, and the SBM arranged for him to train caretakers in other schools so that they can carry out their own fire risk assessments. One school planned to buy new laptops and a new smartboard because their existing equipment was not working well, and the SBM arranged for the IT technician at the lead

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school to review the equipment for free as they were part of the project. It was found that the laptops needed new memory and upgrading and the smartboard needed new cabling. This saved the school £3,500. The SBM used a website called 'Business in the community' to locate an architect to develop drawings for two schools, free of charge, to support their bids for lottery money. The SBM also completed a pond development project, accessing external funding and co-ordinating the work with an officer from the Environment Agency.

The SBM has increased capacity among administrators in the schools through staff training. As one headteacher commented: 'I am much more confident because the existing staff we've got are more competent.' Capacity has also been increased in terms of expanding staff roles. At one school, the SBM is training the administrative assistant to do the budget monitoring to take it over from the headteacher. However, there are limitations on how much the office staff role can expand and reduce the headteacher's workload as office staff often work part time and already have heavy work commitments.

The project is sustainable because of the support from the local authority which has set up a similar scheme for voluntary-aided schools and has rolled out SBM support clusters. These typically incorporate four schools per SBM and encourage federations or economic alliances within clusters. At the end of the demonstration project, two of the primary schools engaged the SBM's services for the next term, paying for her time out of their own funds. Web-based support was launched in November 2009 to share information and establish forums between the schools. The SBM has uploaded relevant information on the website and has encouraged other users to share their practice.

The benefits of securing access to an SBM or SBD are plainly evident in these three case studies. The same was generally true across all the demonstration projects, involving 270 schools in total. All were, in the main, enthusiastic about the role and work of SBMs. To some degree this is predictable; they were disposed to giving this initiative a go. Yet the evaluation results are very strongly positive, and whilst some might argue this was inevitable, it is also the case that their expectations could equally not have been met.

The projects show the need for careful planning to take account of the schools' settings and contexts. They also reveal the importance of schools taking a lead and being innovative. More than anything, the case studies and other demonstration projects have strong collaborative features which show that collaboration and federations are important ways of securing access to an SBM, ASBM or SBD. This was acknowledged by DCSF:

We know that many improvements in outcomes for pupils can arise from collaboration with schools and FE colleges, and through federations – such as improvements in behaviour, greater access to sports and extra-curricular activities, and/or an increase in the curriculum offer to children and young people. Many schools find that alongside these improvements in outcomes they are able to make better use of existing resources and realise cost savings.

**DCSF, 2009b:18**

The demonstration projects provide evidence to show that when qualified SBMs and SBDs are deployed in carefully planned and well-designed roles; are fully involved, and supported in their schools and groups of schools; and perform substantial and authentic roles, then they make a real, tangible and valuable difference (Figure 11).

**Figure 11: SBMs drive significant benefits to schools**

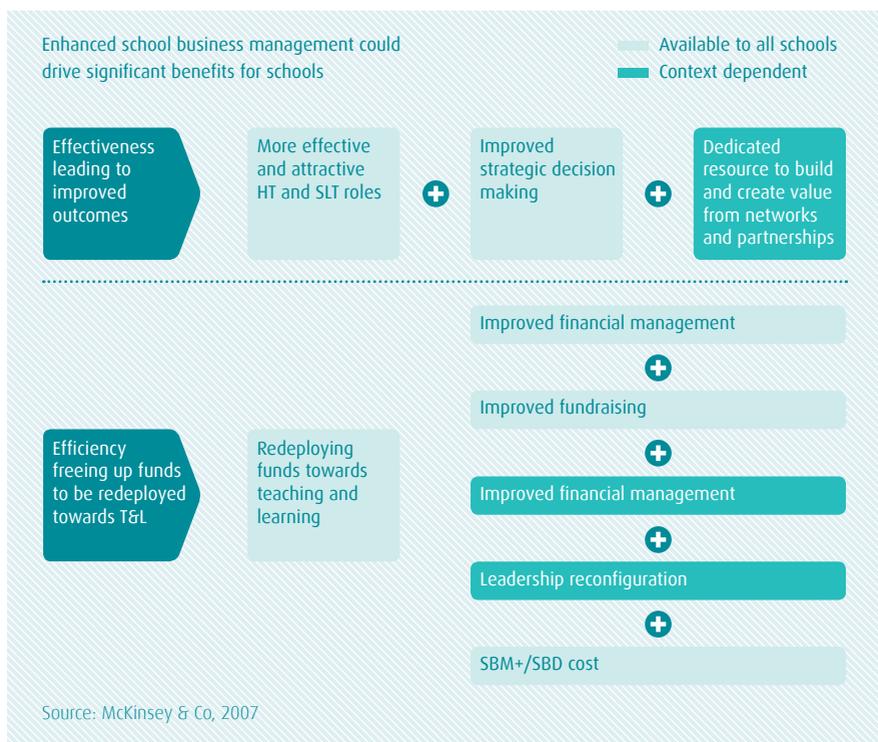
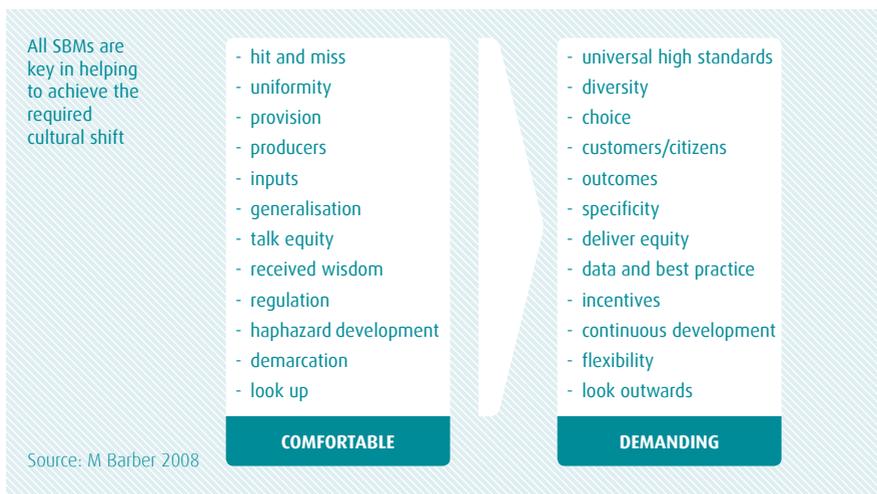


Figure 11 neatly draws together in the form of an equation all the elements discussed here. The equation adds up to increased benefits that far outweigh the costs.

So, at this juncture, it is fair to say that a lot has been achieved. There are good indicators around rates of take-up, particularly in the secondary sector and, informed by sound evidence, there is a strong case for primary schools being encouraged to gain access to SBMs. Programme data is also healthy; the demand for places continues; and it is clear that qualified and well-trained SBMs provide a high-quality return for this investment in them.

For these reasons it appears that a change – a quiet revolution – is under way. Recent changes in the school system include the move to partnerships and collaborations, both formal and informal, and in response to providing extended services and responding to the Every Child Matters agenda. Part of this movement involves a culture shift, as Figure 12 illustrates. This is not about having (or not having) an SBM. It is about how the deployment of SBMs enables a culture shift that supports 21st-century needs and expectations.

**Figure 12: The culture shift**



SBMs play a part, alongside others, in enabling schools to face and meet an ever-more demanding future. It is always better that we look ahead facing forwards, rather than walking backwards into the future. There is no doubt that SBMs are part of the future and will enable schools and their leaders to deal with whatever the future brings.

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# Looking ahead and facing the future

Although there is a good story to tell about SBMs and their impact, some challenges remain. These challenges are of two different kinds:

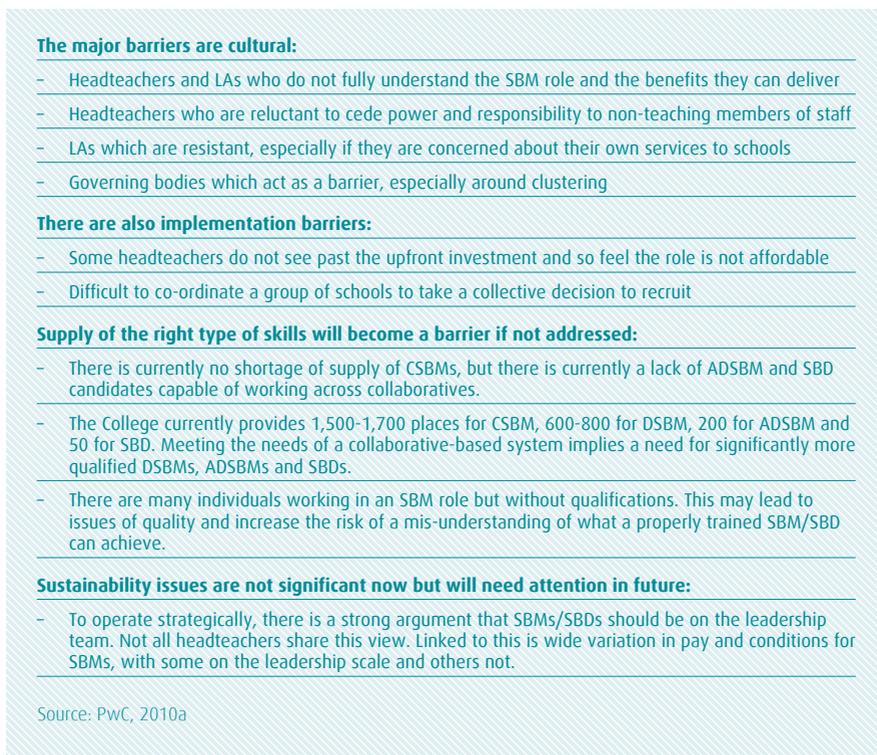
- barriers to take-up and system-wide adoption of SBMs
- economic context and public finances

The next two subsections review the issues that create these two challenges, before outlining what the next steps should be.

## Barriers to take-up and implementation

As well as conducting a cost benefit analysis, PwC proposed a strategy for increasing the presence of SBMs in the school system. As part of this strategic thinking, the PwC report identified what was getting in the way of take-up (Figure 13). The barriers are a mix of cultural, implementation and supply issues.

**Figure 13:** What is getting in the way of take up?



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The cultural barriers include a lack appreciation of the SBM role and the benefits they deliver, as well as attitudes resistant to the idea, or to sharing power.

It also appears that some school leaders are put off the idea because the only way SBMs are affordable is through co-operating with other schools. Some may feel that cluster arrangements are fine in principle, but consume precious time for individuals who are already very busy and hard pressed. DCSF (2009b) saw advantages in increasing co-operation between schools, but also noted, from its own fieldwork, that schools saw a variety of barriers to them as well, including:

- up-front time and resource costs
- fear of loss of power
- competition between schools
- traditional rivalry between communities
- fear of loss of identity, ethos and value
- personality clashes
- perception that there are no common needs between schools of different sizes
- belief that creating federations will detract the headteacher and/or wider senior leadership team from day-to-day duties
- fear of redundancies

These are significant barriers and they will not be over-turned easily.

Much of this reluctance is understandable and the National College, the Department for Education (DfE) and others will have to address these positions and arguments, increase awareness and understanding of the benefits and use examples of where SBMs and collaborations are working effectively in similar settings and contexts to those who oppose or are resistant to them. At the same time, advocates should recognise that some of these barriers are subjective ones and, as Michael Fullan once wrote:

The fallacy of rationalism is the assumption that the social world can be altered by seemingly logical argument. The problem, as George Bernard Shaw observed is that “reformers have the idea that change can be achieved by brute sanity.”

**Fullan, 1991:96**

To overcome these barriers requires a strategy that appeals to both hearts and minds.

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## Economic context and public finances

In 2009 DCSF published *Securing our future: using our resources well* (DCSF, 2009a), a discussion paper on the better use of resources in schools. At around the same time, the Audit Commission published *Valuable Lessons: Improving economy and efficiency in schools*. The Audit Commission's paper was a briefing for headteachers and school staff with financial responsibilities and recognised that schools face challenging financial circumstances, with funding growth slowing after real-term increases of 56 per cent between 1997 and 2008. Schools, along with other sectors, face tighter funding.

A key response to the challenge of managing on less money is to improve value for money (VfM). According to the Audit Commission, VfM has three elements: economy, efficiency and effectiveness. Table 5 outlines the Audit Commission's definitions of these three components.

**Table 5:** Three components of value for money

	Definition	Example
Economy	Minimising the costs of resources used for a good service or activity	Are school supplies purchased at the best available price?
Efficiency	The relationship between outputs and the resources used to produce them	Does the timetable make best use of teachers?
Effectiveness	The extent to which objectives have been achieved	To what extent has the deployment of teaching assistants raised attainment?

Source: Audit Commission, 2009

The Audit Commission paper suggests that schools can improve VfM by challenging themselves in six areas:

- considering the financial implications of school plans
- reviewing financial surplus (or deficit)
- ensuring the goods and services the school buys represent VfM
- using the school workforce to best effect
- collaborating with other schools
- using data and information to support better decision-making

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DCSF's work on VfM has acknowledged that 'almost all procurement is currently done at individual school level and in some instances by individuals with limited procurement experience' (DCSF, 2009a). It has also given strong support to SBMs:

Good financial planning needs skilled staff to support it, and schools have increasingly invested in higher levels of financial skills. Many secondary schools now have business managers, who bring expert skills in procurement and finance which research by the National College demonstrates can make a significant impact.

**DCSF, 2009a:14**

DCSF goes on to say that business managers are less common in primary schools, but 'we believe they have a real contribution to make there too, albeit on a shared basis', and:

The National College work shows that a business manager for a group of schools can realise initial savings very quickly, and often deliver a significant surplus over the cost of their salary through a combination of cost savings and additional income. Business managers have the time and expertise to look carefully at how a school uses its resources in a way that the headteacher and other senior managers cannot afford the time to do.

**DCSF, 2009a:14**

What is clear from all of this is that, on the one hand, there are barriers and challenges, but that, on the other hand, part of the solution to these challenges is for every school to have access to a College-qualified SBM or SBD, and that for many primary schools this means working collaboratively with other schools, be they primary, secondary or a mix of both types of school.

It is vital that schools start planning today to secure maximum VfM from their budgets tomorrow. It is encouraging that many schools are reaping the benefits of SBMs, not least their ability to free up headteachers' time so they can focus on teaching and learning, but there are still too many not realising their full potential. All of which leaves us with a question:

How do we make this happen?

The next subsection presents what the National College thinking is on this question.

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## Next steps

Following the assessment of the barriers and challenges that needed to be overcome, PwC recommended eight steps that should be taken (Figure 14) to achieve the vision of every school having access to an SBM or SBD.

**Figure 14:** What actions are needed to achieve the future vision?

The interventions we recommend are:

- **Targeted seed funding** to incentivise schools with qualified SBM or SBD to share this resource with others; to encourage new collaboratives to form and recruit qualified SBMs/SBDs; and to encourage further upskilling of C,D/ASBMs. We recognise and understand reluctance to use seed funding to promote programmes. However, schools will discover that they can 'spend to save' and therefore will sustain the posts, as almost all demonstration projects did.
- **Ofsted inspection** should include a sharper assessment of Value for Money which will encourage schools to assess SBMs. Inspection is a very strong lever to change behaviours.
- **Increased targeting marketing to a selected type of schools, LAs and others** to raise awareness of the seed funding opportunities (a 'pull' strategy), highlight the sharpened inspection focus on VFM ('push'), and to provide advice on how best to access seed funding and other support.
- **Training for SIPs and advice for headteachers** on the benefits of qualified SBMs/SBDs and how to make most effective use of them. This should be mandatory within NPQH for new heads, but voluntary for others, provided via conferences and workshops. The main aim will be to help those headteachers who have access to an SBM make better use of them.
- **LAs to be encouraged** to ensure that more local schools have access to qualified SBMs and to promote their take-up, on the basis it helps address workload issues and improves headteachers retention as well as supporting efficiency. The College should promote this in its Succession Planning work.
- **Adjust the levels of supply to reflect the cluster-based requirements.** We recommend producing , on average, 1,100 DSBMs (up from 700), 400 ADSBMs (up from 200) and 60 SBDs (no change) per annum. By reducing CSBM intakes, this should be cost neutral.
- **Accelerate sharing of the very best practice** by identifying and publicising the best examples, providing interactive tools based on these, and providing incentives for SBM Advocates to provide outreach support, advice and guidance to other schools.
- **A clear professional development pathway which with the granting of chartered status** should raise the status, attractiveness and sustainability of the profession.

Source: PwC, 2010b:5

This vision builds on four findings from the PwC study (2010b) and is in line with the other evidence collected:

- Suitably qualified SBMs and SBDs help schools run effectively and efficiently by improving financial, operational and strategic management.
- This will be increasingly important as resources become more scarce.
- There are 7,500 College-qualified SBMs and a further 2,500 in progress.

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- There are many others operating in the role but without these qualifications.

Given all that has gone before, it was no surprise that in March 2010 the then Secretary of State, Ed Balls, announced funding to support 250 partnership clusters with a commitment that every local authority should have at least one cluster within its area. The Secretary of State said that primary schools will have access to up to 1,000 extra school business managers under a scheme launched to make their money go further. The announcement outlined that these SBMs were to work in clusters of primary schools, with access to consultancy provided to support them on how to save money and with advice and guidance from DfE and the National College on partnership working, procurement and delivering VfM. In short, not only were more SBMs needed, but so too were more cluster arrangements.

The Secretary of State's announcement addresses the supply side of the challenge; namely, are there enough SBMs out there? Increasing the number of SBMs by 1,000 adds to the 7,500 College-qualified SBMs already in place and the further 2,500 being trained during 2010. Numbers are increasing, but because no one believes that every primary school should have its own resident SBM, due to affordability and the number of small schools in the primary sector, deploying SBMs to best effect and with maximum VfM means primary schools working collaboratively.

PwC (2010) argued that a range of models for clusters would emerge. Around a quarter of schools in the sector might form relatively small clusters containing a secondary school working with one or two large primaries. However, the data showed that perhaps as many as 60 per cent of schools will need to form larger collaboratives with, on average, between four and six schools in them, to achieve the greatest benefits.

Such generalisations tend to be rather neat and tidy, so it is good that PwC appreciated that there would, in practice, be much more variation than this. There would be some very large collaboratives, as well as individual schools using SBMs. The PwC report goes on to say:

We believe that most schools in the country – at least 85% and possibly more – could gain significant benefit from collaborating over the use of SBMs... We see these collaboratives being led by staff qualified at Diploma (DSBM), Advanced Diploma (ADSBM) and Director (SBD) level. Those with Certificate level (CSBM) will typically have a role at the individual school level.

**PwC, 2010a**

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PwC sees these steps bringing benefits that far outweigh the costs and that SBMs will play a key role in reforming the system and helping to make the best of all available resources.

Implicit within all of these recommendations and actions is the need for the training for SBMs to remain at the leading edge of provision. It will be even more important in the future and with the challenges we anticipate, that SBMs' training is relevant and stretching. The CSBM, DSBM and ADSBM programmes must place those who graduate at the front of current thinking and practice.

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# Conclusion

The evidence overwhelmingly demonstrates that SBMs make a difference and bring far more benefits than costs to schools. They are key to ensuring schools provide value for money and find ways through difficult financial times. The evidence shows that SBMs not only bring financial and other expertise to schools, they save senior leaders' time – in the case of headteachers, significant amounts of time. In other words, SBMs are a win-win; saving money (for reinvestment) and time.

After nine years of co-ordinated action which has included:

- championing the role
- creating programmes that provide progression and qualifications
- evaluating developments
- learning the lessons from practice in schools and school clusters
- searching for signs of impact

It is right that we now concentrate on ensuring that every school has access to an SBM or SBD. This will, in turn, enable headteachers to be better supported, freed from some of their administrative tasks and able to concentrate on teaching and learning.

A great deal has been achieved so far, but the next steps are likely to be even harder. Undoubtedly a change is under way, but it is not complete. Changes, even quiet ones, occur in predictable patterns. There are the innovators and early adopters who are well disposed to change and keen to try out new ideas. Later come those who will only use ideas when the majority do so and later still, those who are critical and resistant to new ideas and who only use them when they have become mainstream (Rogers, 1995). Because over 90 per cent of secondary schools have adopted SBMs, the remainder are likely to be made up of those still unconvinced. In the primary sector there are many more yet to be won over and many of these may be very cautious and sceptical about the merits of this change for themselves and/or their schools. The same applies to local authorities where some are not yet sure that using SBMs is a good idea in the locality. The next stage of rolling out SBM provision nationally involves reaching out to and engaging the more reluctant and less enthusiastic colleagues on this issue.

A more differentiated approach is going to be needed to convert this next group of schools; and probably a different approach to communication as well. What has worked so far in bringing about the changes we can see may not work as well in the future. What has won over those well disposed to the change may not be the same for those who have yet to be converted. Of course, the benefits must be continually reported, and

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advocacy and champions will be needed, but SBMs themselves should also be more assertive about what they can do so that when they are in post they are used to best effect.

Increasing access and take-up is important, but this must go hand-in-hand with careful and effective deployment, delegation and distributed authority. What is required is SBMs and SBDs in post and working as effectively and efficiently as they are capable of doing. This means fully delegated responsibilities and leadership distributed to them so that they play as full a part as possible. Then all headteachers will be able to do what they do best, lead teaching and learning, and have the time to lead strategically.

For further information Part 2 which summarises four major studies that underpin the narrative in part 1 can be found at [www.nationalcollege.org.uk/sbm-resources](http://www.nationalcollege.org.uk/sbm-resources)

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