



Department
for Education

Survey of School Business Professionals, 2019

Research report

September 2019

**Rob Cirin and Mike Bourne: Department
for Education**



Social Science in Government

Contents

List of figures	4
List of tables	6
Summary of the main findings	7
School business professionals in schools and trusts: qualifications and skills	7
School business professionals and strategic planning	7
Financial planning	8
Use of integrated curriculum and financial planning (ICFP) metrics	8
Using data tools	8
Recommended deals	9
Provision of services within schools and MATs	10
Introduction	11
Methodology and sample	12
School business professionals in schools and trusts: qualifications and skills	14
Job title of respondents	14
Financial skills in the governing body	15
Qualifications of SBPs	16
Most important skills for SBPs	18
School business professionals and strategic planning	20
School business professionals on the senior leadership team	20
School business professional involvement in strategic planning	22
LA Maintained and SATs	23
Financial planning	27
Monitoring finances	27
Use of zero-based budgeting	28
Contracts and purchasing plans	31
Views on financial management	33
Integrated curriculum and financial planning	35
Reviewing teacher deployment	35
School Resource Management (SRM)	40

Use of DfE tools	41
Actions taken after using the benchmarking website	42
Recommended deals	45
Awareness of recommended deals	46
Teaching Vacancies	51
Provision of services within schools and MATs	53
Provision of services within schools	53
Provision of services in different types and phases of schools	54
Provision of services within MATs	57
Conclusion	60

List of figures

Figure 1 Job title of respondent by organisation type	15
Figure 2 Whether there is a qualified accountant on the governing body/trust	16
Figure 3 Highest qualification held by respondents by phase and type	17
Figure 4 Highest qualification held by respondents by phase and type – headteacher as respondent removed	18
Figure 5 SBP membership of the school’s senior leadership team by phase	21
Figure 6 SBP membership of the school’s senior leadership team by job title	21
Figure 7 SBP membership of the MAT’s senior leadership team by MAT size	22
Figure 8 SBP involvement in planning the strategic direction for different types of organisation	23
Figure 9 SBP involvement in planning the strategic direction for standalone schools by phase	24
Figure 10 SBP involvement in planning the strategic direction for standalone schools by phase – excluding headteachers	25
Figure 11 SBP involvement in planning the strategic direction for MATs with different characteristics	26
Figure 12 Regularity of governors/trustees reviewing finances by phase and type	28
Figure 13 Awareness and use of zero-based budgeting among standalone schools	29
Figure 14 Awareness and use of zero-based budgeting for MATs of different types	30
Figure 15 Usage and awareness of zero-based budgeting by job title of respondent	31
Figure 16 Proportion of schools/trusts who maintain a list of contracts	32
Figure 17 Proportion of schools/trusts where the governing board reviews a schedule of purchasing plans	32
Figure 18 Level of agreement with statements regarding finance and school improvement	33
Figure 19 Proportion of schools/trusts disagreeing with the statement that they do not run a deficit budget by organisation type	34

Figure 20 Use of ICFP metrics by different types of MAT	38
Figure 21 SRM tools used by schools and trusts	42
Figure 22 Actions taken after using the DfE's benchmarking tool	43
Figure 23 Actions taken after using the efficiency metric	44
Figure 24 The recommended deals with the highest awareness figures	47
Figure 25 The recommended deals with the lowest awareness figures	48
Figure 26 Usage of recommended deals by organisation type	49
Figure 27 The proportion aware of each deal who use it	50
Figure 28 Awareness of the Teaching Vacancies service	52
Figure 29 The completion of functions within standalone schools	54
Figure 30 Services that are more likely to be completed within (rather than outsourced) primary SATs than primary LA maintained schools	56
Figure 31 Services that are more likely to be completed within (rather than outsourced) secondary SATs than secondary LA maintained schools	57
Figure 32 Provision of services centrally within MATs	58
Figure 33 The balance between central staff and outsourcing for provision of central services in MATs	59

List of tables

Table 1: Respondent profile	12
Table 2: Weighting profile	13
Table 3 The skills perceived to be the most important for school business professionals	19
Table 4 Regularity of reviewing teacher deployment in schools/MATs	36
Table 5 Use of ICFP metrics by different types of standalone schools	37
Table 6 Use of ICFP metrics by secondary schools based on their awareness and use of zero-based budgeting	39

Summary of the main findings

School business professionals in schools and trusts: qualifications and skills

- There is wide variation in the profile of school business professionals¹ (SBPs) across the system. Multi-Academy Trusts (MATs) are more likely to have a Chief Operating Officer or a Finance Director than are other types of organisation. Single Academy Trusts (SATs) are more likely to have a more senior finance professional (such as a finance director) than local authority (LA) schools of the same phase.
- Trusts are more likely to have a qualified accountant on their governing board than LA maintained schools (55% of MATs had one, 45% of SATs, but only 26% of LA maintained schools). LA schools are most likely to say that their governing body has someone with the appropriate level of skills to interrogate financial data, but is not an accountant (reported by 60%).
- SBPs in SATs and MATs are more likely to see 'Finance' as their most important skill (rather than others such as resilience or decision-making) than those in maintained schools (MAT 74%; SAT Prim. 68%; SAT Sec. 62%; LA Prim. 50%; LA Sec. 58%).

School business professionals and strategic planning

- The majority of schools and trusts have an SBP on their Senior Leadership Team (SLT), but it is more likely in secondary than primary schools (SAT Sec. 83%; LA Sec. 81%; SAT Prim. 69%; LA Prim. 61%). The figure for MATs is 86%.
- Although the majority of respondents (over two-thirds) across all groups are involved in 'all' or 'some' aspects of strategic planning, there are a significant minority (29% in LA schools) who report limited or no involvement.
- At phase level, SBPs in LA (45%) and SAT (43%) secondaries are *more* likely to be involved in 'all' aspects of strategic planning than in LA (37%) and SAT primaries (25%). In 30% of LA maintained primary schools and 24% of primary SATs the SBP has limited or no involvement in strategic planning.

¹ The term School Business Professional (SBP) is used by the Department to acknowledge the wide range of practitioners within the profession, from office administrators in small schools, through business manager in larger secondary schools, to finance directors or chief operating officers of a large multi-academy trust. This also extends to members of central teams with specialist skills such as HR or procurement officers

- The SBP involvement at MAT level is consistent across different sized MATs. 47% are involved in 'all' aspects of planning the strategic direction with a further 35% saying they have "some involvement".

Financial planning

- Trusts are more likely to review their finances monthly (SAT prim. 45%; SAT Sec. 47%; MAT. 42%), whereas the most common action for LA maintained schools was to complete termly reviews (LA Prim. 53%; LA Sec. 46%).
- There is limited use of Zero-Based Budgeting (ZBB) across groups. MATs are more likely to use ZBB than other types of schools, although still less than half of them do so. Primary schools are most likely to say they have never heard of it (SAT prim 33%, LA prim 46%, SAT sec 11%, LA Sec 20%).
- Approximately 80% of all LA maintained schools and SATs maintain a list of current contracts. Purchasing plans are reviewed by governors in approximately 40% of schools and trusts.

Use of integrated curriculum and financial planning (ICFP) metrics

- A range of ICFP metrics are used by all groups in making decisions about teacher deployment. Secondary schools use more metrics than primaries.
- Primary schools tend to use 'Pupil Teacher Ratio', 'percentage spend on total staff', and 'percentage spend on teachers'.
- Secondary schools focus on: 'Teacher contact ratio', 'Average Teacher cost', 'Average class size', 'Pupil Teacher Ratio', 'Senior leaders as a percentage of workforce', and 'the percentage spend on total staff'.
- MATs with at least one secondary school are more likely to use ICFP metrics and single -phase MATs use more of the metrics than standalone schools in the same phase.

Using data tools

- The majority of individual schools have used the DfE's financial benchmarking website, particularly LA schools (LA Sec. 84%; LA Prim. 81%; SAT Sec. 75%; SAT Prim. 67%) but more MATs report using governance tools compared to standalone schools, e.g. 47% of MATs use DfE's Top 10 planning checks for governors compared to 39% of secondary SATs and 23% secondary LA schools.

- The benchmarking website is most commonly used for discussions with the governing body and SMT and reviewing their financial plan.
- Around a third of MATs and secondary SATs have used the efficiency metric compared to a quarter of SAT primary and secondary LA maintained. Only 10% of primary LA schools use the metric. The efficiency metric is generally used to inform governors and SLT.

Recommended deals

- Awareness of individual recommended deals is low², but is higher in MATs and SATs than LA schools. The Risk Protection Arrangement (RPA – an alternative to insurance), energy and ICT are the only deals with over 50% awareness for any type of school/trust.
- Awareness among primary LA schools is particularly low with no more than a fifth being aware of any of the specific deals. Almost two thirds of LA primary schools and over a third of LA secondary schools say they have not heard of any of the recommended deals.
- MATs and SATs are more likely to be users of recommended deals, although take up is relatively low for all types of school. Around half of MATs and SATs use the RPA but other figures are low with only energy and utilities being used by as many as 12%.
- Conversion of awareness to usage of each recommended deal is low (under a third) except for with the exception of RPA which means encouraging take up of deals needs more than simply raising awareness.
- Respondents provided suggestions for areas in which they would like to see new deals (professional/recruitment 5%).
- Some respondents who did not use the deals felt they did not always represent good value for money (7%) or were difficult to use (5%).
- There are mixed levels of awareness of DfE's Teacher Vacancy Service; secondary schools are more likely to be aware than primaries. Use of the service is fairly low amongst respondents (71% of all respondents had not used). However, the service was in its infancy at the point of asking the survey so treat finding in this context and there may be others at the school/trust using the service.

² There is a caveat that the introduction of recommended deals has been a gradual process so some have existed longer than others and this will affect the level of awareness and usage.

Provision of services within schools and MATs

SATs and LA Maintained

- Standalone schools and trusts are more likely to provide certain services themselves (facilities (49%), finance (43%) and buildings maintenance (33%)) whereas others are more likely to be completely outsourced (insurance (71%), payroll (62%), and legal (78%)).
- Compared to schools of the same phase, SATs are more likely than LA maintained schools to complete several undertake functions within the school rather than outsourcing (HR, Finance, Facilities management, SI services, and buildings maintenance).

MATs

- In the majority of MATs, Finance (69%), Human Resources (59%) and School Improvement services (55%) are provided centrally, either through a top-slice³ or on a charged basis.
- Some central services are likely to be provided by trust staff (Facilities management, Finance and School Improvement), while others are more likely to be partially outsourced (HR, ICT and buildings maintenance) or fully outsourced (Catering, payroll, legal, utilities and insurance).
- These findings about MAT central services suggest that, where MATs need to outsource service provision, they seek efficiencies by bulk buying across the MAT.

³ Multi-academy trusts can top-slice a percentage of income from their schools' general annual grant to fund their operational costs.

Introduction

1. The department is committed to helping schools improve outcomes for pupils by making every pound count and getting the best value from their resources. The offer of help and support that we are making available is extensive and continues to develop, both across the key areas of spend, such as procurement and through the provision of tools that will enable school leaders to understand and interrogate their own school or trust performance.
2. Our goal is for every school and trust in the country to be confident about:
 - **how** they should assess their own level of resource management
 - **what** potential they have to make improvements, particularly through benchmarking their use of resources against other, similar schools
 - **where** their resource management could be improved
 - **how** to direct resources to have the greatest impact on attainment, including through ensuring schools are procuring goods and services using the best available deals
3. Schools' access to financial management skills is one of the key drivers of effective resource management. This research is the department's first survey of this kind to understand the evolving role of school business professionals. The report follows previous findings from our 2014 research⁴ examining how academies used their autonomy following conversion, and the 2017 research⁵ which examined the similarities and differences between SATs and MATs. Whereas our previous surveys covered a wide number of areas about the operation of SATs and MATs, this survey focusses on the issue of financial management

⁴ Cirin 2014. *Do academies make use of their autonomy?* Department for education

⁵ Cirin 2017. *Academy trust survey 2017*, Department for education

Methodology and sample

4. An online survey was scripted by IFF Research and sent to 586 Multi Academy Trusts (MATs), 664 Single Academy Trusts (SATs) and 1976 LA maintained schools⁶. The survey was live from 4th December 2018 until 1st February 2019. The department chased non-respondents up to three times by email before 180 hours of follow up calls were made by IFF Research who also housed the survey and provided final raw data extracts to the department.
5. The 15 -minute survey was emailed directly to the finance lead in MATs and SATs while the survey to LA maintained schools was sent to the email address held in *Get Information About Schools*. Those completing the survey within MATs were asked, where appropriate, to provide answers that represented the view of the entire trust, and those responding in SATs and LA maintained schools completed the survey on behalf of their individual organisation. Therefore, the surveys issued to MATs and SATs/LA maintained schools contained common themes, but the wording of questions was often slightly different, and some questions were not posed to both groups to ensure that all questions were appropriate. For example, “*which of the following functions are provided centrally by the MAT?*” was only asked of MATs.
6. The survey was completed by 1574 school business professionals or finance leads within their school or trust and the number of responses (response rate in brackets) for each type of organisation was: MAT 386 (56%), SAT 417 (58%) and LA maintained 771 (37%).
7. The respondent profile is presented in table 1 which presents the raw number of respondents and the proportion of that school/trust type who responded.

Table 1: Respondent profile

Phase	LA Maintained schools	SATs	MATs
Primary	546 (71%)	164 (39%)	135 (35%)
Secondary	225 (29%)	230 (55%)	60(16%)
Mixed/ Other		23 (6%)	191 (49%)
Total	771	417	386

Source: Survey data

⁶ For this report LA Maintained schools covers all types of maintained schools and so includes community schools, foundation schools and voluntary schools

8. The sample was designed to be nationally representative for MATs and SATs but the number of secondary LA maintained schools was boosted to allow sub-group analysis. The report uses unweighted data when comparing phase within different types of schools, but weighted data is used whenever total sample or overall figures are presented for LA maintained schools, SATs and MATs. Survey data was weighted according to proportion of primary and secondary schools based on population data from 'Get Information About Schools' and DfE data sources. A different weighting profile was used for each of SATs, MATs and LA maintained schools.

9. The weighting profile used was as follows:

Table 2: Weighting profile

Phase	LA Maintained	SATs	MATs
Primary	93%	42%	41%
Secondary	7%	52%	37%
Mixed/ Other	0%	0%	22%
n/a	0%	6%	0%
Total	100%	100%	100%

Source: Get information about schools

10. The report presents various questions by different subgroups but most of the analysis splits organisations into five different groups, which are:

- MATs
- Primary SATs
- Secondary SATs
- Primary LA maintained schools
- Secondary LA maintained schools

School business professionals in schools and trusts: qualifications and skills

Key findings

- There is wide variation in the profile of school business professionals employed across the system, at whom the survey was targeted. MATs are more likely to have a Chief Operating Officer or a Finance Director than other types of organisation. SATs are more likely to have a more senior finance professional than LA schools of the same phase.
- Trusts are more likely to have a qualified accountant on their governing board than are LA maintained schools (SAT 45%, MAT 55%, LA Maintained 26%). LA schools are more likely to say that their governing body has someone with the appropriate level of skills to interrogate financial data, but who is not an accountant (60%).
- SBPs in SATs and MATs are more likely to see 'Finance' as the most important in a list of skills than are SBPs in maintained schools (MAT 74%; SAT Prim. 68%; SAT Sec. 62%; LA Prim. 50%; LA Sec. 58%).

Job title of respondents

11. The job title of respondents varies between different types of organisations, school and trust, and is likely to be reflective of the range of roles that come under the 'School Business Professional' remit in different circumstances. These job roles are likely to reflect the average budget for which each type of respondent is responsible. Organisations with larger budgets employ more senior⁷ finance staff.

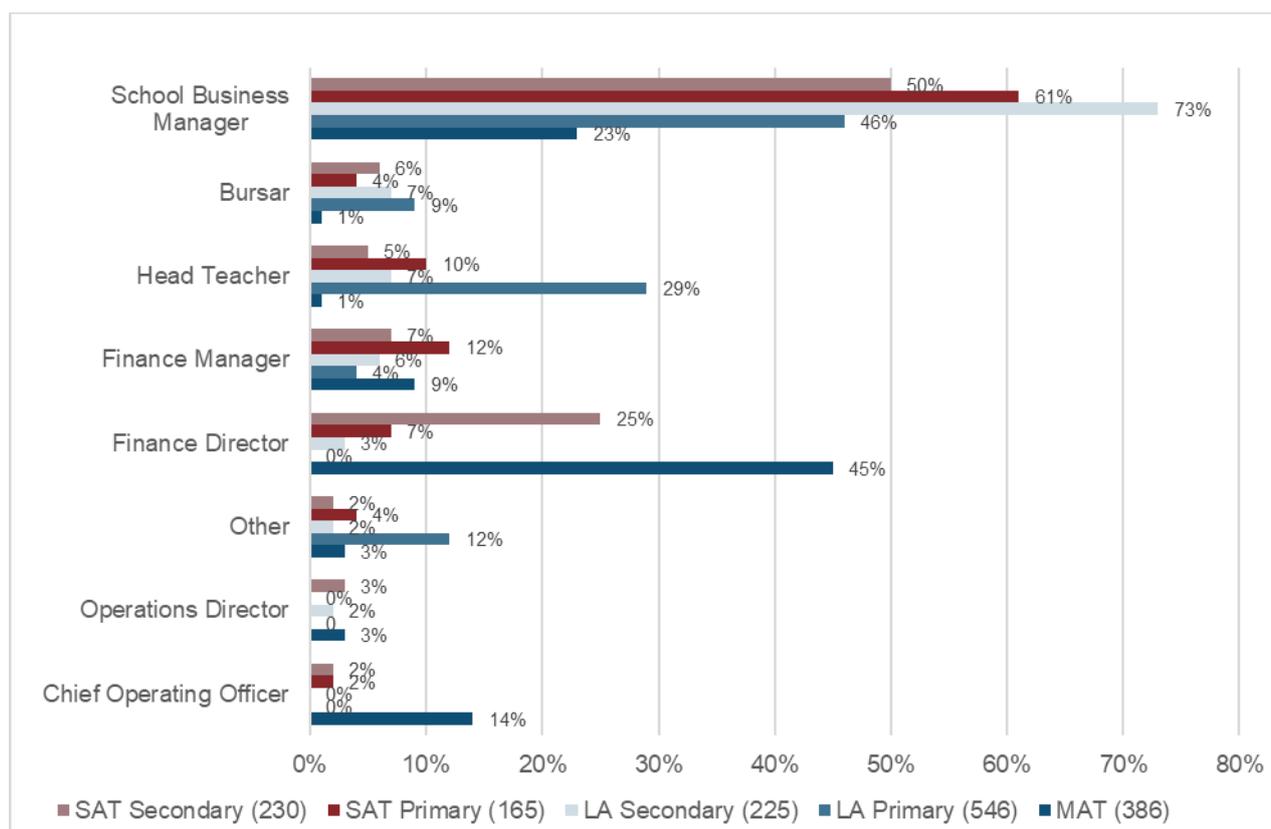
12. Figure 1 presents the job titles of respondents from each of the different types of organisations. The key points are:

- 59 per cent of respondents from MATs were chief operating officers or finance director;
- almost three quarters of respondents from LA secondary schools were school business managers;

⁷ The word senior is used to reflect director and chief operating officer level roles

- three quarters of respondents from Secondary SATs were school business managers (50%) or finance directors (25%); and
- almost a third of respondents from LA primary schools were headteachers (29%) in addition to 46% school business managers, whereas responses in primary SATs were more commonly from school business managers (61%) compared to headteachers (10%).

Figure 1 Job title of respondent by organisation type



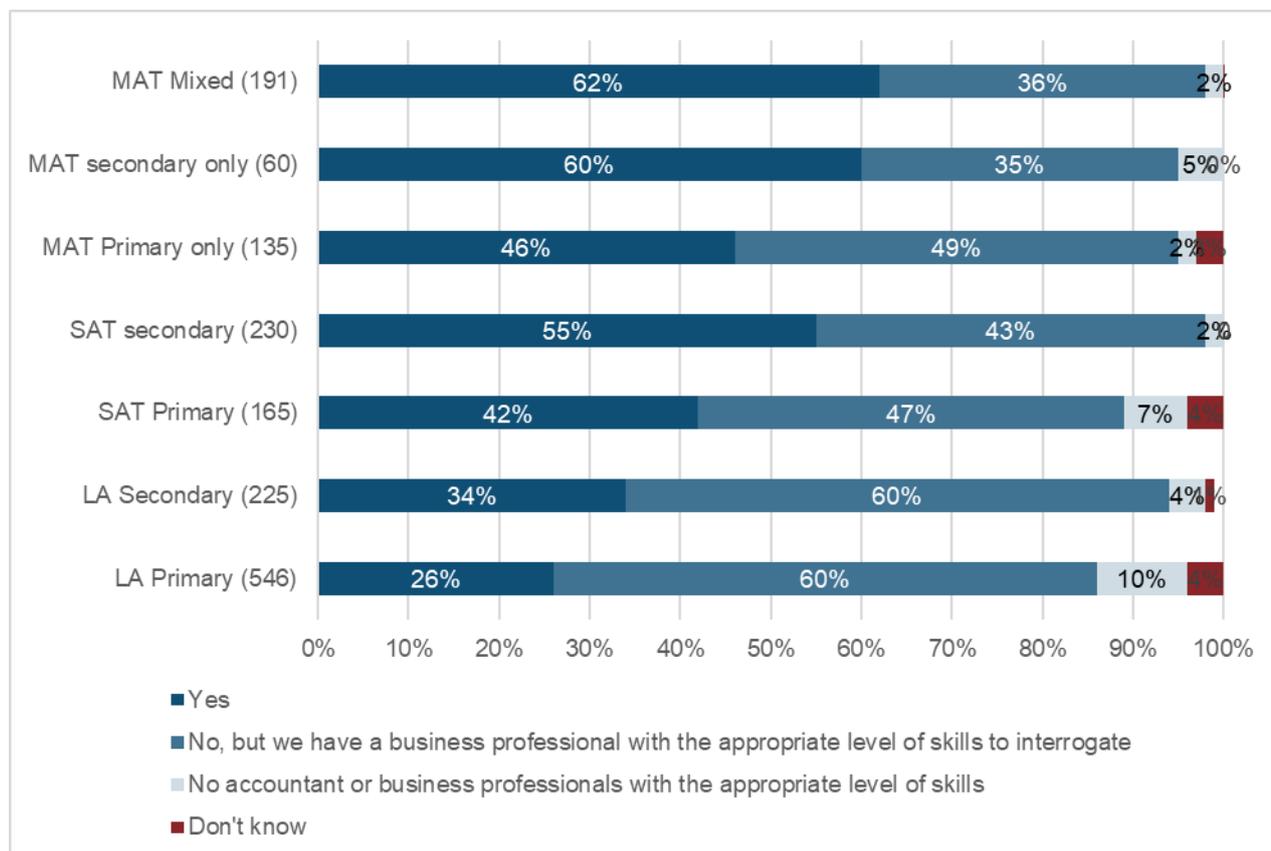
Financial skills in the governing body

13. All respondents were asked whether there was a qualified accountant on their school's governing body or trust board. Overall, academy trusts are more likely to have a qualified accountant on their governing board than LA maintained schools (MAT 55%, SAT 45%, LA Maintained 26%). LA maintained schools are more likely to have someone else who they feel has the necessary skills to interrogate the data.

14. Figure 2 shows there is variation in the presence of qualified accountants on governing bodies by school phase. Although MATs are most likely to have a qualified accountant, the proportion of mixed MATs (62%) and secondary MATs (60%) with a qualified accountant on the board is higher than where MATs consist of primary schools

(46%). Secondary schools are more likely to have a qualified accountant than primary schools of the same type, but primary SATs are more likely than secondary LA maintained schools to have one. If we accept that the presence of a qualified accountant is likely to indicate greater financial understanding, then this evidence suggests that such understanding in trusts is likely to be better than in school governing bodies, but this must be balanced with the potential loss of understanding in other areas.

Figure 2 Whether there is a qualified accountant on the governing body/trust



Qualifications of SBPs

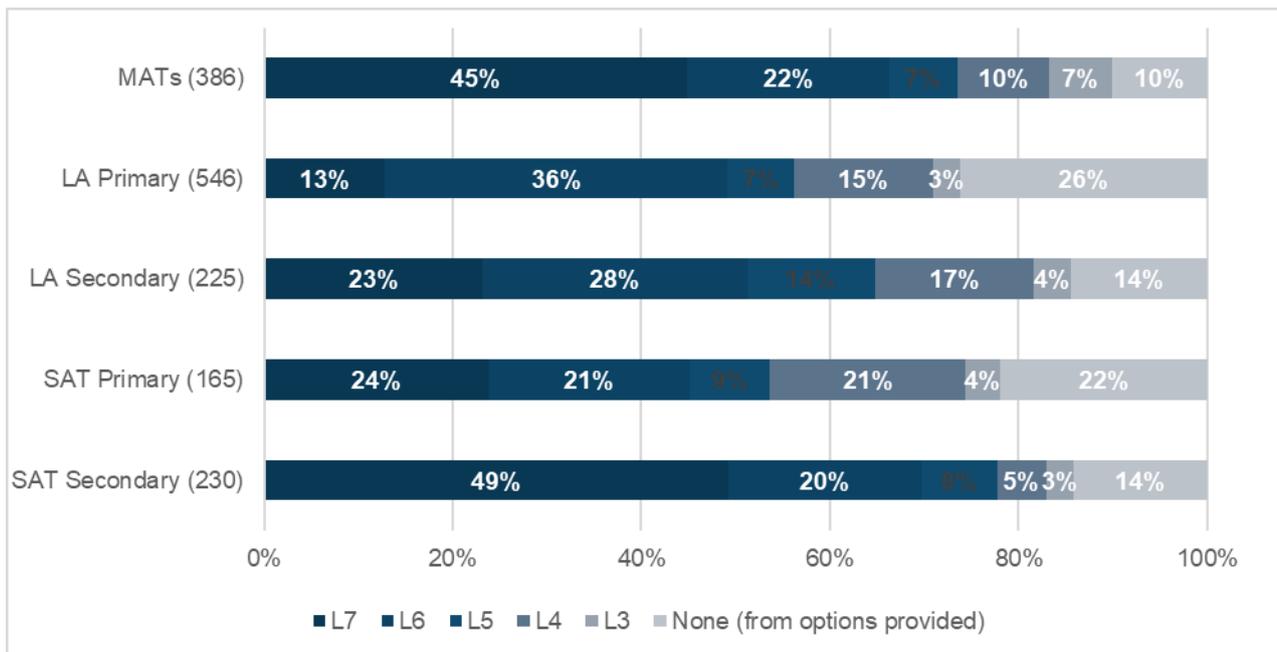
15. To allow analysis on the level of qualification among SBPs all respondents were asked to confirm whether they held any from a list of relevant qualifications⁸. Each of

⁸Level 4 Diploma in School Business Management (SBM) (formerly known as CSBM), Level 5 Diploma in School Business Management (formerly known as DSBM), Level 6 Diploma in SBM (formerly known as ADSBM), Level 5 CIPD certificate in HR for School Business Professionals, Level 4 CIPFA Accredited Finance training for SBMs, Level 7 CIPFA Certificate in School Financial and Operational Leadership, Degree, MBA/Masters, The Chartered Institute of Public Finance and Accountancy (CIPFA), Chartered Institute of Personnel and Development (CIPD), CCA, Chartered Institute for Management Accountants (CIMA), Associate of The Institute of Chartered Accountants in England and Wales (ACA), Association of Accounting Technicians (AAT), Other (please specify)

these qualifications equates to an academic level and figure 3 presents the findings. There are two clear findings from this figure:

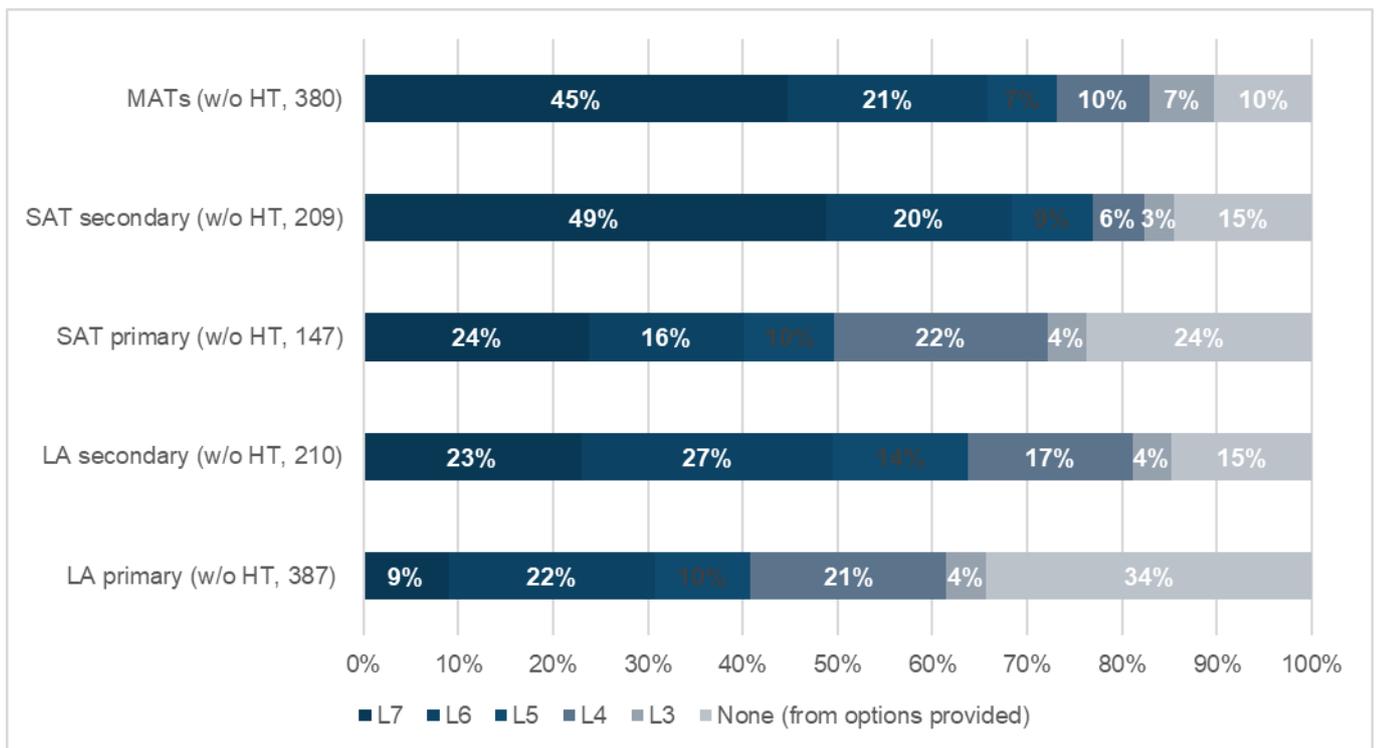
- secondary schools are more likely to have higher qualified SBPs than primary schools; and
- academies are more likely to have higher qualified staff than LA maintained schools.

Figure 3 Highest qualification held by respondents by phase and type



16. Figure 1 showed that a significant proportion of respondents for primary schools were headteachers, who have a minimum level of qualification. Figure 4 removes responses from headteachers to provide a slightly revised view on the level of qualifications held by SBPs in primary schools. For example in LA primary schools the figures with Level 5 or higher are 56 per cent if headteachers are included but falls to 41 per cent if they are removed.

Figure 4 Highest qualification held by respondents by phase and type – headteacher as respondent removed



Most important skills for SBPs

17. All respondents were asked what they perceived to be the most important skills for a school business professional. The most common response for all types of organisations was financial skills, but academies were more likely to endorse this view than LA maintained schools. Table 3 presents the skills most frequently stated as the most important – note there are no differences between the different types of MATs so they are presented as a single group.

Table 3 The skills perceived to be the most important for school business professionals⁹

	LA Maintained Schools		SATs		
	Primary	Secondary	Primary	Secondary	MATs
1	Finance (50%)	Finance (58%)	Finance (68%)	Finance (62%)	Finance (64%)
2	Resilience (12%)	Resilience (11%)	Resilience (8%)	Resilience (8%)	Planning (9%)
3	Decision making (10%)/ Leading change (10%)	Decision making (9%)/ Leading change (9%)	Decision Making (8%)	Planning (8%)	Decision making (8%)
Base	546	225	165	230	386

⁹ Response options: Finance, Resilience, Decision making, Planning, Leading change, Leading support services, Human resources, Negotiating, Estates management, Procurement, Marketing and Other

School business professionals and strategic planning

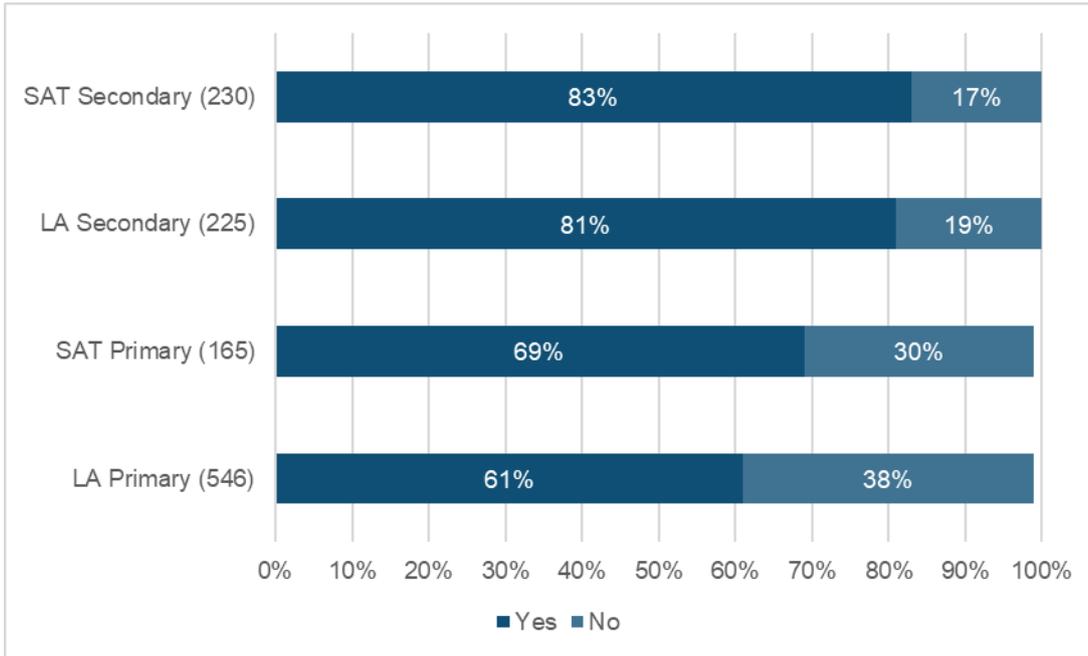
Key findings

- The majority of schools and trusts have an SBP on their Senior Leadership Team (SLT), but it is more likely in secondary than primary schools (SAT Sec. 83%; LA Sec. 81%; SAT Prim. 69%; LA Prim. 61%). The figure for MATs is 86%.
- Although the majority of respondents (over two-thirds) across all groups are involved in 'all' or 'some' aspects of strategic planning, there are a significant minority (29% in LA schools) who report limited or no involvement.
- At phase level, SBPs in LA (45%) and SAT (43%) secondaries are *more* likely to be involved in 'all' aspects of strategic planning than in LA (37%) and SAT primaries (25%). In 30% of LA maintained primary schools and 24% of primary SATs the SBP has limited or no involvement in strategic planning.
- The SBP involvement at MAT level is consistent across different sized MATs. 47% are involved in 'all' aspects of planning the strategic direction with a further 35% saying they have "some involvement".

School business professionals on the senior leadership team

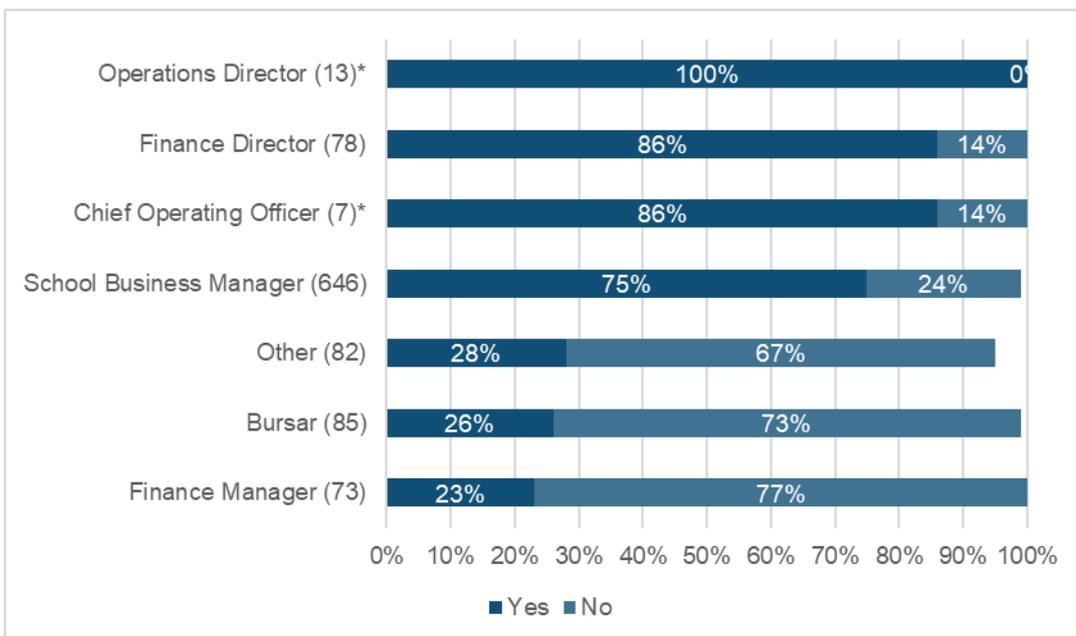
18. The majority of respondents of individual schools (SATs and LA maintained) are members of their school's senior leadership team (SLT). Figure 5 shows that secondary schools are more likely to have an SBP on their SLT than primary schools with relatively small differences between school types.

Figure 5 SBP membership of the school’s senior leadership team by phase



19. The report previously explained (figure 1) that secondary schools and academies were more likely to have more “senior” finance staff. This is reflected in the proportion of each different job titles that are members of the school’s SLT. Directors, Chief Operating Officers and school business managers are significantly more likely to be on the SLT than bursars, finance managers and other (which was selected by those who did not recognise their job title and is likely to include office managers and administrators).

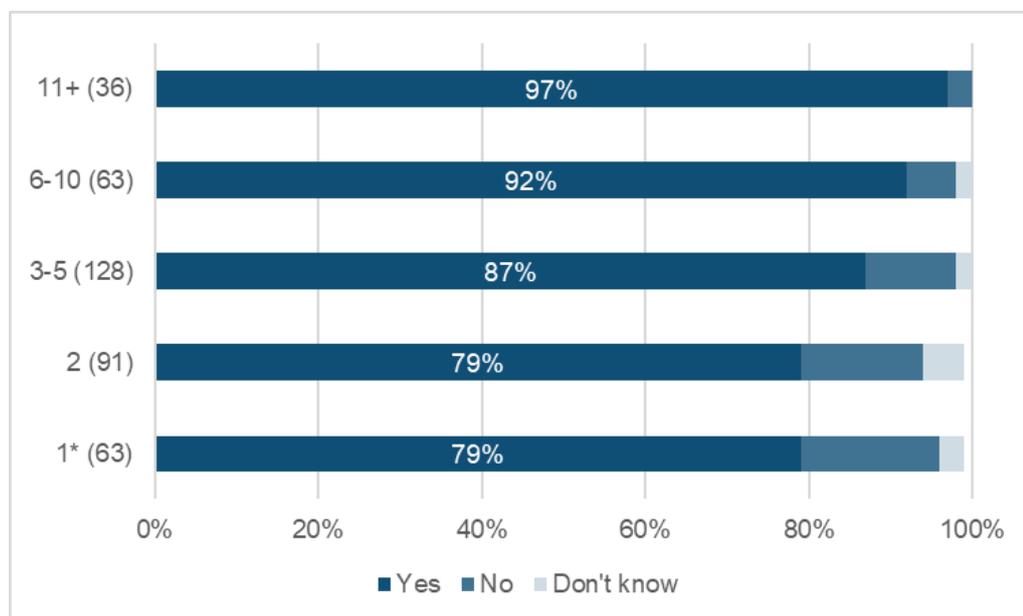
Figure 6 SBP membership of the school’s senior leadership team by job title



*note the low base size

20. A similar question was asked to respondents in MATs where 86 per cent answered that a SBP was a member of the MAT's SLT, which is higher than the proportions for standalone schools and trusts. The likelihood of being a member of the SLT increases with the size of the MAT. Figure 7 illustrates that virtually all the larger MATs have an SBP on the MAT's leadership team.

Figure 7 SBP membership of the MAT's senior leadership team by MAT size

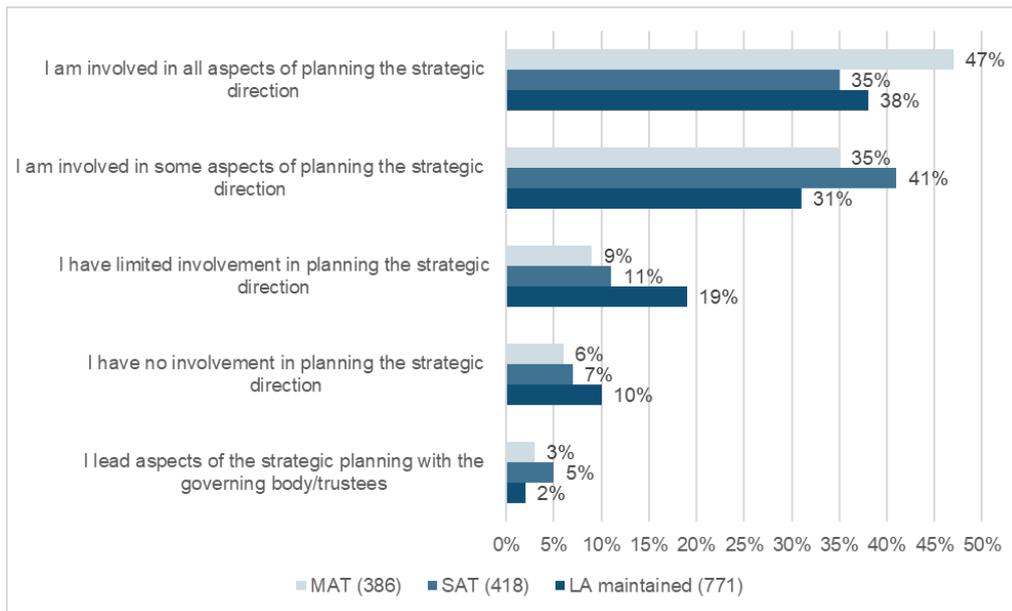


*some MATs operate as a single school MAT

School business professional involvement in strategic planning

21. The increased professionalisation of SBPs should mean that they are more qualified to have a strategic role in the running of their organisation. Respondents were asked about the extent which they are involved in planning the strategic direction of the school/trust and the results are presented in figure 8. We have seen that MATs and SATs are more likely to have more senior SBPs and this is reflected in their level of strategic involvement, especially within MATs. Almost half (47%) of SBPs in MATs say they are involved in all aspects of planning the strategic direction compared to just over a third in standalone schools. In LA maintained schools 29 per cent of SBPs claim to have either limited (19%) or no (10%) involvement in planning the schools' strategic direction.

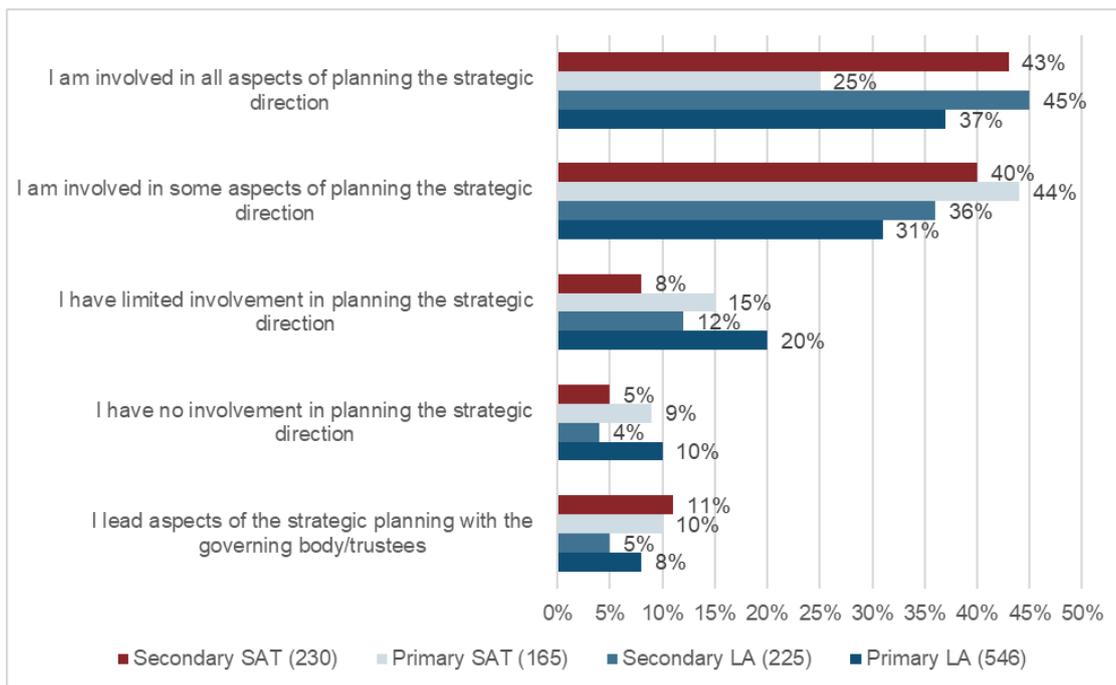
Figure 8 SBP involvement in planning the strategic direction for different types of organisation



LA Maintained and SATs

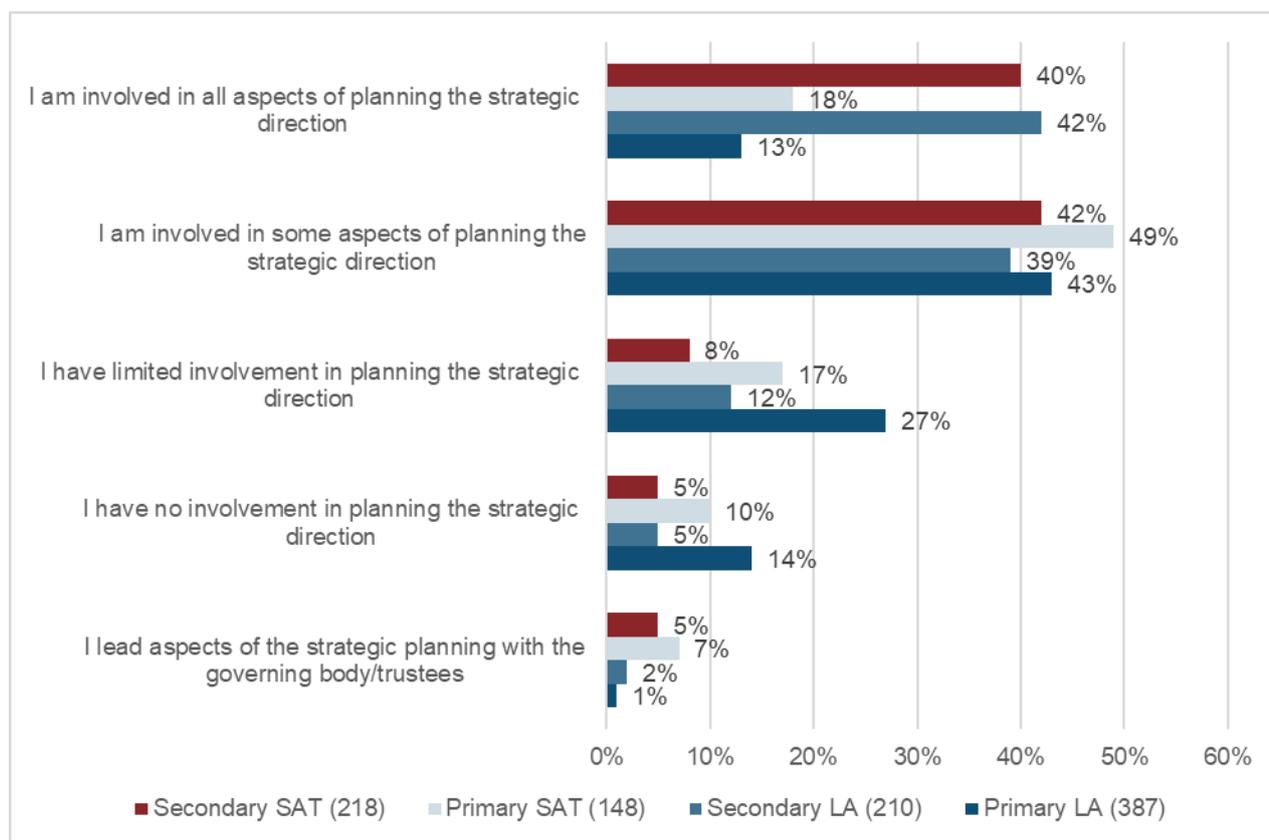
22. Closer examination of the SAT and LA maintained school respondents show that the level of involvement in strategic planning varies by phase. The SBPs in both LA maintained and SAT secondaries are more likely to be involved in all aspects of strategic planning than their counterparts in primary schools.

Figure 9 SBP involvement in planning the strategic direction for standalone schools by phase



23. Headteachers should have involvement in all aspects of planning the strategic direction of the school and figure 1 showed that the proportion of respondents who were headteachers is relatively high in primary schools. To assess the level of involvement in strategy for those who are specifically SBPs, figure 10 repeats the analysis presented in the previous figure but removes headteachers. This shows a significant drop in the involvement of the SBPs in primary schools (SAT and LA maintained) in setting the strategic direction of the school.

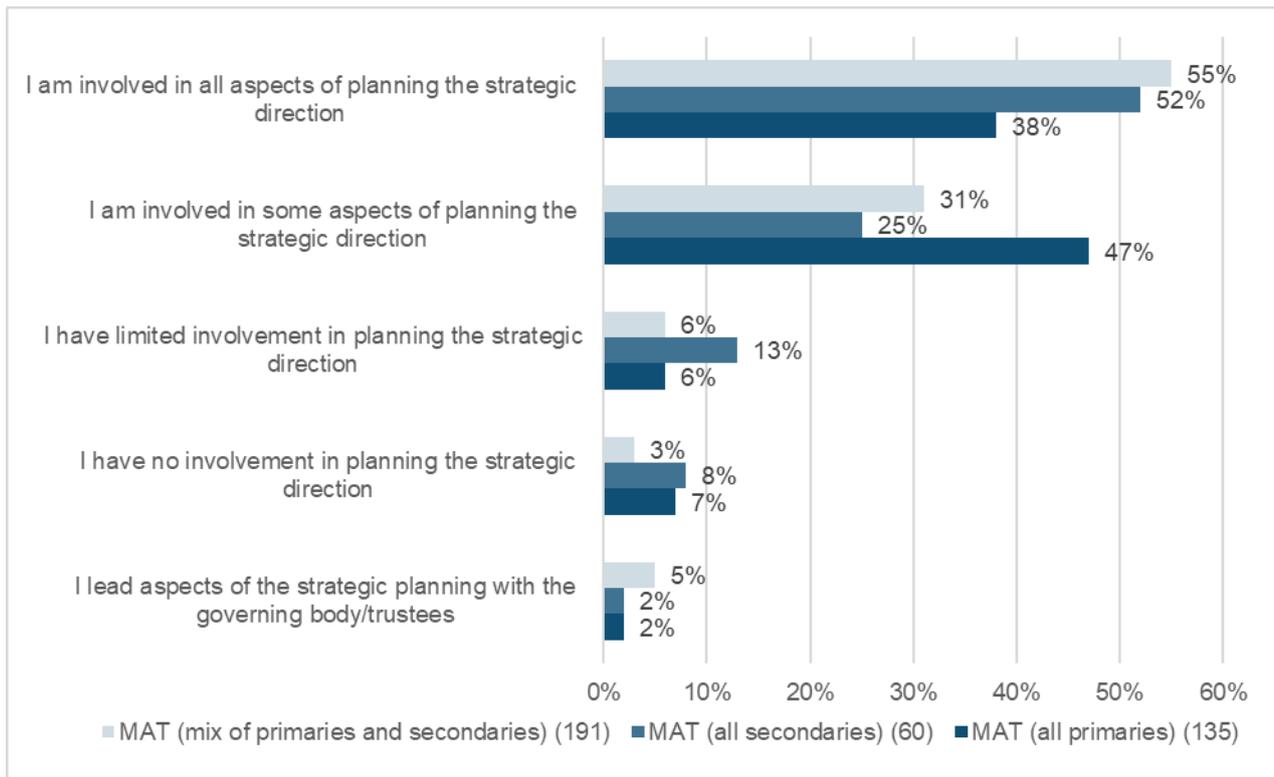
Figure 10 SBP involvement in planning the strategic direction for standalone schools by phase – excluding headteachers



MATs

24. Figure 8 showed that SBPs were more likely to be involved in all aspects of planning the strategic direction in MATs than standalone schools, but there are important differences for MATs by phase make-up. Figure 11 shows that SBPs in mixed MATs and MATs consisting solely of secondary schools are more likely to be involved in all aspects of setting the strategic direction than those in primary only MATs. It is likely that this is linked to the average budget in each of these types of MATs, with mixed and secondary MATs having, on average, larger budgets to administer.

Figure 11 SBP involvement in planning the strategic direction for MATs with different characteristics



Financial planning

Key findings

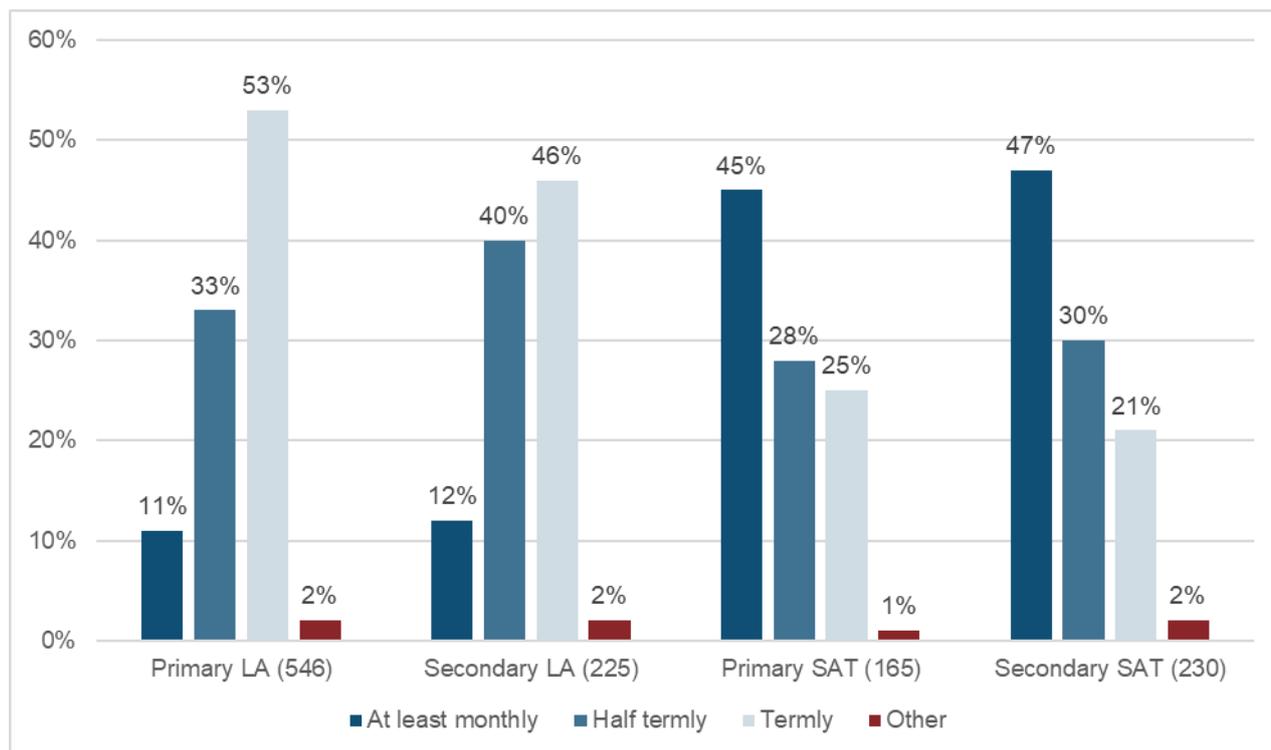
- Trusts are more likely to review their finances monthly (SAT prim. 45%; SAT Sec. 47%; MAT. 42%), whereas the most common action for LA maintained schools was to complete termly reviews (LA Prim. 53%; LA Sec. 46%).
- There is limited use of Zero-Based Budgeting (ZBB) across groups. MATs are more likely to use ZBB than other types of schools, although still less than half of them do so. Primary schools are most likely to say they have never heard of it (SAT prim 33%, LA prim 46%, SAT sec 11%, LA Sec 20%).
- Approximately 80% of all LA maintained schools and SATs maintain a list of current contracts. Purchasing plans are reviewed by governors in approximately 40% of schools and trusts

Monitoring finances

25. Schools and trusts have significant budgets that require close monitoring to ensure that they are well managed, so respondents were asked how regularly their governors reviewed finances. The question for standalone schools asked '*how often the governing body of your school/trust review finances?*' While MATs were asked '*how often does the MAT central governing board reviews finance?*' It is important to note that the Academies Financial Handbook¹⁰ stipulates that accounts must be prepared every month and reviewed at every meeting of the trust board – this question was about reviewing at governor level. The data in Figure 12 show that differences exist between school types rather than phase, with SATs reviewing finances more often than LA maintained schools. School finances are reviewed at least monthly by only 11 per cent of primary LA maintained schools and 12 per cent of secondary schools compared to figures of 45 per cent (primary) and 47 per cent (secondary) for SATs. Although not shown, the proportions for MATs are similar to SATs with 42 per cent checking at least monthly and 31 per cent half-termly.

¹⁰ The trust must prepare management accounts every month setting out its financial performance and position, comprising budget variance reports and cash flow forecasts with sufficient information to manage cash, debtors and creditors. Managers must take appropriate action to ensure ongoing viability. Management accounts must also be shared with the chair of trustees every month irrespective of the size of the trust, and with the other trustees six times a year. The board must consider these when it meets.

Figure 12 Regularity of governors/trustees reviewing finances by phase and type

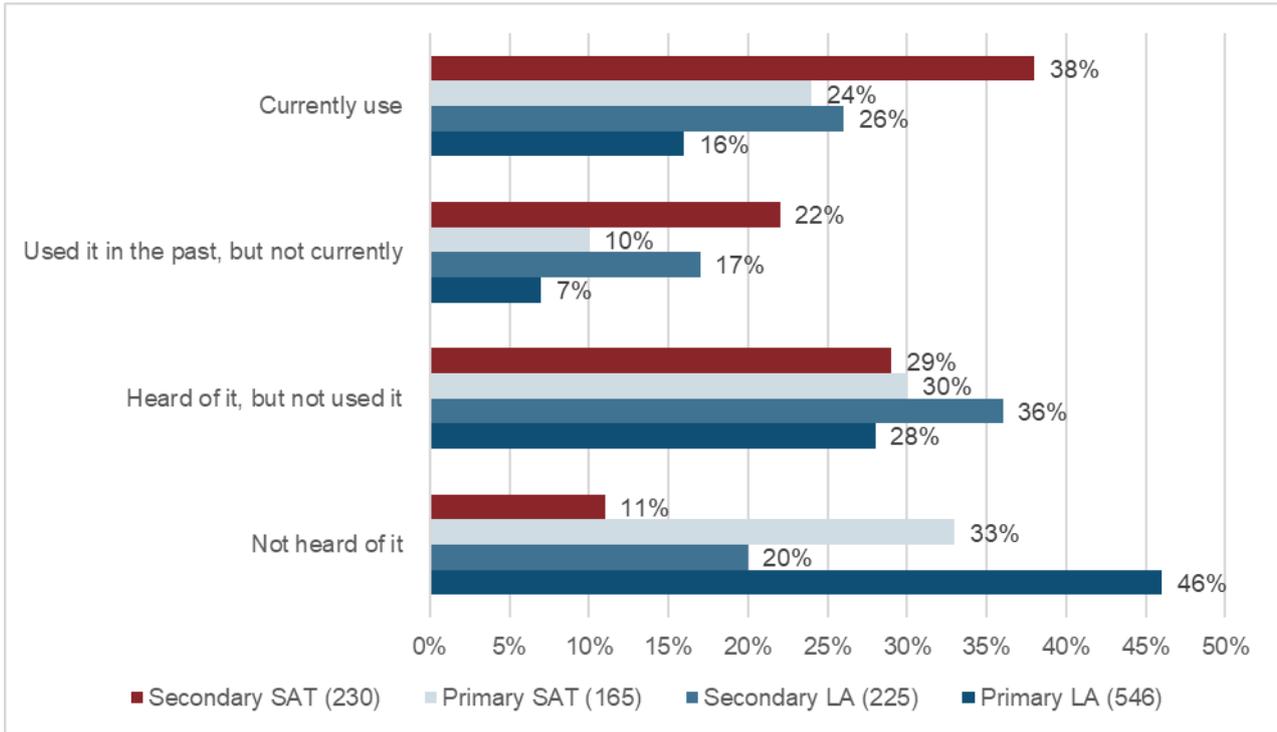


Use of zero-based budgeting

26. One possible approach to budgeting that can be used by schools and trusts is zero-based budgeting. This is a method of budgeting where all expenses must be justified for each period. This requires an organisation to analyse the need and cost of every function it carries out. The budget is built around what is needed for the upcoming period rather than using a traditional budgeting approach with incremental annual increases in spending. Traditional budgeting analyses only new expenditure whereas zero-based budgeting requires justification of old/recurring expenses as well as new ones.

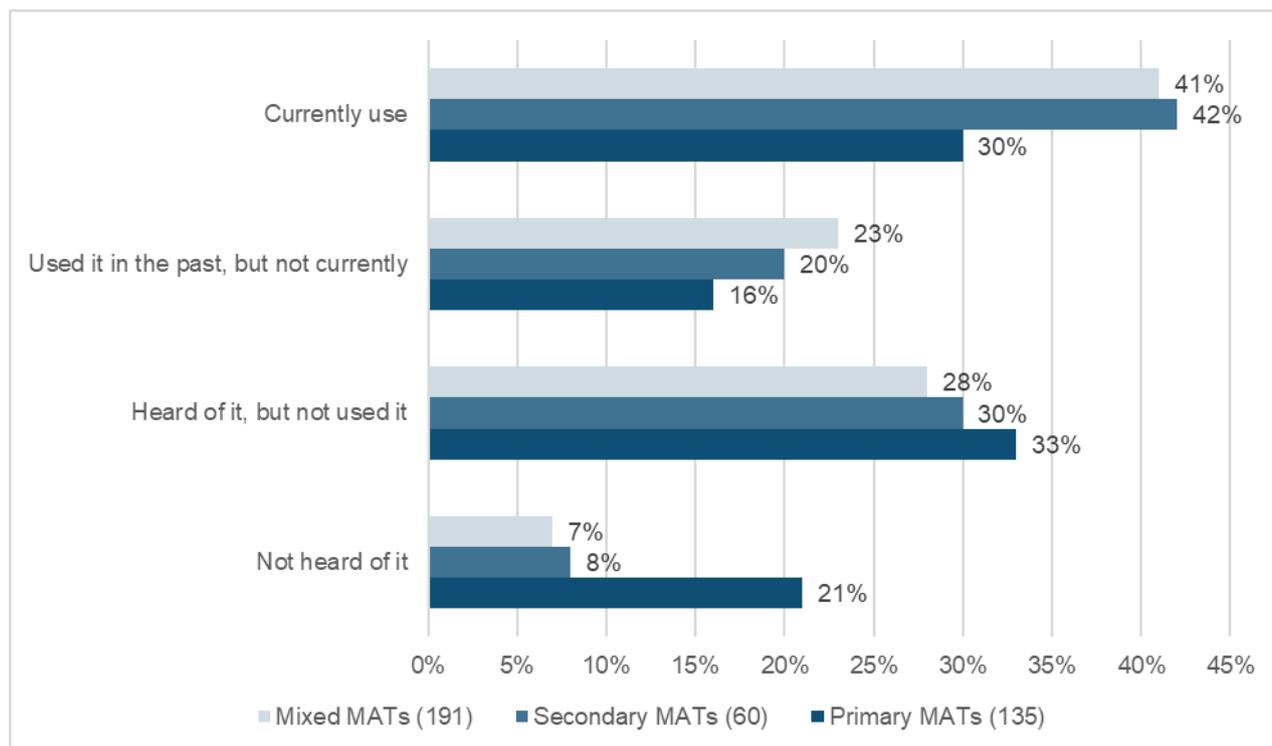
27. All respondents were asked about their awareness and usage of zero-based budgeting and a minority of schools have ever used it or currently do so. The department does not insist on the use of zero-based budgeting or whether it is used in combination with annual traditional budgeting so this question was asked to gauge the level of use in the system. There are significant differences in usage between different types of schools with secondary SATs the most likely currently use the approach (38%) or have used it in the past (22%). Current usage was similar between primary SATs (24%) and secondary LA maintained schools (26%) with the lowest usage in primary LA maintained schools (16%). Almost half (46%) of respondents from LA maintained primary schools have never heard of zero-based budgeting compared to a third (33%) of primary SATs, a fifth (20%) of secondary LA maintained schools and 11 per cent of secondary SATs.

Figure 13 Awareness and use of zero-based budgeting among standalone schools



28. The usage and awareness of zero-based budgeting is higher in MATs than standalone schools, but it varies between MATs with different phase characteristics. Usage and awareness are higher in mixed phase MATs (41% currently use and 23% used in the past but not currently) and secondary MATs (42% currently use and 20% used in the past but not currently). The figures for primary MATs are lower with 30 per cent currently using zero-based budgeting and 16 per cent having used it in the past. Respondents in a fifth (21%) of primary MATs have never heard of this approach compared to 7 per cent and 8 per cent for mixed and secondary MATs respectively.

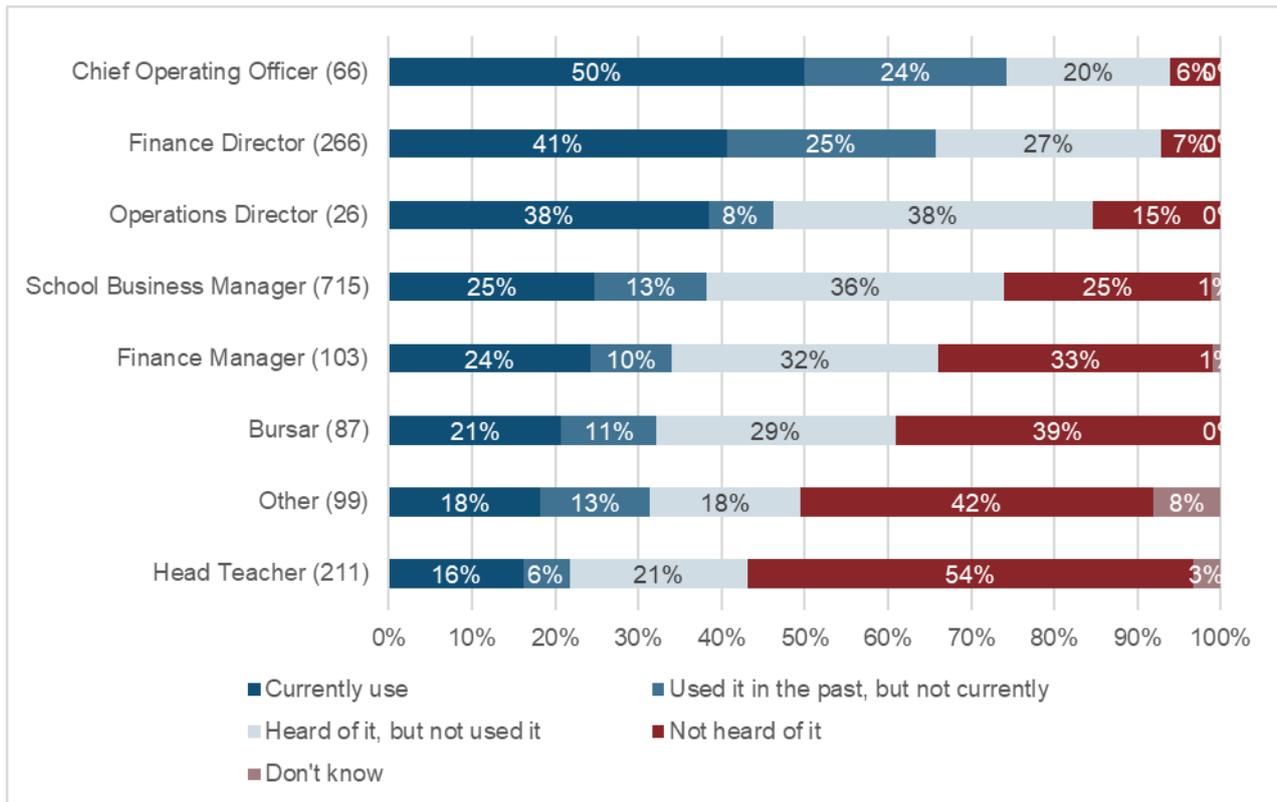
Figure 14 Awareness and use of zero-based budgeting for MATs of different types



29. The report has presented the job titles of SBPs within the different types of organisations with MATs having the most senior staff and SATs having more senior staff than LA maintained schools from the same phase. Zero-based budgeting is more likely to be used by senior staff. Figure 15 shows that:

- Job titles at director level with experienced finance professionals are most likely to use zero based budgeting and few of those have no awareness e.g. chief operating officer, finance director and operations director.
- Use and awareness of zero -based budgeting was more varied among those with less senior level job titles e.g. school business manager, finance manager and bursar.
- Headteachers had the lowest awareness and use of zero-based budgeting

Figure 15 Usage and awareness of zero-based budgeting by job title of respondent

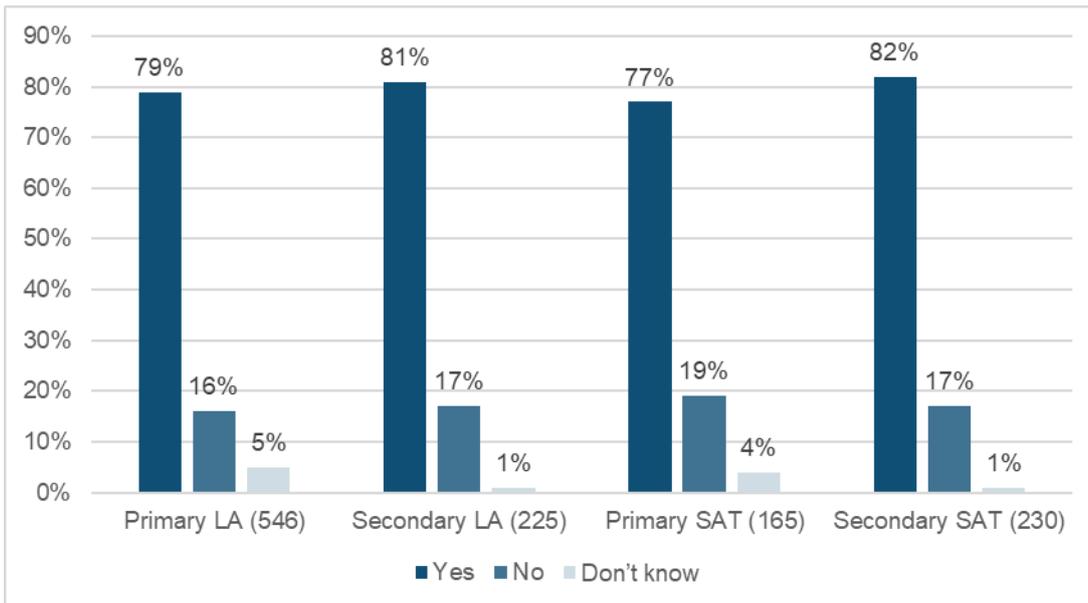


30. Respondents who had heard of zero-based budgeting or used in the past but were not currently using it, were asked whether they intended to use the approach in the future; and the majority did not intend to do so. Of these respondents, only 11 per cent of LA maintained schools, 20 per cent of SATs and 26 per cent of MATs plan to use it in the future. Despite a significant proportion of each type of organisation not knowing if they will use zero-based budgeting in the future, around half don't intend to use it (LA maintained 53%, SAT 54% and MAT 45%). This evidence suggests that organisations need convincing about the benefits of using zero-based budgeting, rather than just being made aware of it.

Contracts and purchasing plans

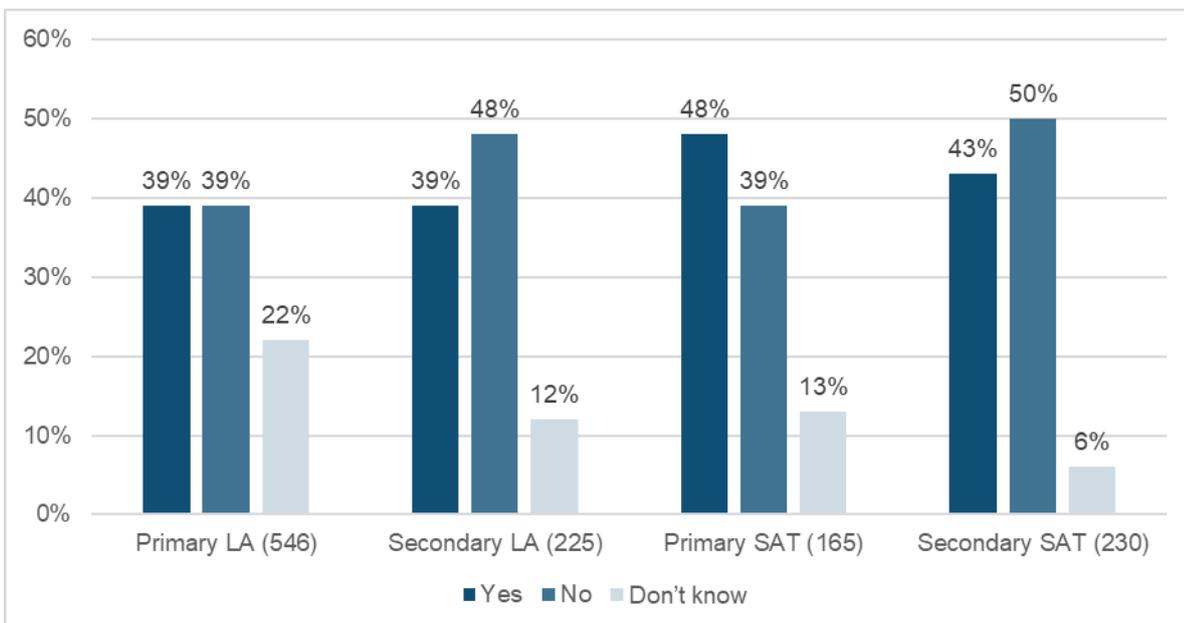
31. Effective procurement involves a good oversight of contracts to help ensure that money is spent efficiently. Figure 16 shows that over three quarters of respondents maintain a list of contracts with similar percentages for all the different types of organisation.

Figure 16 Proportion of schools/trusts who maintain a list of contracts



32. Despite most schools and trusts maintaining lists of contracts, under half of the respondents confirmed that their governing board reviews their schedule of purchasing plans. The evidence suggests that SAT boards are slightly more likely to review plans than their counterparts in LA maintained schools, but that the difference is limited.

Figure 17 Proportion of schools/trusts where the governing board reviews a schedule of purchasing plans

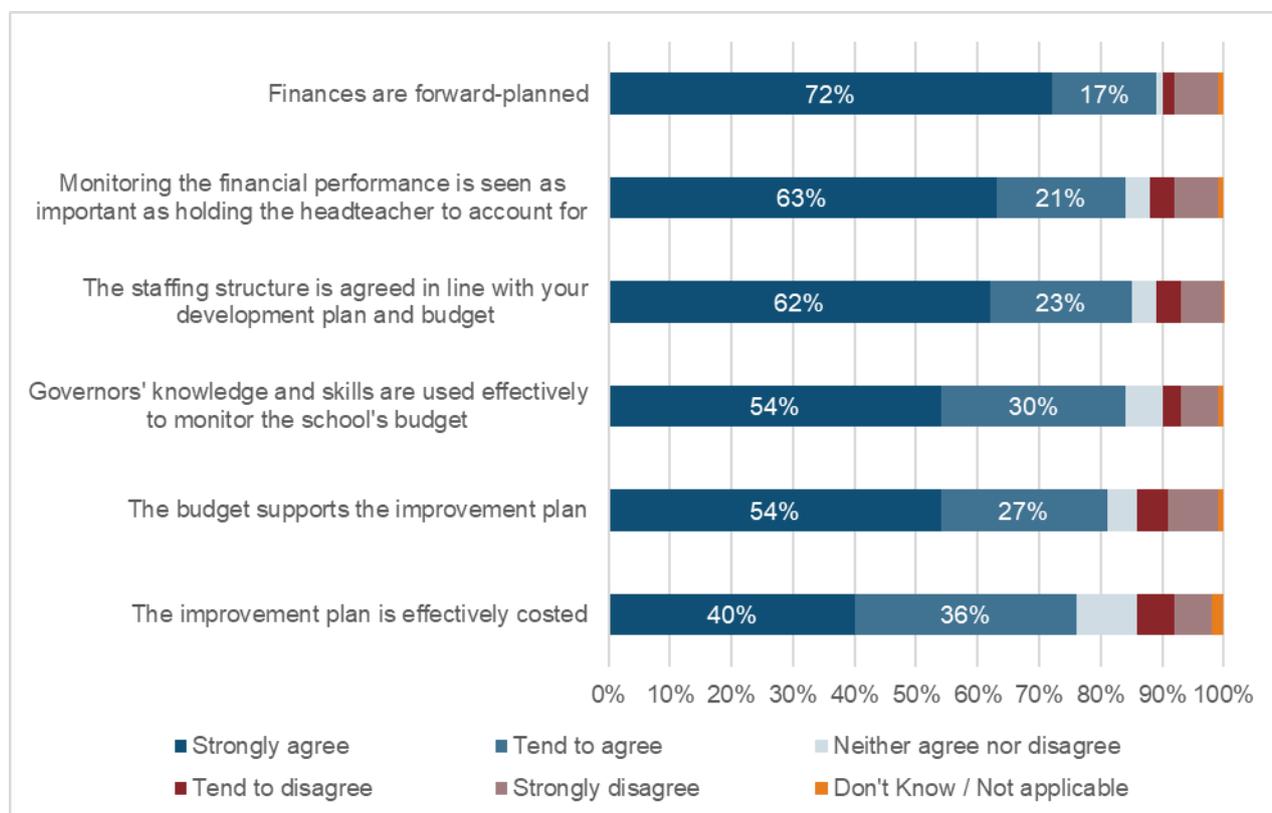


Views on financial management

33. All respondents were asked a series of questions relating to finance which covered: forward planning, accountability, links between finance and staff planning, use of governor skills, whether the budget supports the improvement plan and whether the improvement plan is effectively costed. There was very little variation in responses between the different phases and type of organisation, so figure 18 uses the total sample.

34. The majority agreed with all the statements provided, but the strength of agreement varied across the different statements. Almost three-quarters (72%) agreed that finances are forward planned and almost two-thirds agreed that headteachers should be held to account over finances (63%) and that the staffing structure is agreed in line with the development plan and budget (62%). Fewer strongly agreed that their improvement plan is effectively costed (40%) and that their budget supports the improvement plan (54%). The data do not show whether the respondent is less likely to strongly agree because improvement plans could be improved or whether the budget is too limited.

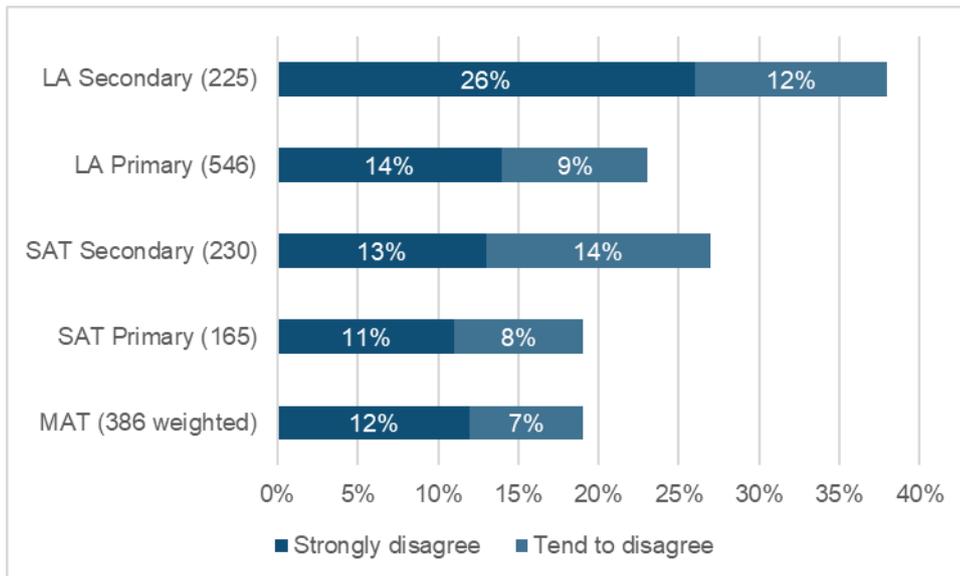
Figure 18 Level of agreement with statements regarding finance and school improvement



Base: Total weighted sample 1574

35. Respondents were also asked the extent to which they agreed with the statement “we do not run a deficit budget” which has been interpreted as those disagreeing with the statement effectively claiming to run an in-year deficit budget. Figure 19 shows that a quarter of secondary LA maintained schools (26%) strongly disagree that they do not run a deficit budget, which is significantly higher than all other school types and phase.

Figure 19 Proportion of schools/trusts disagreeing with the statement that they do not run a deficit budget by organisation type



Integrated curriculum and financial planning

Key findings

- A range of ICFP metrics are used by all groups in making decisions about teacher deployment. Secondary schools use more metrics than primaries.
- Primary schools tend to use 'Pupil Teacher Ratio', 'percentage spend on total staff', and 'percentage spend on teachers'.
- Secondary schools focus on: 'Teacher contact ratio', 'Average Teacher cost', 'Average class size', 'Pupil Teacher Ratio', 'Senior leaders as a percentage of workforce', and 'the percentage spend on total staff'.
- MATs with at least one secondary school are more likely to use ICFP metrics and single -phase MATs use more of the metrics than standalone schools in the same phase

36. Integrated curriculum and financial planning (ICFP) is an approach to the deployment of teaching staff in a school. This brings together the school's desired curriculum with its budget considerations, uses core data (for example, average class size, average contact ratio, average teacher costs, size and structure of the senior leadership team) to help leaders decide on the best strategy to meet pupil needs within the available funding.

37. A MAT or federation can use an ICFP approach across all its schools by adopting an agreed common approach, by phase or school type, to staff planning. This might include an agreed set of shared resources, such as subject specialists or financial support, benchmarking across the trust (and beyond and monitoring plans regularly to sign off significant changes. This research explored the use of elements of ICFP in schools and trusts.

Reviewing teacher deployment

38. Table 4 demonstrates that secondary schools tend to review teacher deployment more regularly than primary schools and MATs consisting solely of secondary schools do so more regularly than standalone primary schools and mixed MATs. Primary MATs review deployment more regularly than standalone primary schools

Table 4 Regularity of reviewing teacher deployment in schools/MATs

	Primary		Secondary		MATs		
	LA	SAT	LA	SAT	Primary	Secondary	Mixed
<i>Half-termly or more regularly</i>	17%	21%	41%	38%	30%	43%	34%
<i>Termly</i>	30%	25%	29%	34%	37%	25%	28%
<i>Annually</i>	41%	44%	24%	21%	27%	28%	26%
<i>Biennially</i>	2%	0%	1%	0%	0%	0%	2%
<i>Never</i>	1%	0%	0%	0%	1%	0%	1%
<i>Don't know</i>	9%	10%	4%	6%	4%	3%	9%
Base	546	165	225	230	135	60	191

Use of ICFP metrics

39. Secondary schools are more likely than primary schools to use all the ICFP metrics presented in table 5, except pupil/adult ratio. There are some interesting, but easily explainable, differences in likelihood of using different metrics between phases with teacher contact ratio being the most widely used in secondary schools (two-thirds) compared to under a fifth in primary schools where teachers generally teach one class whereas teachers in secondary schools teach numerous different classes a day which leads to more variation in teacher contact.

40. Over half of the secondary schools that completed the survey use the following metrics: teacher contact ration, pupil teacher ratio, the percentage of spend on teachers, the percentage of spend on total staff and average class size. Just over a third examine the average teacher cost and the senior leaders as a proportion of the workforce.

41. The most commonly used metric in primary schools (although still by under half) is pupil-teacher ratio. The other more commonly used metrics are the percentage of spend on staff and teachers and the average class size, but these are significantly less commonly used than in secondary schools. A sizable minority of primary schools (15%) have not used any of the ICFP metrics.

42. There are very few differences between LA maintained schools and SATs in the use of metrics, the only statistically significant differences are between the proportion who examine the percentage of spend on teachers and the percentage spend on total staff which are more commonly used in SATs.

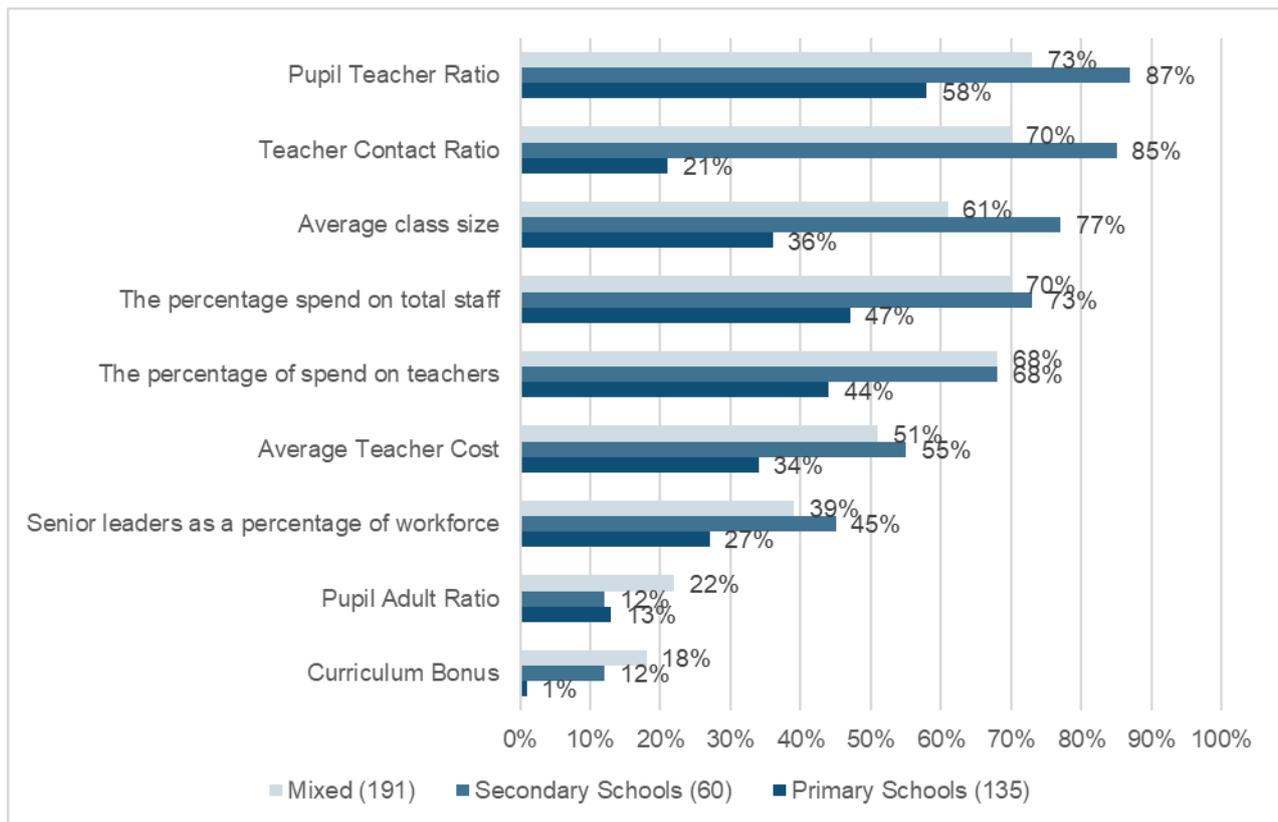
Table 5 Use of ICFP metrics by different types of standalone schools

	Primary		Secondary	
	LA	SAT	LA	SAT
<i>Teacher Contact Ratio</i>	13%	21%	66%	70%
<i>Pupil Teacher Ratio</i>	45%	45%	68%	67%
<i>The percentage of spend on teachers</i>	29%	38%	53%	65%
<i>The percentage spend on total staff</i>	30%	45%	50%	65%
<i>Average class size</i>	28%	27%	58%	60%
<i>Average Teacher Cost</i>	14%	19%	37%	45%
<i>Senior leaders as a percentage of workforce</i>	16%	19%	35%	33%
<i>Pupil Adult Ratio</i>	14%	15%	8%	7%
<i>Curriculum Bonus</i>	1%	1%	9%	4%
<i>Don't Know</i>	14%	13%	6%	7%
<i>None of these</i>	15%	16%	4%	3%
Base	546	165	225	230

43. Figure 20 shows that MATs consisting of secondary schools are more likely to use ICFP metrics. It is also worth noting that by contrasting the figures presented in the table 5 and figure 20 it is clear that MATs use more of the metrics than standalone schools in the same phase. For example, pupil teacher ratio:

- Secondary MAT 87%
- Secondary SAT 67%
- Primary MAT 58%
- Primary SAT 45%

Figure 20 Use of ICFP metrics by different types of MAT



44. This report has explained the concept of zero-based budgeting and demonstrated that it was used by a minority of respondents. Further analysis shows that current and previous users of zero-based budgeting are more likely to use ICFP metrics to inform teacher deployment. Also, those who have heard of zero-based budgeting but not used it, are more likely to use the metrics than those who have never heard of it. The data provided in table 6 is for secondary schools (SATs and LA maintained schools) but data for other types of schools show a similar pattern.

Table 6 Use of ICFP metrics by secondary schools based on their awareness and use of zero-based budgeting

ICFP Metrics	Do you or have you ever used zero based budgeting?				
	Currently use	Used it in the past, but not currently	Heard of it, but not used it	Not heard of it	Grand Total
Teacher Contact Ratio	77%	77%	63%	54%	68%
Average Teacher Cost	47%	50%	37%	27%	41%
Average class size	68%	67%	54%	45%	60%
Pupil Teacher Ratio	73%	73%	65%	55%	67%
Senior leaders as a percentage of workforce	36%	35%	36%	28%	34%
The percentage of spend on teachers	66%	65%	56%	45%	59%
The percentage spend on total staff	68%	64%	52%	41%	58%
Base: All secondaries (SAT and LA)	146	88	144	71	449

School Resource Management (SRM)

Key findings

- The majority of individual schools have used the DfE's financial benchmarking website, particularly LA schools (LA Sec. 84%; LA Prim. 81%; SAT Sec. 75%; SAT Prim. 67%) but more MATs report using governance tools compared to standalone schools, e.g. 47% of MATs use DfE's Top 10 planning checks for governors compared to 39% of secondary SATs and 23% secondary LA schools.
- The benchmarking website is most commonly used for discussions with the governing body and SMT and reviewing their financial plan.
- Around a third of MATs and secondary SATs have used the efficiency metric compared to a quarter of SAT primary and secondary LA maintained. Only 10% of primary LA schools use the metric. The efficiency metric is generally used to inform governors and SLT

45. In August 2018 the department published *Supporting excellent school resource management*¹¹, this document sets out the support, current and planned, that the department is making available to help schools manage their resources effectively. It covers:

- **School Procurement - helping schools to get the best value from purchases of goods and services.** The department has developed and recommended a range of buying deals, including School Switch, an energy price comparison service for schools, and continues to test approaches through two pilot Buying Hubs which provide direct support to schools. Risk Protection Arrangement is also available as a low cost alternative to commercial insurance for academies.
- **School Workforce Management - helping schools to reduce recruitment costs, deploy staff effectively and reduce unnecessary workload.** The department has published guidance and toolkits for schools to use to manage staff effectively and reduce workload, as well as guidance to support schools in taking an integrated approach to curriculum and financial planning. In addition the Teaching Vacancies Service has been launched to reduce school spending on recruitment and there is a deal to

¹¹ <https://www.gov.uk/government/publications/supporting-excellent-school-resource-management>

support schools with getting value for money when hiring supply teachers and other agency workers.

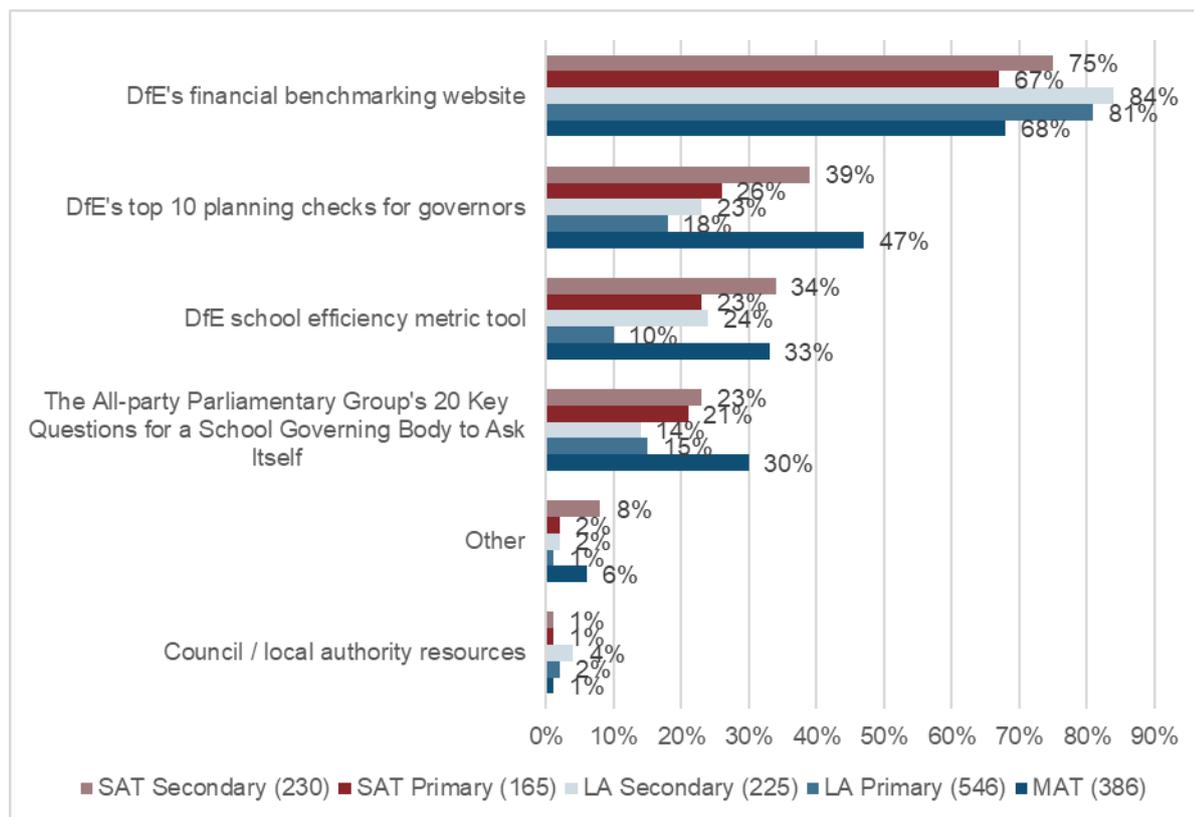
- **Data and Transparency - providing schools with tools to enable informed decision-making about spend and resource management.** The department's Financial Benchmarking Service allows schools and trusts to compare themselves with others that are similar, across a wide range of spending lines. Also available are financial self-assessment tools for maintained schools and academies that RAG-rate patterns of spend against key benchmarks.
- **Schools' Financial Skills - supporting school leaders to manage their resources by developing financial skills.** The department is working with the sector to enhance the supply, skills and status of School Business Professionals, as well as strengthening the financial and efficiency content of training courses for school leaders.
- **Oversight, Intervention and Targeted Support - providing direct support and intervention to schools, particularly those at risk of falling into financial difficulty.** The department is providing direct support to schools where it is required, following a successful pilot, the programme of School Resource Management Advisers has now been rolled out nationally.

Use of DfE tools

46. All respondents were presented with a list of the department's SRM tools and asked which they used to support decision making when they are considering resource management in their school/trust. Figure 21 shows that the majority of individual schools – particularly LA maintained schools - have used the financial benchmarking website but that more MATs are using governance tools. The figure does not present all the options provided in the survey because a very small proportion (under 3 per cent for each) endorsed internal benchmarking (inc. for MATs), independent auditor / financial adviser, work with other school finance professionals; and other internal resource considerations.

47. Some differences exist between phase with secondary schools more likely than primary schools of the same type to use the department's top ten planning checks for governors and the school efficiency metric. These differences are also reflected in MATs consisting of different phases with 40 per cent of primary MATs using the top ten planning checks for governors compared to 47 per cent of secondary MATs, and 27 per cent of primary MATs using the efficiency metric compared to 40 per cent of secondary MATs.

Figure 21 SRM tools used by schools and trusts



Actions taken after using the benchmarking website

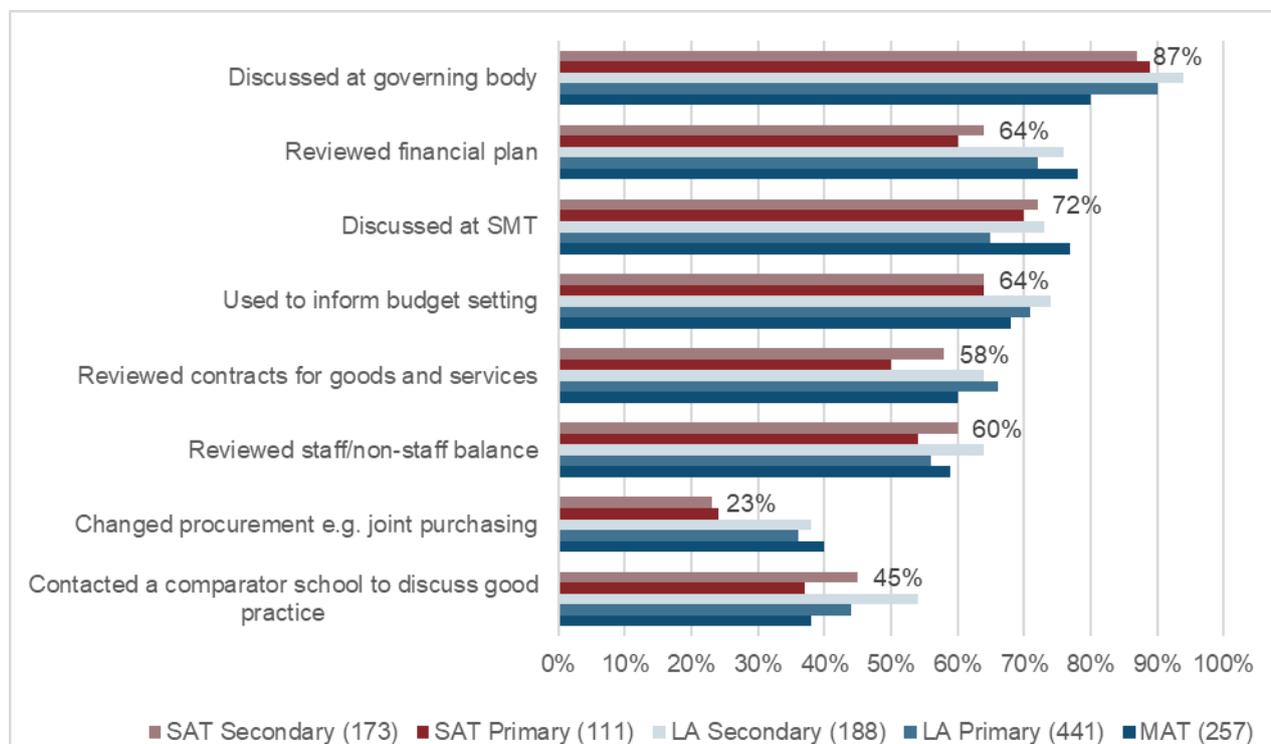
48. Figure 21 showed that the benchmarking website was the most widely used ESRM tool (SAT secondary 75%, SAT primary 67%, LA secondary 84%, LA primary 81% and MAT 68%). Users were asked what actions they had taken following their use of benchmarking. Figure 22 shows the most common actions for each school type and phase. The most common actions were to discuss with the governing body and SMT plus reviewing the financial plan and setting budgets. There are very few differences between phase and school type but LA schools are more likely to review their financial plan and change procurement than are SATs. Previous research published by the department¹² shows that SATs tend to review their finances and procurement soon after conversion so are likely to be coming from a different starting point when they use the benchmarking website.

49. Other possible actions as a result of benchmarking were presented with additional options, but they were reported by only small proportions of respondents (5 per cent or fewer). These options were: collaboration with other schools, use of DfE tools didn't result in any new / additional actions being taken, external review of financial plan,

¹² Cirin 2017. *Academy trust survey 2017*, Department for Education

sought additional help from local authority, reviewed energy / utility use, brought in external consultants and provided training for staff.

Figure 22 Actions taken after using the DfE’s benchmarking tool¹³

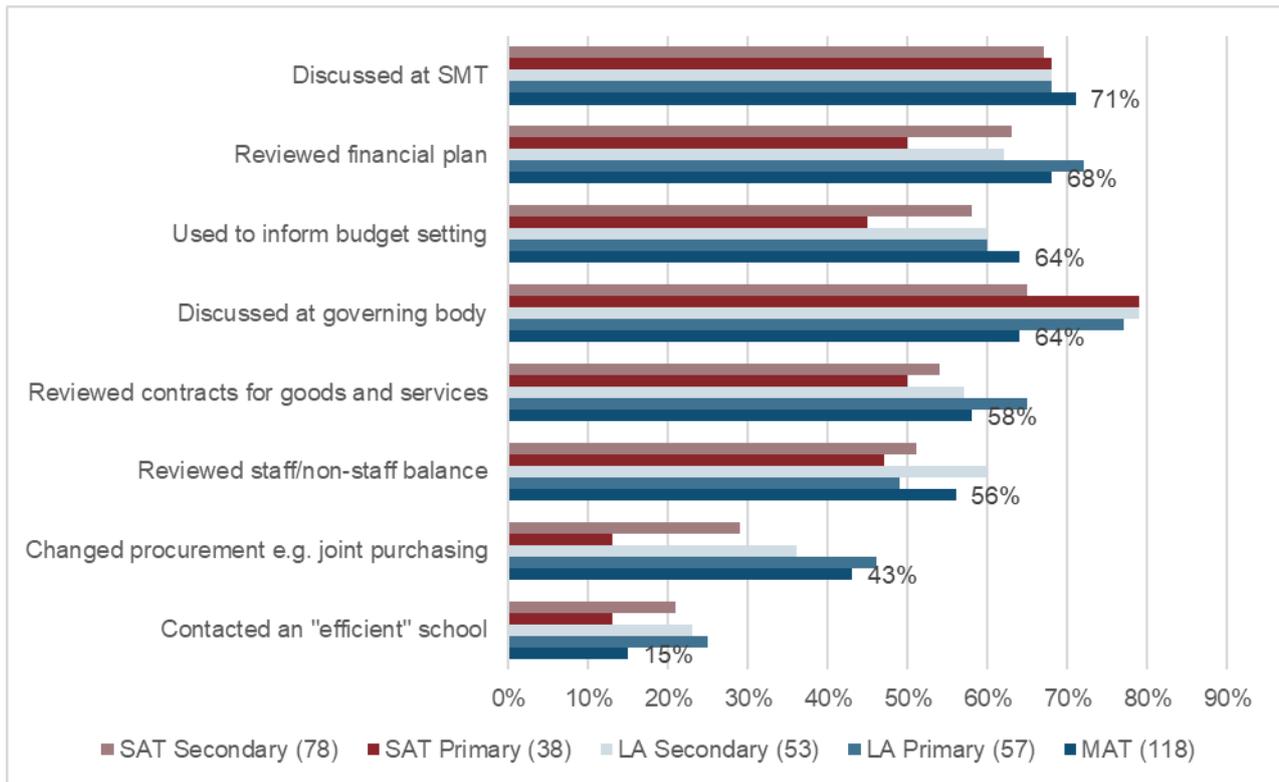


Actions taken after using the efficiency metric

50. The efficiency metric was less commonly used than the financial benchmarking website (by 34% of SAT secondary, 23% of SAT primary, 24% of LA secondary, 10% of LA primary and 33% of MATs) so the findings in figure 23 should be viewed as applying to a minority of respondents. Like the benchmarking tool, the efficiency metric is generally used to inform governors and SMT. There appear to be few differences by school type and phase in the actions taken after using the metric and the limited base size means statistical testing is not possible.

¹³ Figures presented in the chart are for SAT secondary schools. Other figures are removed to prevent figures becoming illegible.

Figure 23 Actions taken after using the efficiency metric¹⁴



¹⁴ Figures presented in the chart are for MATs. Other figures are removed to prevent figures becoming illegible.

Recommended deals

Key findings

- Awareness of individual recommended deals is low¹⁵, but is higher in MATs and SATs than LA schools. The Risk Protection Arrangement (RPA – an alternative to insurance), energy and ICT are the only deals with over 50% awareness for any type of school/trust.
- Awareness among primary LA schools is particularly low with no more than a fifth being aware of any of the specific deals. Almost two thirds of LA primary schools and over a third of LA secondary schools say they have not heard of any of the recommended deals.
- MATs and SATs are more likely to be users of recommended deals, although take up is relatively low for all types of school. Around half of MATs and SATs use RPA but other figures are low with only energy and utilities being used by as many as 12%.
- Conversion of awareness to usage of each recommended deal is low (under a third) except for with the exception of RPA which means encouraging take up of deals needs more than simply raising awareness.
- Respondents provided suggestions for areas in which they would like to see new deals (professional/recruitment 5%).
- Some respondents who did not use the deals felt they did not always represent good value for money (7%) or were difficult to use (5%).
- There are mixed levels of awareness of DfE’s Teacher Vacancy Service; secondary schools are more likely to be aware than primaries. Use of the service is fairly low amongst respondents (71% of all respondents had not used). However, the service was in its infancy at the point of asking the survey so treat finding in this context and there may be others at the school/trust using the service

51. The department created “recommended deals” to help schools save money on regular purchases and these are reviewed and updated regularly and published on [GOV.UK](https://www.gov.uk) - there are currently 34 deals. The introduction of recommended deals has been a gradual process so some have existed longer than others. These deals include: up to

¹⁵ There is a caveat that the introduction of recommended deals has been a gradual process so some have existed longer than others and this will affect the level of awareness and usage.

10 per cent saving on energy, up to 8 per cent on water; up to 10 per cent on IT products bulk buys and around 40 per cent saving for individual schools' printer and photocopying costs.

52. These deals have been assessed for compliance with procurement regulations, ease of use, suitability and value for money; and the department receives regular feedback from schools already using the deals.

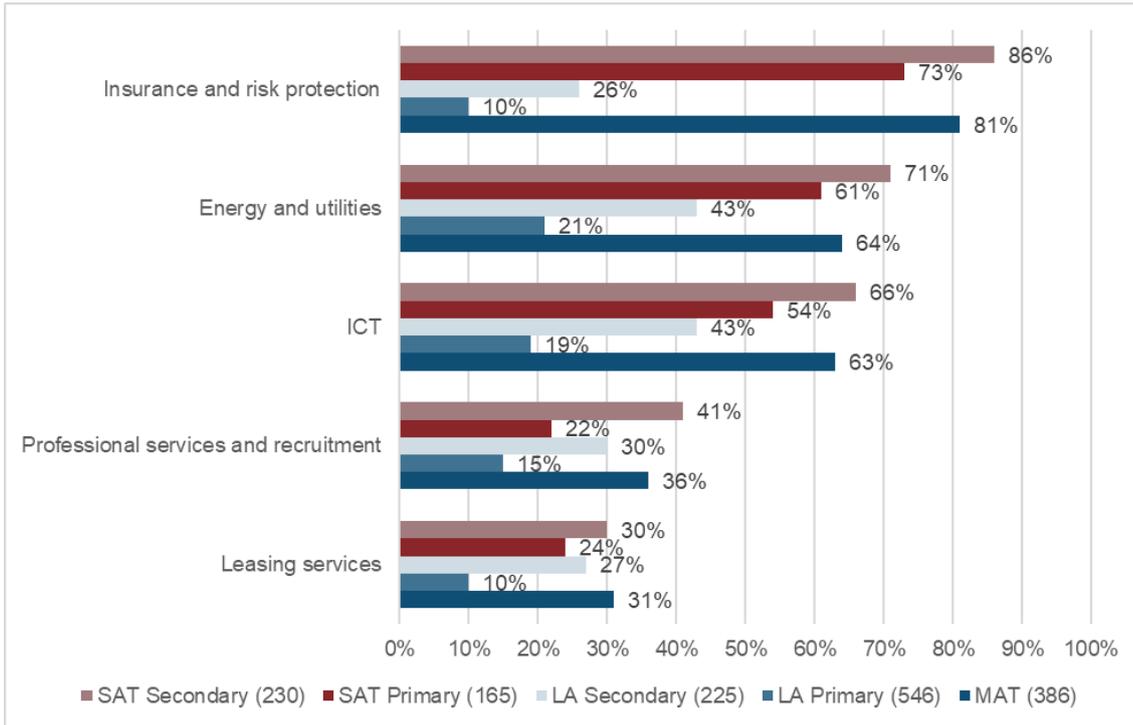
Awareness of recommended deals

53. Awareness of individual deals differs markedly¹⁶ by school type and phase with some widely known, such as insurance and energy, while only a small minority are aware of others such as legal or audit services. The data show that awareness is generally lower for LA maintained schools than for SATs and MATs. In fact, 62 per cent of LA maintained primary schools are not aware of any deals which compares to 38 per cent for LA secondary schools, 18 per cent for primary SATs and 10 per cent for secondary SATs.

54. Figure 24 presents the deals with the highest overall awareness and demonstrates the difference in awareness for different types of organisation.

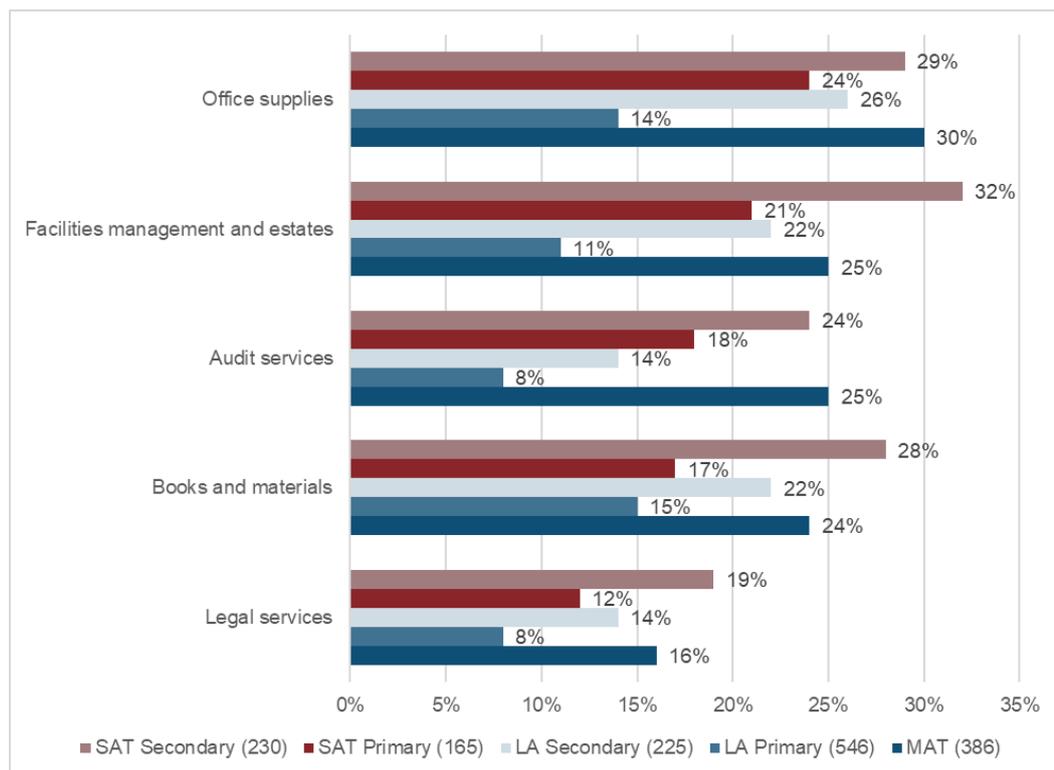
¹⁶ There is a caveat that the introduction of recommended deals has been a gradual process so some have existed longer than others and this might affect the level of awareness and usage.

Figure 24 The recommended deals with the highest awareness figures



55. Figure 25 (note the different scale on the axis) presents the deals with lower levels of awareness and shows a similar pattern of lower awareness in LA maintained schools and for primary schools compared to secondary.

Figure 25 The recommended deals with the lowest awareness figures

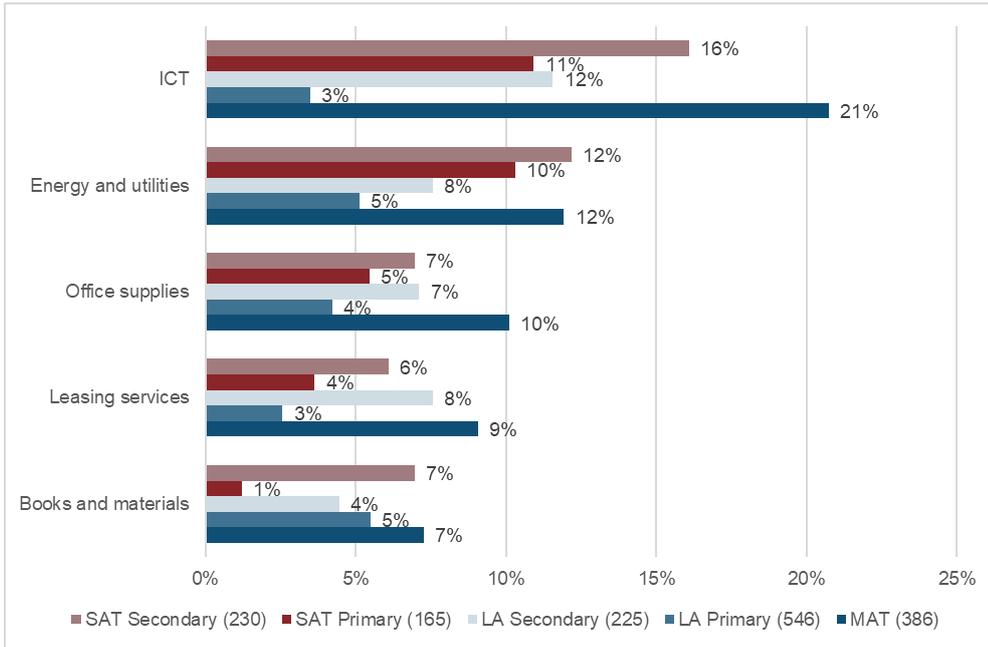


56. There is some variability in awareness between MATs with different characteristics. MATs consisting solely of primary schools tend to have lower awareness than secondary or mixed MATs, while larger MATs have higher awareness than those with fewer academies.

Use of recommended deals

57. Awareness of recommended deals is important, and although schools can benefit from looking at the deals for benchmarking purposes, or select a few suppliers to approach individually, the department is interested in usage. Figure 26 shows the deals with the highest use (although it does not include RPA which is aimed at academies which has usage of MATs 54%, primary SAT 42% and secondary SAT 50%). MATs and SATs are making more use of recommended deals, than LA schools but the levels of use are still relatively low. A very small proportion of LA maintained primary schools use them. Figure 26 does not include deals where usage is by 5 per cent of schools or less. These are: audit services, facilities and management of estates and legal services.

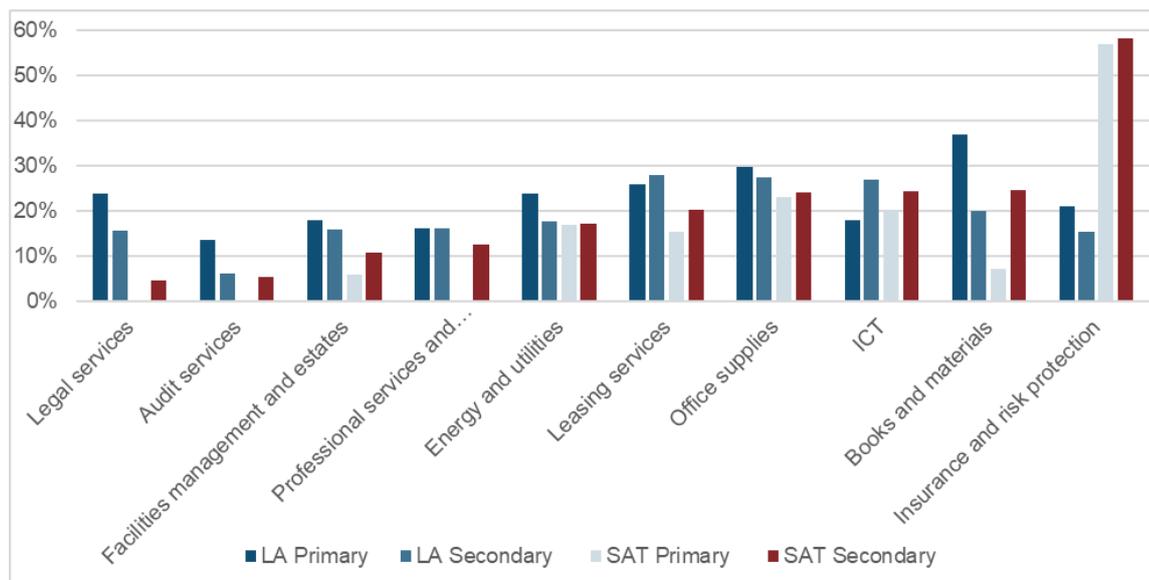
Figure 26 Usage of recommended deals by organisation type



Conversion of awareness to usage of recommended deals

58. The previous figures have shown the relatively low level of awareness and usage of the recommended deals. Figure 27 presents the conversion from awareness to usage for a selection of the recommended deals and shows that conversion of awareness to usage is low (under a third) except for RPA.

Figure 27 The proportion aware of each deal who use it



Suggested areas for additional recommended deals

59. The existing recommended deals cover a range of goods and services, but respondents were asked whether they would like any additional deals. An open question was used with free text responses provided which were subsequently coded. A few areas respondents would like to have access to recommended deals were suggested, but many of these overlapped with the current offer:

- Professional services and recruitment (5%) – generally covered by the new vacancy system
- Catering (2%)
- Exam fees/bodies (1%)

Feedback on the quality of recommended deals

60. To assist the department in improving recommended deals, a further open question was asked requesting feedback on the accessibility and quality of the recommended deals. Although many respondents skipped the question, the responses provided were coded and will inform future development of the deals. The most common responses¹⁷ were:

- Deals don't always offer the best value (6%)
- Service difficult to use (4%)

¹⁷ Percentages of the total weighted sample

- Deals offered by DfE not well publicised (4%)
- Previously unaware of deals offered by DfE (2%)

Teaching Vacancies

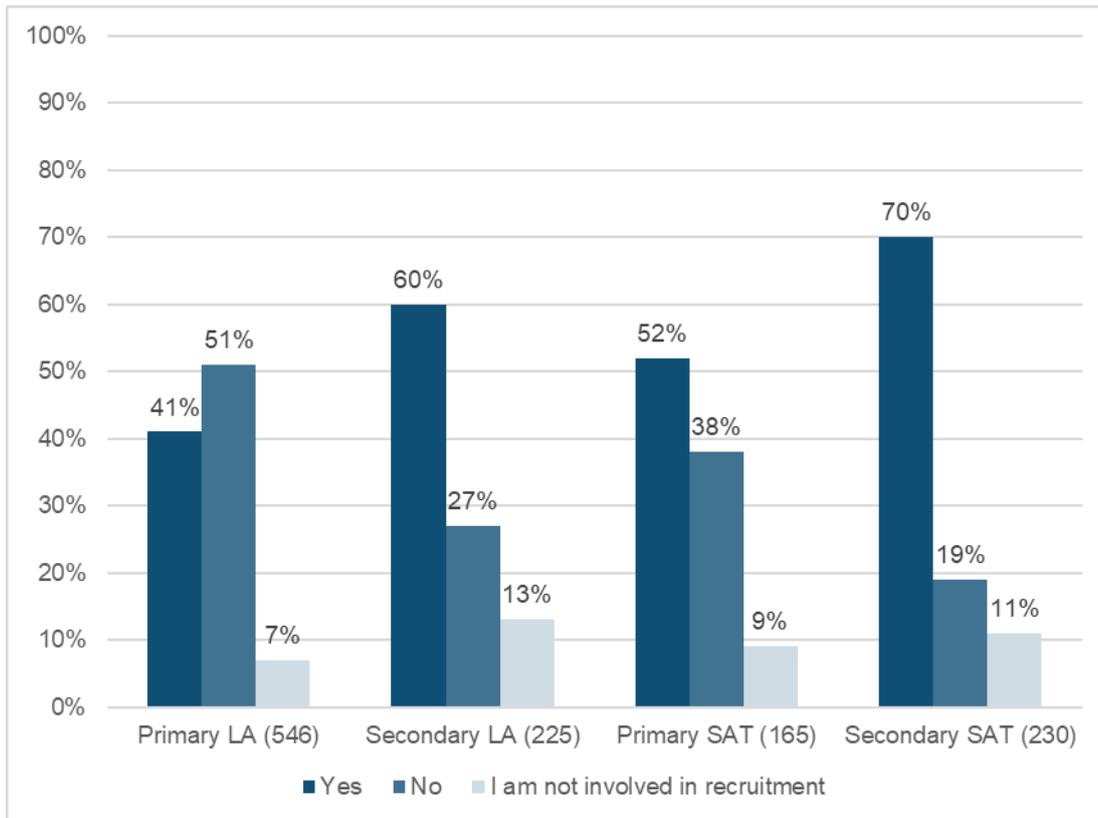
61. Research showed that schools in England spend up to £75 million each year on advertising teaching vacancies¹⁸. Jobseekers had to use various websites to search for their next teaching role. This was expensive for schools and time-consuming for teachers. The department introduced Teaching Vacancies in 2018 to provide schools with a straightforward and free service to list vacancies and to provide jobseekers with a place to search for jobs nationwide.

62. The service was piloted with schools and teachers in Cambridgeshire and the North East. The service was rolled out in phases to RSC regions and has been available to all publicly funded schools in England since March 2019.

63. Fieldwork for this report took place during the early roll out of the service so the results presented in figure 28 are from before the service was available in all regions. The department will monitor growth in usage and awareness of the service through internal management information and a repeat of this survey. At the time of the survey there was limited awareness of Teaching Vacancies service, but academies were more likely to be aware than LA maintained schools and secondaries were more likely to be aware than primaries. Within MATs awareness was at 59 per cent. It is worth noting that some SBPs who completed the survey might not be involved in recruitment, so the actual awareness and usage figures might be higher.

¹⁸ PricewaterhouseCoopers (2016) Feeling the squeeze: schools' response to constraints in teacher recruitment <https://www.pwc.co.uk/assets/pdf/teacher-recruitment-pwc-education-insight-23may2016.pdf>

Figure 28 Awareness of the Teaching Vacancies service



Provision of services within schools and MATs

Key findings

SATs and LA Maintained

- Standalone schools and trusts are more likely to provide certain services themselves (facilities (49%), finance (43%) and buildings maintenance (33%)) whereas others are more likely to be completely outsourced (insurance (71%), payroll (62%), and legal (78%)).
- Compared to schools of the same phase, SATs are more likely than LA maintained schools to complete several undertake functions within the school rather than outsourcing (HR, Finance, Facilities management, SI services, and buildings maintenance).

MATs

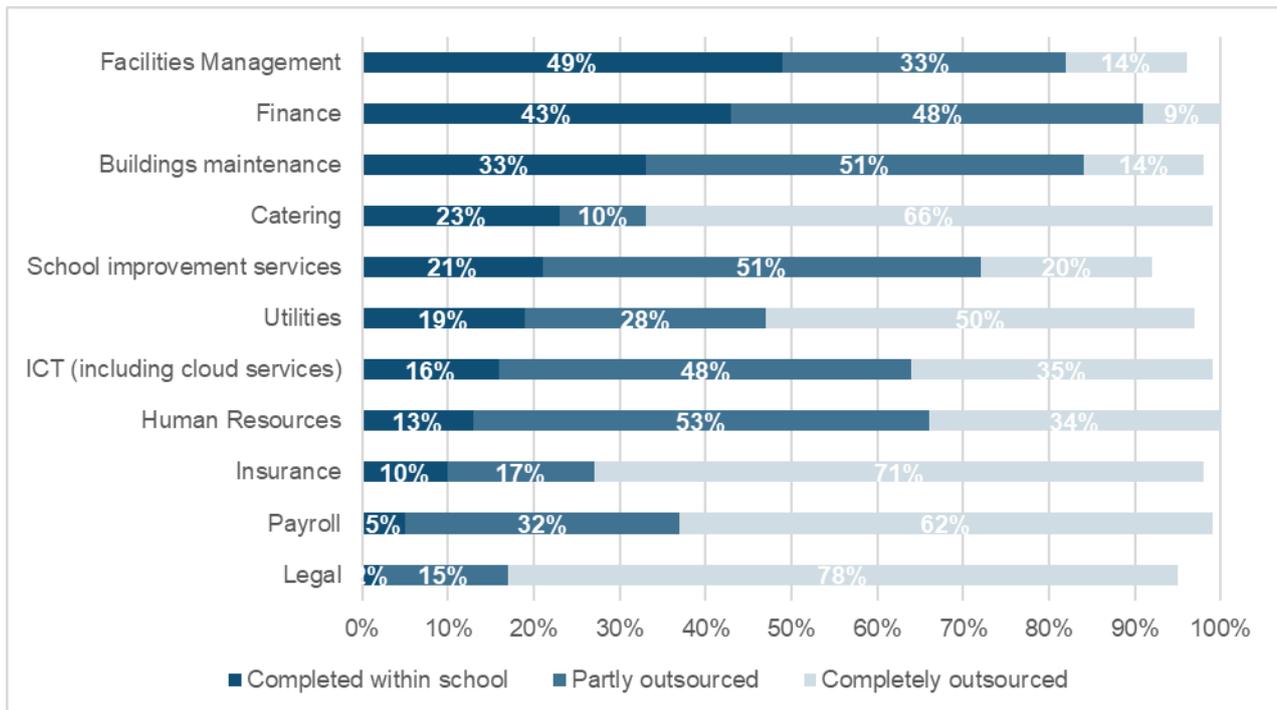
- In the majority of MATs, Finance (69%), Human Resources (59%) and School Improvement services (55%) are provided centrally, either through a top-slice¹⁹ or on a charged basis.
- Some central services are likely to be provided by trust staff (Facilities management, Finance and School Improvement), while others are more likely to be partially outsourced (HR, ICT and buildings maintenance) or fully outsourced (Catering, payroll, legal, utilities and insurance).
- These findings about MAT central services suggest that, where MATs need to outsource service provision, they seek efficiencies by bulk buying across the MAT

Provision of services within schools

64. Schools require several services and functions to operate effectively. These can be provided internally, or be partly or completely outsourced. Schools have the autonomy to decide the most efficient way of undertaking these functions. Figure 29 shows that some services are more commonly provided internally such as facilities (49%), finance (43%) and buildings maintenance (33%), while others are more likely to be completely outsourced such as insurance (71%), payroll (62%), and legal (78%).

¹⁹ Multi-academy trusts can top-slice a percentage of income from their schools' general annual grant to fund their operational costs.

Figure 29 The completion of functions within standalone schools



Base: 1189 - all LA maintained schools and SATs (Don't knows are removed)

Provision of services in different types and phases of schools

65. For many services there are no differences between SATs and LA maintained schools in the likelihood of them being provided internally. These are:

- Utilities
- Payroll
- Catering
- Legal
- Insurance

66. For ICT (including cloud services) there is no difference between type of school, but), secondary schools are more likely to complete the function in-house with secondary LA 45% and secondary SAT 44% compared to primary LA 7 per cent, primary SAT 10%.

Differences between SATs and LA maintained primary schools

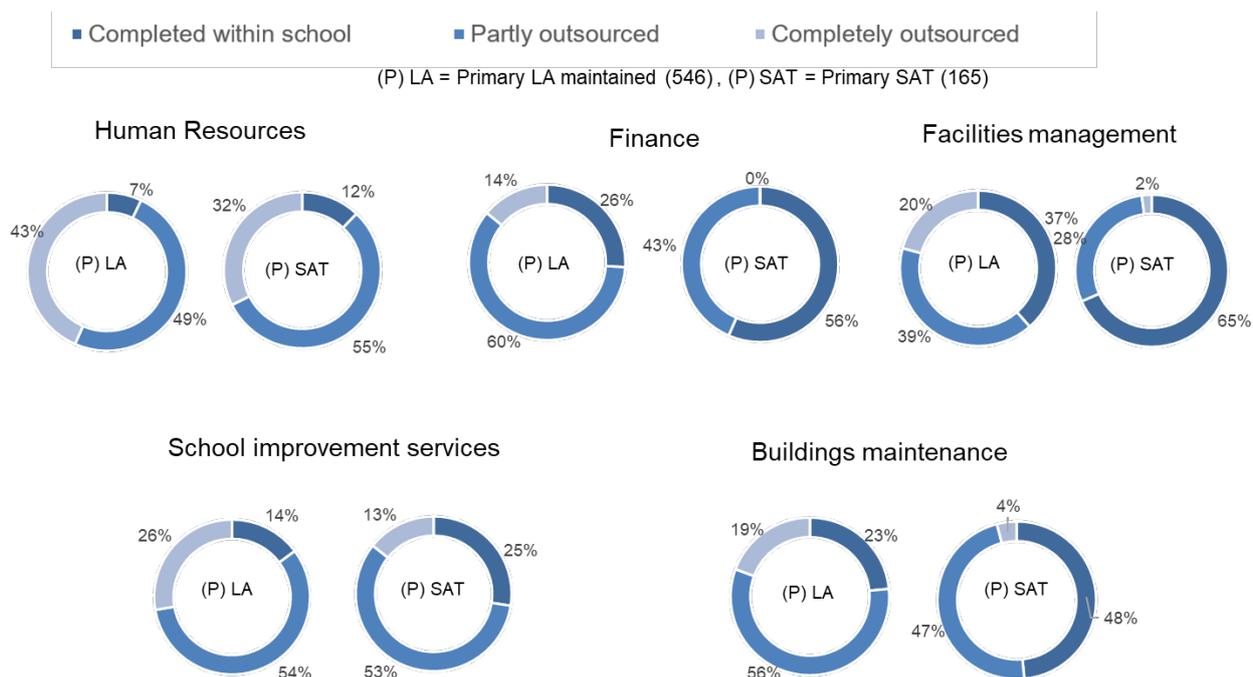
67. Figure 30 shows that within the primary phase, SATs are more likely than LA maintained schools to complete several provide a number of services/functions within the school rather than by outsourcing. These are HR, finance, facilities management, school

improvement and buildings maintenance. The most pronounced difference between SATs and LA schools is in relation to finance which is undertaken within the school for 26 per cent of LA maintained schools with 14 per cent completely outsourcing compared to 56 per cent of SATs undertaking finance functions internally with none completely outsourcing.

68. Some, but not all, of this disparity can be explained by SATs being, on average, larger than LA maintained schools, but the difference exist when size is controlled. The survey received 137 responses from primary LA maintained schools with more than 300 pupils and 84 primary SATs, the proportions of these completing the finance function within the school were 36 per cent for LA maintained schools and 61 per cent for SATs. For schools with fewer than 300 pupils the figures are 22 per cent for LA maintained schools and 51 per cent for SATs which means that smaller SATs are more likely to complete the finance function within the school than larger LA maintained schools.

69. These findings do not necessarily mean that SATs are more efficient at providing these services, they simply shows that SATs are more likely to have made the decision to provide these services using internal expertise and resource than LA maintained schools.

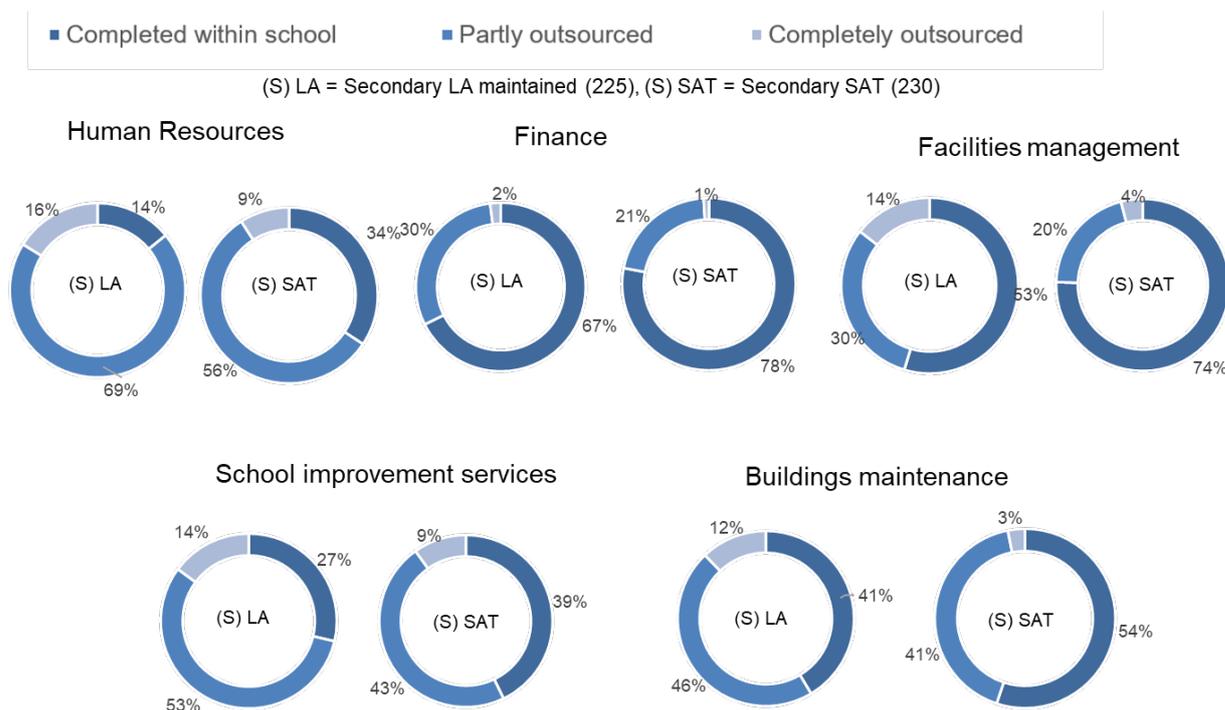
Figure 30 Services that are more likely to be completed within (rather than outsourced) primary SATs than primary LA maintained schools



Differences between SATs and LA maintained secondary schools

70. Figure 31 shows that in secondary schools, SATs are more likely to complete the following services within the school: HR, finance, facilities management, school improvement and buildings maintenance. The differences between types of secondary school are less marked than for primary schools.

Figure 31 Services that are more likely to be completed within (rather than outsourced) secondary SATs than secondary LA maintained schools



Provision of services within MATs

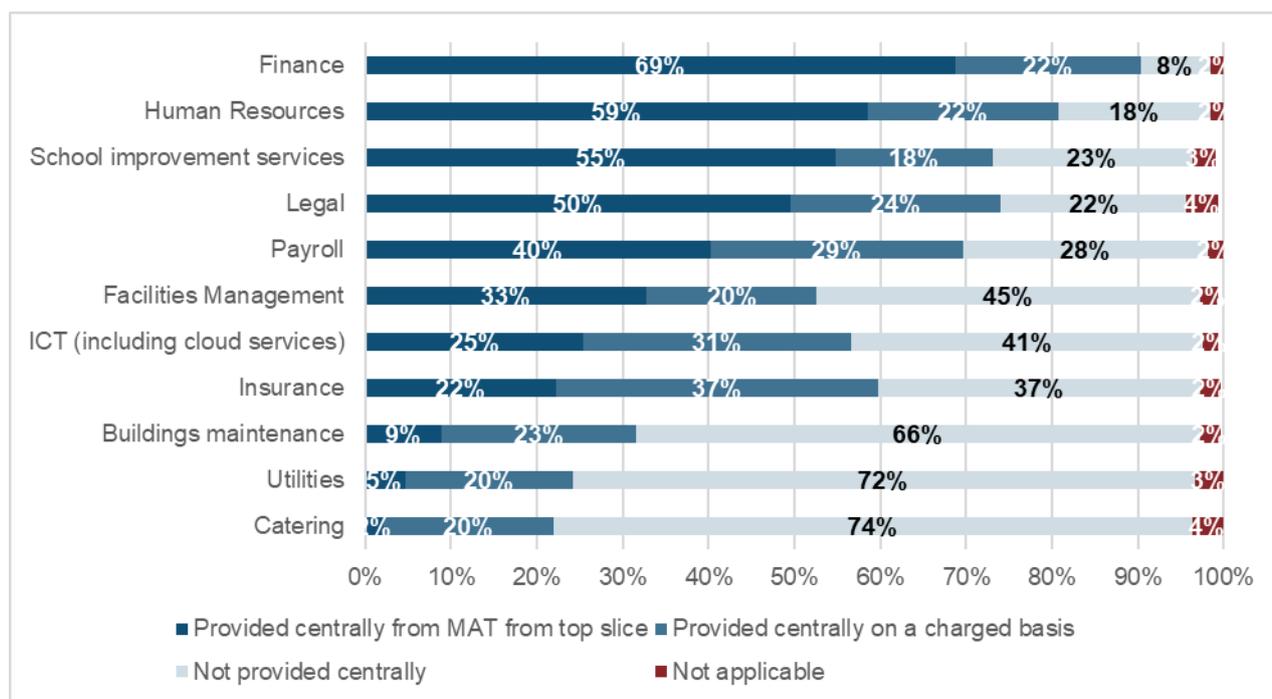
71. Previous research²⁰ examined the level of “top-slice” used by MATs to provide central services and found that the majority of MATs (75 per cent) take a top-slice of each academy’s budget which is used to provide essential services. The report identified a mean average top-slice of 4.6 per cent of funding with over half of MATs taking between 4 and 5 per cent (interquartile range of 1, with a lower quartile of 4.0 and upper quartile of 5.0). The average size of the top-slice was not related to the size of the trust.

72. This new research takes the analysis a little further to help understand the different services provided centrally either through the top-slice, on a charged basis or if they are not provided centrally in the MAT. The data presented in figure 32 are for MATs with two or more academies.

²⁰ Cirin 2017. *Academy trust survey 2017*, department for education

Finance is provided centrally in over 90 per cent of MATs and for the majority this is covered in the top-slice. Other services provided through the top-slice in half or more of MATs are: HR, schools improvement services and legal. Several services. A number of services that are provided in the majority of MATs are less likely to be top-slice funded with a more even split with provision on a charged basis. These are: payroll, facilities management, ICT and insurance. A minority of MATs offer buildings maintenance, utilities or catering centrally.

Figure 32 Provision of services centrally within MATs



Provision of central services

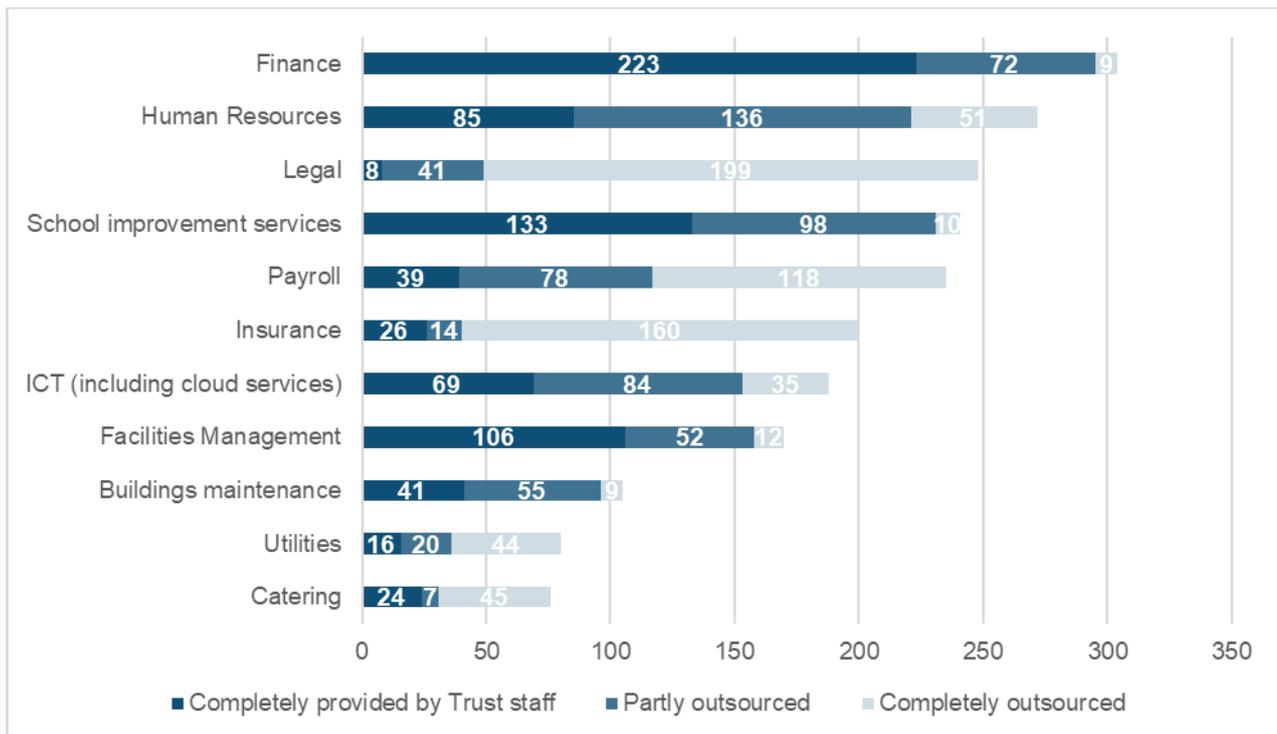
73. Services provided centrally by MATs through the top-slice or on a charged basis are not always provided by MAT staff, with some being outsourced either partially or fully. It is likely that MATs seek the most efficient way of providing services by either using their own staff or by bulk buying across the MAT if they cannot provide the service themselves. Figure 33 shows the number of MATs providing each service centrally and whether they are provided by trust staff, partially outsourced or completely outsourced.

74. The way in which services are provided can be split into three depending on the balance between provision between MAT staff and outsourcing. These are:

- Completely provided by trust staff in over 50% of MATs providing the service - which includes: facilities management, finance and school improvement services.

- Some services are partly outsourced with some provision from internal MAT staff - which includes: human resources, ICT (including cloud services) and buildings maintenance.
- Outsourced by 50% or more of MATs providing the service - which includes: catering, payroll, legal, utilities and insurance

Figure 33 The balance between central staff and outsourcing for provision of central services in MATs



Conclusion

75. This research demonstrates that there are differences in the financial management of different types of schools and by phase. For example, finance appears to have a higher profile within secondary schools than primary, and there is also a clear difference by school type within phase with academies more likely to scrutinise finances more closely and have governors with specific financial expertise. The survey suggests that financial skills are strongest within the MAT sector. There is strong evidence that the department's tools made available as part of the ESRM are being used by the sector, but further progress needs to be made.

76. The department will use these findings to identify specific areas where certain types of schools require extra support and how we need to develop our tools to make them more useful for the sector. We will continue to develop the functionality of our benchmarking suite, including the introduction of Better Financial Reporting, improve our recommended deals, raise awareness of the Teaching Vacancies service and continue working with partners to promote the role and capacity of School Business Professionals. Finally, we will work with the sector to identify effective practice and facilitate the sharing of this across the system. This will include examples of improvements made using ICFP, effective use of SBPs by the senior leadership team and identifying effective governance.

77. The department will use this research as a baseline against which to monitor changes in financial management in the school system and the use of our tools in support of better resource management.



Department
for Education

© Department for Education

Reference: DFE-RR937

ISBN: 978-1-83870-053-9

For any enquiries regarding this publication, contact us at: robert.cirin@education.gov.uk
or www.education.gov.uk/contactus

This document is available for download at www.gov.uk/government/publications