



Education & Skills  
Funding Agency

# School resource management adviser

## Pilot evaluation

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## Foreword by Lord Agnew

I know that every school and academy trust will be working to optimise their spending decisions to ensure as much resource as possible goes into improving the educational outcomes for our young people. At a time when the government is investing an additional £14 billion of taxpayer's money into schools over the next three years, we have the opportunity of a generation to ensure we get maximum value for money. I have seen the transformative effect on our young people that excellent resource management can have. Schools and trusts will approach this in different ways, but success is always underpinned by robust governance and effective oversight of both the education provided and the spending decisions made. This will help ensure every pupil receives the high-quality education they deserve.

This evaluation report is about our pilot programme of school resource management advisers (SRMAs) providing an expert view for trusts to consider. I am delighted to see how generally upbeat the trusts' responses have been and the positive impact SRMAs are having on trust finances and oversight. The focus was primarily on trusts struggling with their finances. The benefits arising have convinced me that virtually all schools should be taking advantage of this approach to planning and managing their finances. Many already do. I would like to see every school developing the disciplines involved in this pilot.

A key part of this approach is [integrated curriculum and financial planning \(ICFP\)](#). Put simply, it is looking at curriculum planning, timetabling and how much that costs. It is not a new approach, it has been championed for many years by schools, trusts and representative bodies such as the Association of School and College Leaders (ASCL) and the Confederation of School Trusts (CST). Both member bodies have SRMAs. The Institute for School Business Leadership (ISBL) are providing the independent assessment centre service for approving SRMAs. We all share a common purpose; to make sure that schools have as much money as possible to spend on those areas which will have the greatest educational impact.

In this pilot, SRMAs were able to identify opportunities worth over £35m for reallocation of resources in the 72 trusts they worked with during the pilot. Most related to the optimal deployment of staff, which is unsurprising given most school spend is on staffing. This is the most important area of resource allocation to get right. It is vital that the best teachers spend the optimum amount of time in the classroom teaching our young people. Adjusting to the best curriculum structure is not about sudden change in staffing levels, but rather planning to ensure resources are allocated to the right areas over several years for the successful delivery of a broad and balanced curriculum. All our assessments are based on changes over a 3-year horizon.

It is important to note that the school/trust decides which SRMA recommendations they commit to. I completely accept the timescale over which they choose to implement recommendations is a decision for the school. Schools are best placed to understand the

particular challenges they face and how to manage change in a way that supports educational achievement.

Our key findings have been:

- trusts have valued working with an expert peer, with 94% rating their experience of working with an SRMA as good or very good.
- SRMAs were able to identify over £35m of opportunities for the reallocation of funds for trusts to pursue.
- trusts are expecting to reallocate almost £15m of resources into priority areas, to either improve the overall financial health of the organisation or spend on areas that will have the greatest impact on educational outcomes.

I hope this report will be helpful in the critical work we are all doing to support school improvement across the country.

We stand ready to support all schools with expertise and advice to get the greatest value for money.

# The school resource management adviser (SRMA) pilot programme

## Introduction

The Education and Skills Funding Agency's (ESFA) pilot of school resource management advisers (SRMA) is part of our department's strategy for [supporting excellent school resource management](#). It includes developing and promoting helpful information, tools, training and guidance on [school financial planning and resource management](#).

You can read more information about how ESFA works with academy trusts and local authorities [preventing financial failure in schools and academies](#) on GOV.UK.

## SRMA pilot aims and success criteria

In the 2017/18 academic year, we piloted the SRMA project to support the department's wider excellent school resource management strategy.

SRMAs are practitioners, such as school business professionals and headteachers, who provide peer-to-peer, tailored advice to individual trusts and schools on effective resource management. Before they do this, they are independently accredited to do this work to ensure all visits take place to a consistently high standard. The SRMAs share what they have learnt from working in their own settings and the good practice they are collecting from their visits to others.

The aims of the pilot were to:

- promote and share best practice on managing resources across trusts
- build the financial capability of the sector to consistently high standards
- provide effective peer-to-peer support to trusts that would most benefit

To assess the effectiveness of the pilot in achieving its aims, we set the following success criteria:

- opportunities identified where trusts could improve efficiency/increase their revenue generation
- trusts value working with an experienced peer and sharing of best practice
- trusts delivered the recommendations they agreed which helped to reinvest in areas that had the greatest impact on educational outcomes and reduce deficits/increase reserves
- trusts used the opportunity to strengthen their governance and oversight of their finances

This evaluation focuses on the feedback we received and data we have gathered relating to the above criteria and the wider effectiveness of the pilot.

## Evaluation methodology

As part of this evaluation we used:

- a questionnaire for participating trusts to understand their experience
- SRMA reports to check the content and quality
- SRMA recommendations
- follow-up qualitative conversations with trusts to understand which SRMA recommendations they were actioning and why
- financial returns from trusts to see the value of efficiencies they have made as a result of working with a SRMA and to understand how they have redirected the savings

In addition, we are:

- assessing educational outcomes for trusts that SRMAs have supported to understand how they are investing resources to drive up standards
- monitoring trust account returns to understand how changes trusts have made have impacted overall financial positions

As many trusts that have participated in the pilot are still implementing changes, or have only recently finished implementing changes, it is still too soon to include the analysis on overall financial positions and educational outcomes in this report.

## Executive summary findings

The overwhelming majority of trusts that responded to our survey found the experience positive, with **94%** rating their experience of working with a SRMA good or very good and **100%** having confidence that the SRMA understood their context and any issues or challenges that they were managing.

From the 72 trust deployments, advisers reported opportunities for savings or income generation of **£35.29m**. We have followed up with 61 of the 72 trusts to understand where they have already acted upon these opportunities and where they plan to act upon opportunities in the future.<sup>1</sup> 24 trusts have so far told us that they have already realised

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<sup>1</sup> We were unable to follow up with 11 pilot trusts as some have since closed, whilst some are still in active intervention, have recently been rebrokered and/or have been subject to a further SRMA visit, meaning it is too early to evaluate the impact of the SRMA visit.

**£4.9m** of opportunities, whilst 54 trusts in total are expecting to realise a further combined **£10.08m** of opportunities over the next 3 years, bringing the overall predicted realised savings and revenue generation over the next three years to **£14.98m**. This represents **48%** of the value of the recommendations reported by SRMAs for these 54 trusts, which had a combined value of **£31.24m**.

The majority of opportunities identified, and therefore achieved/predicted to be achieved were related to the optimal deployment of staff. This reflects the proportion of school spend on staffing. SRMAs also focused on integrated curriculum and financial planning (ICFP) as a key part of their review. Where trusts were reallocating these resources, they were able to increase spend on priority areas, such as teaching staff in those subject areas they were most needed. Examples of how this was approached by trusts are included in **Annex E**.

The total cost of the pilot was **£368,265**. So far, the **£4.9m** of achieved savings has resulted in around **£13** savings for every £1 spent. If those trusts we followed up with achieve all **£14.98m** of opportunities over the next three years this will result in around **£41** savings for every £1 spent.

# SRMA pilot background

## Accreditation

All SRMAs had to pass an independent accreditation panel, developed by the department in partnership with the Institute of School Business Leadership (ISBL). The purpose of accreditation was to ensure that those who were applying for the role had the necessary skills and experience to undertake the work consistently and effectively.

The assessment included a case study which was designed to closely mirror what an SRMA might expect to find on a deployment. Candidates were given a case study to work through at the accreditation panel and were expected to draw up a range of recommendations that the trust may wish to consider implementing, based on the data in the case study. During the panel discussion, assessors would then probe the recommendations made by the candidate and assess their understanding and use of ICFP metrics.

## Deployments

The pilot included SRMA deployments to **72** academy trusts.

In most cases ESFA chose trusts that were already struggling with their finances. We also included some trusts that were in good financial health.



# SRMA evaluation findings

## Stakeholder feedback

As part of the evaluation we asked for feedback from trusts receiving a visit.

We received the following feedback from 17 questionnaire responses from trusts:

- **94%** of trusts that responded rated their experience of working with a SRMA good or very good
- **100%** of trusts that responded had confidence that the SRMA understood their context and any issues or challenges that they were managing
- **53%** of trusts that responded reported that the SRMA made recommendations that the trust had not previously considered
- **65%** of trusts that responded said that they agreed with the SRMA's recommendations and that they would be implementing at least some of them

Overall, the feedback we received from trusts suggests that the peer-to-peer model worked well and helped most trusts to identify some new ways to improve their resource management. The identification of new ways to reallocate resources was particularly positive given the majority of trusts involved in the pilot had already taken steps to improve their financial health. In addition, the fact that all trusts that responded had confidence in their SRMA's understanding of their context suggests the recruitment and accreditation process identified people with the right skills for the role.

As a result of this stakeholder feedback, we identified a number of ways to improve the delivery of the programme. The results of the questionnaire to trusts can be found in **Annex A**. The improvements to the programme as a result of this feedback can be found in **Annex B**.

## Report quality

All reports are primarily for the trustees and senior leadership teams of trusts. As our responsibility as the funder for the programme, we have reviewed all 72 pilot trust reports. All SRMAs were given a report template to complete following their visits and were asked to submit these to us to outline how they spent their time on deployment, what their focus was, what their findings were and what recommendations they made to the trust to help them improve their resource management.

Each report was checked for consistency and completeness upon receipt to assess whether key areas were discussed during a visit, whether SRMAs had identified opportunities for improved resource management and had fully costed the potential impact of implementing these recommendations. The majority of reports covered the areas we expected, but a minority did not include fully costed recommendations, meaning not all opportunities were identified or quantified. We have therefore altered the

SRMA report templates to ensure all include fully costed recommendations as we believe this is more helpful to the trusts.

Reports were also discussed in feedback workshops and the feedback and lessons learned have been taken into account. More information about the steps we have taken to improve SRMA reports can be found in **Annex B**.

## SRMA recommendations

Overall, the 72 SRMA pilot reports highlighted at least **£35.29 million** of savings and revenue generation opportunities that trusts could pursue.

To reach this figure, wherever possible we have included only single year savings. For example, if an SRMA highlighted that a £150,000 saving could be made over 3 years, at £50,000 per year, we have only included one year of these savings, at £50,000. If an SRMA reported that £30,000 could be achieved in year one, and £50,000 in year 2, we recorded the saving as £50,000 (£30,000 + the additional £20,000 in year 2). Where it was less clear in the report how the saving could be achieved over a period of time, we included the whole figure reported by the SRMA.

We have analysed the recommendations and have found that they relate to the following areas<sup>2</sup>:

- £123,570 on energy costs
- £133,729 on ICT learning resources
- £220,660 on learning resources (not ICT equipment)
- £353,508 on catering
- £658,653 on other staff related costs
- £1.7m on back office costs (including staff costs)
- £1.9m on other expenditure
- £2m on supply staff
- £2.6m on premises costs
- £2.8m on education support staff
- £3.1m of revenue generation opportunities
- £19.6m on the optimal deployment of teaching and leadership staff

The majority of opportunities identified related to the optimal deployment of staff: 56% on the deployment of teaching staff, 8% education support staff and just under 6% on supply teaching costs. This totals around 70% of the total opportunities and this reflects the

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<sup>2</sup> The figures in this section and the 'Implementation of recommendations' section with a value over £1m are rounded to the nearest £100,000. The full figures can be found in Annex C.

lower end of the average proportion of funding spent on staffing costs by schools of between 70 – 80%. ICFP reviews were a key part of the majority of SRMA deployments.

When conducting ICFP reviews, SRMAs examined key ICFP metrics, such as pupil teacher ratio, average teacher costs, average class size and teacher contact ratio. In broad terms, the parameters looked at by SRMAs are based on the ASCL guidance on teacher deployment.

Staff opportunities are therefore guided by these metrics. For example, where SRMAs found that teacher contact ratios were different to benchmarks, SRMAs indicated where savings could be made by making changes. The purpose of looking at these metrics is to ensure teachers spend the optimum amount of time with pupils by deploying existing staff efficiently and to help trusts plan future recruitment needs.

SRMAs generally did not recommend how these opportunities should be implemented unless there were current vacancies that they believed did not need to be filled. Decisions around implementation are best left to the trust, who understand their individual context best. Whilst wherever possible the SRMAs took account of the trust's individual circumstances, ICFP is not a one size fits all approach and the department recognises it will not always be appropriate for schools and trusts to strictly adhere to benchmarks. It is important that when trusts choose to move away from benchmarks they are doing so in a planned and deliberate way for the ultimate improvement of education in their school.

A full breakdown of opportunities identified by SRMAs can be found in **Annex C**.

## Implementation of recommendations

It is the responsibility of trusts to decide which SRMA recommendations to implement. They are best placed to understand which recommendations will allow them to improve their resource management and maintain or improve the quality of their education provision. As such, we followed up with 61 of the 72 pilot trusts to see which recommendations they implemented, the value of any opportunities they have made as a result of these actions and to understand where they have reallocated these resources to priority areas.

Of the 61 trusts we followed up with, 54 were able to provide information about the value of savings they have made/are predicting to make by implementing SRMA recommendations. Of the other 7 trusts followed up with, 6 had reports that only included uncosted recommendations and one was unable to provide the value of savings that they were implementing at the stage of follow-up. They were all implementing at least some of the uncosted recommendations too.

The SRMA reports of the 54 trusts that were able to provide costed realised savings had savings opportunities of **£31.24m**. Of this £31.24m, 24 trusts that we followed up with have so far **realised** savings of **£4.9m<sup>3</sup>**. These savings relate to the following areas:

- £12,000 on other staff related costs
- £20,581 on energy
- £30,000 on supply staff
- £56,700 on learning resources (not ICT equipment)
- £79,162 on catering
- £114,340 on other expenditure
- £164,419 on back office (including staff costs)
- £237,000 on revenue generation
- £254,269 on premises
- £1.1m on education support staff
- £2.9m on the optimal deployment of teaching and leadership staff

In addition, a total of 54 trusts have told us that they are **predicting** to realise further savings of **£10.08m** over the next 3 years, in the following areas:

- £29,200 on energy
- £29,243 on learning resources (not ICT equipment)
- £125,145 on catering
- £177,000 on premises
- £188,000 on revenue generation
- £198,000 on ICT learning resources
- £349,380 on back office (including staff costs)
- £536,500 on other expenditure
- £573,000 on other staff related costs
- £825,473 on education support staff
- £882,000 on supply staff
- £6.2m on the optimal deployment of teaching and leadership staff

A full breakdown of implemented costed savings can be found in **Annex D**.

As mentioned previously, the savings reflect the proportions of average spend in schools. It remains the responsibility of trusts to decide how to implement these changes. After talking with trusts, anecdotal evidence suggests that trusts have generally exploited the natural turnover of staff, or found they need to recruit less teaching staff in future years to make these changes, rather than going through redundancy rounds. Where only small

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<sup>3</sup> We used the same calculation methodology for realised savings as we did for identified savings.

changes have been implemented, trusts have generally been able to do this quickly through the natural turnover of staff. It is important to note that annual staff turnover in the schools system is around 20%<sup>4</sup>, so the opportunity to use this as a core tool of staff rebalancing is helpful.

Several trusts that have decided to implement more significant structural changes have told us they are also doing this gradually, over a number of years. This has allowed them to engage the relevant stakeholders and move more slowly to new structures to protect educational outcomes and allow for continuing improvement. This is entirely consistent with our expectations of the SRMA pilot; that is to say, trusts better understand their particular circumstances and can plan sensibly to make changes that release funding for use on more educational improvement activity. These changes are planned by the trust in a timescale they are comfortable with. More information about how trusts have implemented changes to their staffing structures can be found in the case studies in **Annex E**.

Assuming all the predicted savings are realised, a total of **48%** of the value of all of the opportunities identified by SRMAs in the 54 trusts that provided costed savings will have been realised after three years.

The £14.96m of realised and predicted future savings are split over **146** different actions. Trusts are implementing a further 19 costed recommendations but are unable to estimate the value of the savings related to these actions at this time. This means that trusts are at least partially implementing **60%** of the costed opportunities highlighted by SRMAs. Where trusts are realising savings, they are either reinvesting the money back in to teaching and learning, or using it to increase reserves or reduce deficits. Examples of how trusts are reinvesting money saved after working with an SRMA can be found in the case studies in **Annex E**.

There is a number of reasons why trusts have not chosen to implement all SRMA recommendations. In some cases, the conditions necessary for recommendations to be implemented have not materialised. For example, recommendations linked to joining a multi-academy trust (MAT) may not happen. In other cases where trust boards have decided not to take forward some of the recommendations around altering the staffing structure, reasons include significant changes to circumstances such as increasing pupil numbers or a school having a negative Ofsted inspection. In cases where trusts remain in a cumulative deficit position, ESFA will test and challenge these decisions, but will always work with the trust and the Regional Schools Commissioners to ensure educational improvement is protected and supported.

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<sup>4</sup> As outlined by the wastage rates and rate of leavers to other schools shown in the [Local analysis of teacher workforce: 2010 to 2015](#), p49, fig 4.1

In addition, trusts we followed up with are taking forward a total of **150** separate uncosted opportunities highlighted by the SRMAs. Uncosted opportunities tend to relate to implementing best practice or reviewing current processes, contracts and structures to improve resource management.

For example, following the SRMA visit, one single academy trust has joined a (MAT), which will allow them to achieve economies of scale and draw upon the services a MAT can offer to improve the educational experience for their pupils. Meanwhile, six trusts have strengthened their governance arrangements, for instance through carrying out a skills audit, increasing the number of times accounts are subject to scrutiny, governors undertaking training or by simply improving the way they prepare for and conduct their meetings to allow them to be more focused on the areas that matter most.

## **SRMAs and local authorities**

The department wants all schools to benefit from this important initiative and ESFA is working closely with local authorities to understand how they help maintained schools to make best use of their resources. We have taken a more proactive approach across the sector to better understand how they are using the available data and tools available to help identify potential financial health issues as early as possible.

As part of this work we have started to direct SRMA support to maintained schools that local authorities feel would benefit most. It is essential this is a collaborative approach between the department and local authorities to ensure as many schools as possible can access this opportunity. Early feedback from both local authorities and schools that have worked with SRMAs is that they value the additional independent expert advice provided. We will monitor and evaluate the impact of the advisers' recommendations on maintained schools as part of the wider SRMA programme going forward.

## Conclusion

The SRMA pilot has shown that the pilot has successfully achieved its aims to:

- promote and share best practice on managing resources across trusts
- build the financial capability of the sector to consistently high standards
- provide effective peer-to-peer support to trusts that would most benefit

The majority of trusts that responded to the questionnaire about their participation made clear that they valued the advice provided by a SRMA and were able to build an effective peer-to-peer relationship. This is particularly evidenced by the fact that 94% who responded rated their experience as either good or very good. Where trusts raised concerns about the process, we have taken these on board and have made alterations for the full roll-out, as outlined in **Annex B**.

It is also clear that SRMAs were able to recommend substantial opportunities for improved resource management in most instances, with over £35m of opportunities reported over the 72 deployments. Where we followed up with trusts, almost half of the opportunities were able to be implemented, meaning overall trusts have reported that they are able to make combined savings of almost £15m after working with a SRMA. As outlined in the case studies in **Annex E**, where trusts are reinvesting the money saved, they are doing so for the benefit of the educational experience of their pupils. In these cases, the result is more money is being spent on the areas that have the greatest impact on outcomes for children.

Where trusts are or have been in deficit prior to the SRMA visiting, they have told us that they are using at least some of the savings to reduce this deficit position. Some trusts are also using savings to increase their reserves to a healthy level for future investment. Decreased deficits or increased reserves are signs of improved financial health. However, we will continue to monitor the financial performance of trusts that have participated in the pilot. We will continue to follow-up with trusts to see where they have realised savings and we will analyse accounts returns to understand where trusts are no longer in deficit or predicting a deficit position in the future. We expect the next batch of accounts returns, due in January 2020, to begin to show changes in financial positions as pilot trusts will have implemented most of the changes by this point.

As outlined in **Annex E**, where possible trusts have been reinvesting savings back in to teaching and learning, showing SRMAs have helped trusts focus their spending on areas that have the greatest impact on educational outcomes. As more trusts implement more of their planned savings, we will continue to monitor how they are reinvesting any money back into the trust to understand how the programme has helped trusts direct resources to the areas that matter most.

Finally, in the relatively small number of cases where this was necessary, trusts have strengthened their governance processes after working with a SRMA. Our checks of



SRMA reports show that in the vast majority of cases SRMAs were reviewing trust governance processes and procedures, and in six cases where SRMAs found improvements could be made, trusts have taken steps to strengthen their financial governance.

## Full roll out

Due to the success of the pilot, the department has contracted with the Institute of School Business Leadership to deliver induction and accreditation for the roll out of SRMAs through to August 2020. Feedback from the pilot has already been incorporated into the new processes. The first induction and accreditation panels took place in November 2018, and as of November 2019 a total of 136 SRMAs have been accredited. In addition, the department has contracted with nine organisations for the management and supply of SRMAs. These contracts give the option to recruit up to 220 SRMAs and to deliver up to 1,300 deployments through to August 2020.

We continue to monitor the impact of the programme on the sector to ensure it continues to represent good value for money. As of November 2019, there have been **357** further completed visits to trusts. During these visits, SRMAs have identified opportunities worth **£137.2m** for trusts to pursue. We have so far asked 64 of the 357 trusts to provide information on the value of opportunities they predict to achieve. **£33m** of opportunities are forecast to be realised (of which **£6.1m** have already been realised) over the next 3 years, at an average per trust of around **£515,000** of funds that can be re-directed. This represents **114.76%**<sup>5</sup> of the opportunities reported by SRMAs during these visits, with trusts reporting that they expect to implement approximately **77%** of the individual recommendations made by SRMAs. The case studies in **Annex E** show how some of these trusts have been re-directing this resource by either spending it on priorities or helping return the trust to a healthy financial position.

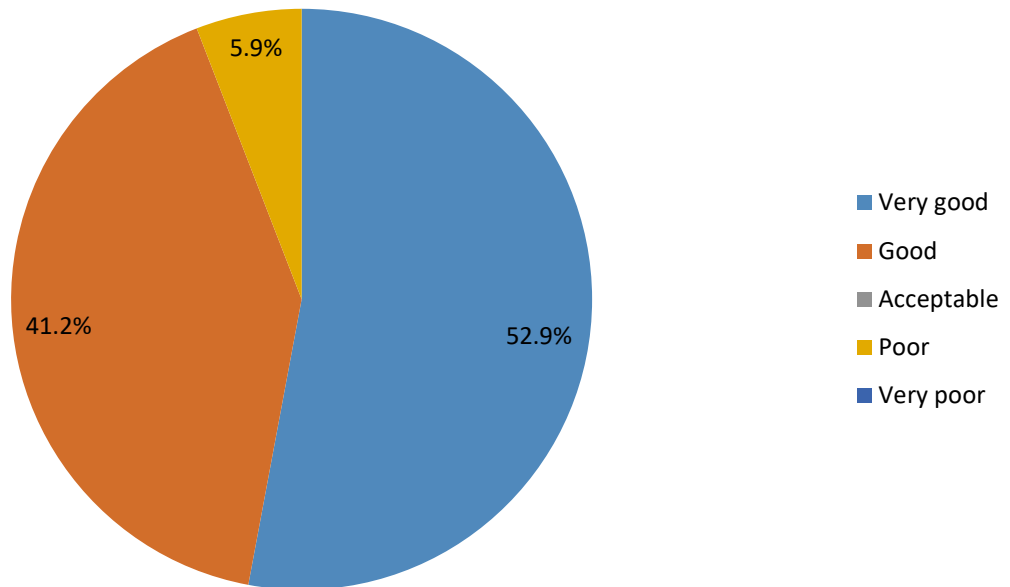
The feedback we continue to receive from trusts is positive and shows that SRMAs continue to provide effective support to the sector to help ensure resources are optimised and allocated to the areas that have the greatest impact on educational outcomes. They have also served to raise the visibility and importance of robust governance, and the positive impact effective financial oversight has when carried out jointly with educational performance.

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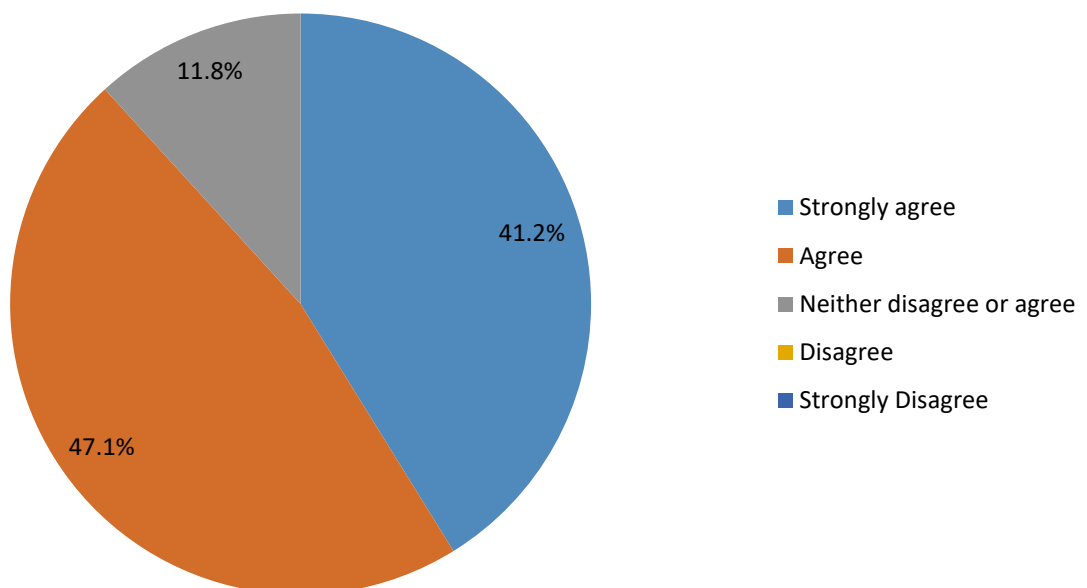
<sup>5</sup> This figure is slightly skewed by the fact that one trust is planning to generate revenue through the sale of unused land worth around £10m. Nevertheless, trusts that have received visits since the pilot are still planning to implement a higher proportion of opportunities than pilot trusts. The reasons for this are varied, including improved processes so we can more effectively track the value of opportunities recommended by SRMAs and also improved SRMA experience, so they can more effectively judge the value of opportunities that may be pursued by a trust.

## Annex A: Results of trust survey

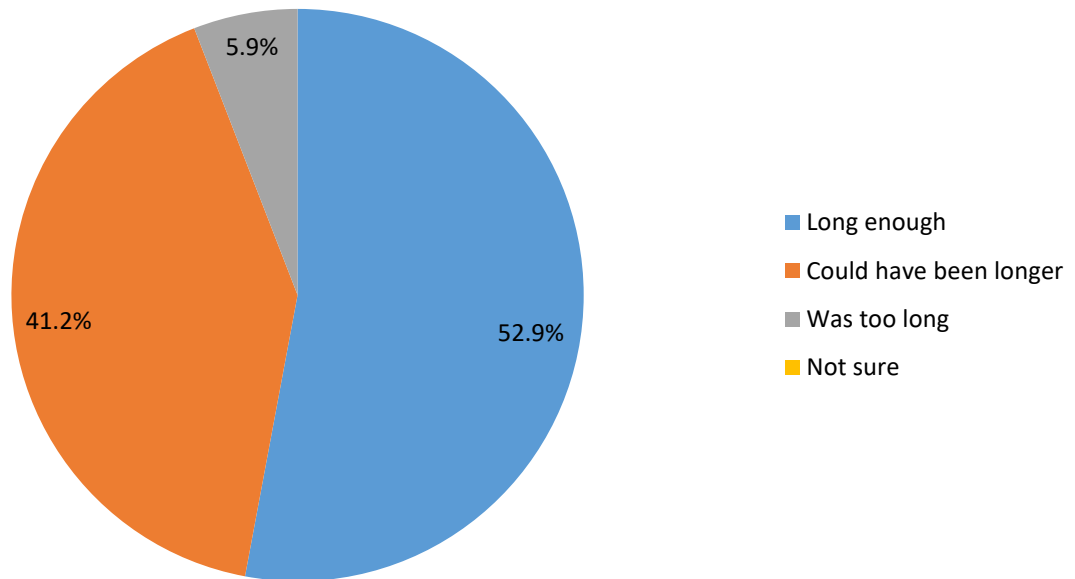
Overall, how would you rate your experience of working with the SRMA?



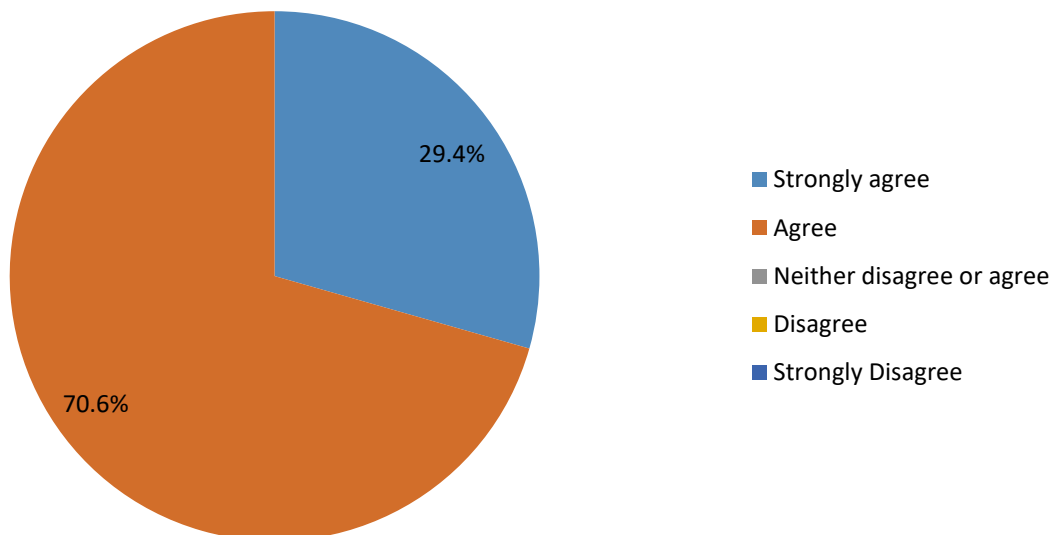
You understood the role of the SRMA as this was clearly explained to you by your ESFA case lead.



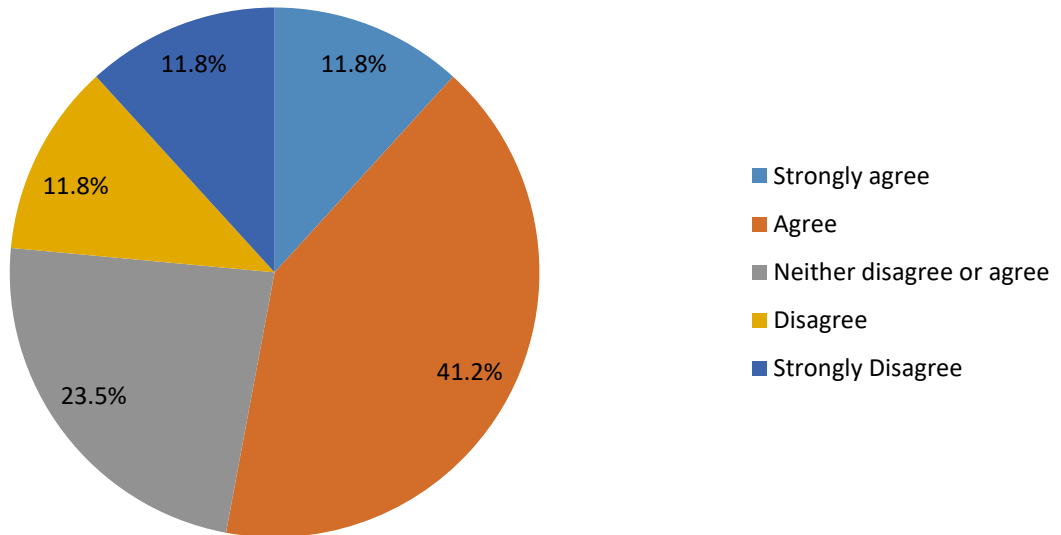
The amount of time available for the SRMA to work with your trust was:



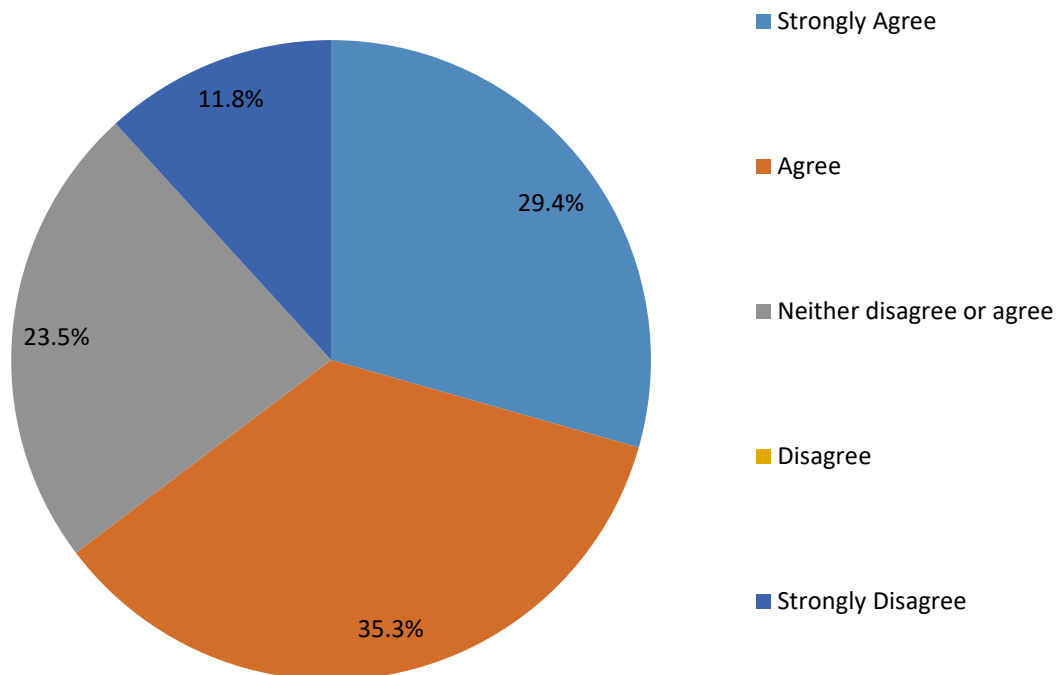
Having had an initial meeting, you had confidence that SRMA understood the context and any issues or challenges that your trust is currently managing.



The SRMA made recommendations / suggestions for your trust that you had not previously considered.



Your trust agreed with the SRMA's recommendations and will implement some / all of these as part of a revised financial plan.



## Annex B: Improvements to the SRMA programme identified by stakeholder feedback and report QA

Issue identified	Recommendation
<p><b>Process and communications</b></p> <p>While most trusts and SRMAs said they understood the purpose of the deployments, many said they would like greater clarity around exactly who does what, to be clearer on expectations for the visit, and to have information up front.</p> <p>Some trusts did not fully understand the timeframes for visits and the expectations on them to share information with SRMAs and to produce a revised financial plan following the deployment.</p> <p>Feedback confirmed deployments worked best where relationships between SRMA and ESFA leads were established from the outset.</p>	<p>We have redesigned the SRMA commissioning process to provide a more comprehensive overview of the case and allow ESFA leads to highlight where visits should be focused.</p> <p>New briefing document drafted for trusts and SRMAs to clarify purpose, timeframe and expectations for visits.</p> <p>A requirement for SRMAs to discuss each deployment with the ESFA lead before contacting a trust.</p>
<p><b>SRMA report template</b></p> <p>SRMAs asked for the reporting template to be more flexible and to include some guidance for completion. The initial template included some sections to be pre-populated by ESFA, but there was some confusion around roles and responsibilities.</p> <p>On occasion SRMAs were not including fully costed recommendations or fully exploring ICFP with trusts. This led to a number of savings opportunities not being quantified and therefore being excluded from the £35.29m figure.</p> <p>In some reports it was unclear over how many years the savings identified could be realised.</p>	<p>Redesigned SRMA report template with guidance for completion.</p> <p>A new spreadsheet has been included to ensure all recommendations are fully costed with a clear three-year breakdown.</p> <p>Strengthened the accreditation process to further test SRMA's ICFP understanding to ensure they always fully explore ICFP with trusts.</p>
<p><b>Deployments and recommendations</b></p> <p>Some SRMAs and trusts felt that 5 days was not enough time to complete a review and the timeframe to complete the report was too short, especially for those fitting SRMA activity in with other work. We did allow some flexibility in exceptional cases, which was well-received.</p> <p>In a small number of cases, the ESFA lead or trust felt the SRMA did not have a full enough understanding of ICFP which meant discussions with the trust were not as</p>	<p>Up to five days works well in the vast majority of cases but there is now a facility to increase the time where a clear need is identified.</p> <p>New supplier contracts include a requirement for supplier organisations to QA SRMA reports and ensure their candidates are deployed to cases that fit their experience / specialisms.</p> <p>Strengthened accreditation process to fully test SRMA's ICFP expertise.</p>

<p>productive as they could have been. This was most notable in one or two cases where SRMAs with exclusively primary school experience were deployed to secondary SATs.</p>	
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## Annex C: Breakdown of opportunities identified by SRMAs

### Staff vs non-staff (excluding revenue generation)

Benefit	Total (£)
Staff	25,062,281.25
Non-staff	7,120,743

### Full breakdown

#### Teaching staff

Specific benefit	Year 1 (£)	Year 2 savings not realised Yr 1	Yr 3 savings not realised Yr 1 or 2
Teaching staff	19,071,493.25	467,000	50,000

#### Revenue generation

Specific benefit	Year 1 (£)	Year 2 savings not realised Yr 1	Yr 3 savings not realised Yr 1 or 2
Donations and/or voluntary funds	1,420,139	0	0
Capital sales	840,000	0	0
Income from facilities and services	489,852	175,000	0
Increased pupil numbers	174,597.22	11,000	0

#### Education support staff

Specific benefit	Year 1 (£)	Year 2 savings not realised Yr 1	Yr 3 savings not realised Yr 1 or 2
Education support staff	2,580,006	209,959	0

## Supply staff

Specific benefit	Year 1 (£)	Year 2 savings not realised Yr 1	Yr 3 savings not realised Yr 1 or 2
Supply teaching staff	1,898,028	0	0
Agency supply teaching staff	117,142	0	0
Supply teacher insurance	10,000	0	0

## Premises

Specific benefit	Year 1 (£)	Year 2 savings not realised Yr 1	Yr 3 savings not realised Yr 1 or 2
Other occupation costs	2,099,000	136,500	0
Maintenance of premises	158,063	0	0
Cleaning and caretaking	149,147	20,000	0
Grounds maintenance	50,000	0	0
Premises staff	22,500	0	0

## Other expenditure

Specific benefit	Year 1 (£)	Year 2 savings not realised Yr 1	Yr 3 savings not realised Yr 1 or 2
Other expenditure	1,414,317	50,000	50,000
PFI	255,000	0	0
Special facilities	101,221	0	0
Exam fees	49,600	0	0
Other insurance premiums	10,000	0	0



### Back office (including staff costs)

Specific benefit	Year 1 (£)	Year 2 savings not realised Yr 1	Yr 3 savings not realised Yr 1 or 2
Admin and clerical staff	1,390,882	53,846	0
Administrative supplies	199,700	0	0
Bought in professional services	79,500	0	0

### Other staff related costs

Specific benefit	Year 1 (£)	Year 2 savings not realised Yr 1	Yr 3 savings not realised Yr 1 or 2
Other staff	531,880	18,000	0
Indirect employee expenses	95,084	0	6,037
Staff development and training	7,652	0	0

### Catering

Specific benefit	Year 1 (£)	Year 2 savings not realised Yr 1	Yr 3 savings not realised Yr 1 or 2
Catering supplies	150,670	0	0
Catering staff	110,000	0	0
Catering income	92,838	0	0

### Learning resources (Not ICT equipment)

Specific benefit	Year 1 (£)	Year 2 savings not realised Yr 1	Yr 3 savings not realised Yr 1 or 2
Learning resources (not ICT equipment)	193,660	27,000	0

## ICT learning resources

Specific benefit	Year 1 (£)	Year 2 savings not realised Yr 1	Yr 3 savings not realised Yr 1 or 2
ICT learning resources	127,780	5,949	0

## Energy

Specific benefit	Year 1 (£)	Year 2 savings not realised Yr 1	Yr 3 savings not realised Yr 1 or 2
Energy	93,570	30,000	0

## Annex D: Breakdown of opportunities achieved or due to be achieved by trusts

### Staff vs non-staff (excluding revenue generation)

Benefit	Total (£)
Staff	12,423,915.20
Non-staff	2,133,939

### Full breakdown

#### Teaching staff

Specific benefit	6 months realised (£)	Year 1 savings not realised after 6 months	Year 2 savings not realised Yr 1	Yr 3 savings not realised Yr 1 or 2
Teaching staff	2,856,506	3,373,718.20	1,337,598	1,457,131

#### Education support staff

Specific benefit	6 months realised (£)	Year 1 savings not realised after 6 months	Year 2 savings not realised Yr 1	Yr 3 savings not realised Yr 1 or 2
Education support staff	1,076,489	232,966	592,507	0

#### Premises

Specific benefit	6 months realised (£)	Year 1 savings not realised after 6 months	Year 2 savings not realised Yr 1	Yr 3 savings not realised Yr 1 or 2
Maintenance of premises	221,269	1,000	23,250	40,000
Grounds maintenance	28,000	10,000	0	0
Other occupation costs	5,000	0	0	25,000
Cleaning and caretaking	0	2,000	65,750	0
Premises	0	10,000	0	0

## Revenue generation

Specific benefit	6 months realised (£)	Year 1 savings not realised after 6 months	Year 2 savings not realised Yr 1	Yr 3 savings not realised Yr 1 or 2
Increased pupil numbers	209,000	0	8,000	0
Income from facilities and services	28,000	91,000	89,000	0
Capital sales	0	0	0	0
Donations and/or voluntary funds	0	0	0	0

## Back office (including staff costs)

Specific benefit	6 months realised (£)	Year 1 savings not realised after 6 months	Year 2 savings not realised Yr 1	Yr 3 savings not realised Yr 1 or 2
Administrative supplies	90,000	125,877	6,900	6,000
Admin and clerical staff	40,419	120,562	35,041	51,000
Bought in professional services	34,000	4,000	0	0

## Other expenditure

Specific benefit	6 months realised (£)	Year 1 savings not realised after 6 months	Year 2 savings not realised Yr 1	Yr 3 savings not realised Yr 1 or 2
Other expenditure	114,340	20,000	454,000	0
Exam fees	0	0	0	0
PFI	0	0	0	0
Special facilities	0	15,000	47,500	0

Other insurance premiums	0	0	0	0
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### Catering

Specific benefit	6 months realised (£)	Year 1 savings not realised after 6 months	Year 2 savings not realised Yr 1	Yr 3 savings not realised Yr 1 or 2
Catering staff	58,162	4,362	202	206
Catering income	21,000	18,000	40,000	0
Catering supplies	0	0	62,375	0

### Learning resources (not ICT equipment)

Specific benefit	6 months realised (£)	Year 1 savings not realised after 6 months	Year 2 savings not realised Yr 1	Yr 3 savings not realised Yr 1 or 2
Learning resources (not ICT equipment)	56,700	8,000	21,243	0

### Supply staff

Specific benefit	6 months realised (£)	Year 1 savings not realised after 6 months	Year 2 savings not realised Yr 1	Yr 3 savings not realised Yr 1 or 2
Agency supply teaching staff	18,000	344,000	20,000	0
Supply teaching staff	12,000	159,000	359,000	0
Supply teacher insurance	0	0	0	0

## Energy

Specific benefit	6 months realised (£)	Year 1 savings not realised after 6 months	Year 2 savings not realised Yr 1	Yr 3 savings not realised Yr 1 or 2
Energy	20,581	4,500	24,700	0

## Other staff related costs

Specific benefit	6 months realised (£)	Year 1 savings not realised after 6 months	Year 2 savings not realised Yr 1	Yr 3 savings not realised Yr 1 or 2
Indirect employee expenses	8,000	523,000	2,000	2,000
Other staff	4,000	0	5,000	34,000
Staff development and training	0	0	0	7,000

## ICT learning resources

Specific benefit	6 months realised (£)	Year 1 savings not realised after 6 months	Year 2 savings not realised Yr 1	Yr 3 savings not realised Yr 1 or 2
ICT learning resources	0	190,000	8,000	0

## Annex E: Case studies

### Chapelton Academy

Chapelton Academy is a free school sixth form which opened in September 2014. It is a single academy trust (SAT) with the potential to cater for 300 pupils. The academy focuses the curriculum on traditional academic A-levels and is located on an out of town business park.

The trust was running at an in-year deficit and had a further issue regarding the payment of debt. ESFA officials suggested the support of a SRMA who, with the agreement of the trust, was deployed to assist the academy in becoming financially self-sustaining.

Prior to deployment, the SRMA had access to the trust's existing financial data, ICFP metrics and the proposed restructuring plans to the curriculum, timetabling and the Senior Leadership Team (SLT).

The trust was keen to ensure that they were on the right track in terms of contact ratios and that any proposed changes in staffing hours or restructuring did not impact the overall performance of the academy academically.

According to Dayle Coe, the trust's Headteacher since September 2017, the additional input of a SRMA was invaluable:

"The visit not only provided a quality assurance process but also the chance to discuss specific issues and the proposed efficiency savings in an open and productive manner. All actions were agreed in a collegiate and collaborative way with nothing being forced on the trust."

### What were the agreed recommendations and steps taken?

Following the visit, the SRMA provided the trust with a variety of recommendations. After carefully reviewing these, the trust agreed on the following actions:

- Increase of staff contact hours to ensure they spent the optimum amount of time with pupils.

In order to review whether teaching time was being productively utilised, the trust reviewed the contact ratios for teaching staff as a whole and for individual members of staff. Working to a figure of 25 sessions per week, each FTE member of teaching staff was allocated 3 for PPA and 1 other to prepare for other duties. They then restructured the timetable to accommodate this working practice, which the head teacher deemed best for their setting.

- Reduction of the senior leadership team (SLT).

The trust consisted of 18 staff, 8 of which were part of the SLT; 6 senior leads, a headteacher and deputy Headteacher. This meant 24% of their funding was spent on the SLT. The headteacher assessed the job descriptions and the school requirement to have this many faculty/senior leaders. Based on the school need, he assessed that the SLT could function on one headteacher and two new assistant head roles with amended job requirements. Following a selection process to fill the new positions and through normal turnover, the SLT was restructured and has resulted in a saving of £120,000 per annum.

- A focussed marketing strategy and improved signage to increase both awareness of the trust and boost student numbers.
- A restructure of administration staffing and a move to term time only working.

Following benchmarking and recommendations from the SRMA, the trust has now completed a restructure of the administration team. Two members of the team left as part of normal staff turnover, but a need was identified for an investment in a new role of examination and administration officer. All members of the administration team are now working term time only which has resulted in a reduction to 0.87 of the previous salary spend.

- Consider the option of joining a MAT.

## **What has been the impact?**

With the help of the SRMA, the trust has achieved the following:

- Rationalisation of and a reduction in spend on the SLT has resulted in reinvestment in other staffing areas to allow for extra classes in popular subjects.

Following the savings of £120,000 per annum realised by the restructure of the SLT, the trust wanted to reinvest in the curriculum. They conducted a market research exercise with potential future pupils to analyse the demand for certain subjects. They identified an increased demand for subjects such as business, law and psychology. They increased their classes in these subjects and were also able to recruit two new psychology teachers to meet the demand.

- Improved educational outcomes from the previous year.

The academy was judged as Requires Improvement in 2017 and was subsequently judged Good in September 2018 with a positive Progress Score.

- A sustainable plan for the repayment of debts and a secure long-term financial future



The SRMA encouraged the trust to develop a five-year financial plan for their long-term sustainability.

## **Overall reflections of working with a SRMA**

Dayle Coe has reflected on the whole experience and adds: “The process is a valid and worthwhile one. This is primarily because it provides an objective look through a different lens and helps identify areas not considered previously or finds ways to redistribute the funds that the academy has.”

Dayle continues: “Working with a SRMA was a collaborative process. It helped us focus on efficiency savings without compromising educational standards or student outcomes and was a positive experience.”

## **The David Ross Education Trust**

The David Ross Education Trust consists of 34 primary and secondary academies situated over a wide geographical area. They cater for 13,000 children aged from 4 to 18 in schools that range from small rural primaries to large urban secondary schools.

## **School resource management adviser deployment**

In August 2017, as part of an exercise being carried out by the trust on its long-term financial forecasting, the newly appointed CEO commenced a full review of the trust’s financial position. By working with the ESFA they ascertained that the support of a SRMA would be beneficial. The purpose was to help the trust understand where they could further improve their resource management.

The SRMA was asked to:

- undertake an assessment of the trust’s use of Integrated Curriculum and Financial Planning
- look holistically at the overall budgetary position of the MAT
- identify any additional areas where improved resource management could be achieved

The SRMA had meetings with the CEO, the CFO and both primary and secondary education leads within the trust. During these meetings the SRMA challenged the ICFP principles employed by the trust and a broad consensus was reached on the changes that could be made to improve the trust’s resource management. The SRMA added value by drawing on their past experience as a Head Teacher and CEO of a MAT to provide benchmarks for key forecast assumptions that they had previously used successfully, such as:

- teaching loads of school leadership roles

- school leadership team size based on number of pupils in a school
- timetabling approach to maximise teaching time, flexibility and effectiveness of lessons
- teaching Assistant pupil to staff ratios in Primary

The SRMA then drafted these into a report that the trust could consider as part of its forward planning.

## **What were the agreed steps taken?**

Apart from the general implementation of ICFP practices in all their budgetary planning and financial efficiency considerations, the trust decided to introduce a standardised curriculum approach across all schools within the trust, with a standard approach to KS4, a similar timetable and defined subject structures and timings.

Making these changes provided greater transparency and fairness with regard to teacher loadings, whilst still enabling the trust to deliver an effective curriculum.

Following the review and implementation of these changes, the trust has realised an estimated saving of £2million per annum. The savings have enabled them to invest in central curriculum planning resource, which will enable the efficient design of a high-quality curriculum and return to managing within their budget.

## **Overall reflections of working with a SRMA**

After assessing the whole experience, the Chief Financial Officer, Jane Spencer states:

“It was really useful, particularly because of the SRMA’s background as a headteacher, which gave them credibility when suggesting alternative ways of deploying teaching staff to the education team.

“It was also useful having someone from another school / trust suggest benchmark guidelines for staffing levels and curriculum design, and what inputs to consider when building the staffing model.”

## **Thomas’s Academy**

Thomas’s Academy is a London based single academy trust with primary provision.

### **School resource management adviser deployment**

In 2016/17 Thomas’s had a deficit of £226k, much of which was carried over since before the school became an academy in 2015. As part of a package of support to help the trust recover from this situation, ESFA suggested a SRMA deployment to provide independent advice and support.

Before the deployment, the trust shared their existing financial recovery plan with the SRMA to help them understand the current situation and the plans they had in place. The Finance Team and Head Teacher then met with the SRMA to agree where the focus for their time should be, with conversations particularly focused around staffing and accounting.

## **Outcomes following the SRMA deployment**

Following the visit, the SRMA provided a report to the trust which had a range of recommendations designed to help them improve their approach to resource management whilst ensuring the education provided to pupils was still high quality. In working through the SRMA recommendations, over the last 6 months the trust has realised savings of £43,000 and are forecasting to achieve £74,000 savings per annum. They are now expecting to be in a cumulative surplus position within the next two years.

Some of the actions they have implemented that have contributed to this improved projection include:

- Reviewing the SLT structure to give both deputy heads teaching responsibilities, allowing the trust to save the cost of one teacher. Not only has this helped the trust to save money, it has enabled the pupils to access very high-quality teaching from experienced teachers. This restructure has allowed the trust to avoid a redundancy situation.
- Reviewing their total non-staff spend. Following the SRMA's advice, the trust has considered options on Risk Protection Arrangement provision and catering to ensure that they are achieving best value for money as their current providers have been in place for some time.

## **Overall reflections of working with a SRMA**

Emma Baxter, the Finance Officer at the trust states that the trust has found the deployment to be very useful. Emma welcomed the opportunity to discuss ideas with someone who has significant school experience, and the process allowed her to ask relevant questions as well as share knowledge and expertise.

## **The Cam Academy Trust**

The Cam Academy Trust consists of eleven academies across Cambridgeshire and Bedfordshire. The academies are a mix of primary and secondary schools, with two of the secondary schools also having sixth-form colleges.

## School resource management adviser deployment

In March 2018 the trust was working with ESFA on a business case for additional funding to avoid utilising a large proportion of their reserves to cover the expected costs associated with a large growth in pupil numbers. As part of this work, ESFA suggested the trust worked with a SRMA to evaluate their overall spend and investigate actions the trust could take to further improve their approach to resource management.

Following the initial conversation between the trust and the SRMA the trust shared their business case and a variety of other data, including pupil numbers and key spend areas, with the SRMA. The SRMA then visited the trust and spoke initially to the Chief Executive Officer (CEO) and Director of Finance and Operations (DFO) to agree the key focus of the deployment. It was agreed that the focus would be around non-staff spend and the utilisation of ICFP in the schools with the biggest pupil growth. To explore the utilisation of ICFP, the SRMA, alongside the DFO, spoke to a head teacher of one of the schools experiencing growth.

After the visit, the SRMA wrote a comprehensive report containing a variety of recommendations for the trust to pursue. The SRMA then met with the trust's DFO and CEO to review the recommendations and estimate the impact of implementing each one. Those recommendations that the trust felt could help improve their approach to resource management whilst enable them to continue to provide an excellent education for pupils were incorporated into the business case and acted upon.

### What were the agreed steps taken?

The trust has so far implemented the following recommendations:

- Moved to the Risk Protection Arrangement (RPA) to reduce their insurance premiums. The trust's previous supplier also offered to bring the cost of their insurance down upon seeing the quote from the RPA.
- Reduced the size of the leadership team in one of the schools by 1 FTE. The staff member was originally recruited to the job to provide leadership capacity to the school whilst the head teacher was on long term sick leave, but after the head returned this capacity was no longer needed. The trust was able to utilise the staff member's expertise to better effect by making them responsible for teaching and learning and the IT strategy across the trust. This meant that the trust did not have to recruit for this role.

Additionally, the trust has committed to exploring the following actions over the coming year:

- Making further non-staff savings, for example by exploring the opportunity to recruit a procurement manager across the trust as pupil numbers continue to grow, allowing the trust to take advantage of economies of scale.

- Moving towards a trust-wide contact ratio of 0.7 over the next three years. This ratio will differ for individual schools but is right for the trust as they have several teachers carrying out important outreach roles. This ratio will ensure staff costs remain affordable whilst protecting student outcomes and will allow the trust to continue their strategy of ensuring students who need greater support continue to have access to good teachers.

## **Overall reflections of working with a SRMA**

Mark Norman, the Director of Finance and Operations for the trust has reflected that working with an SRMA was extremely worthwhile:

“It has been beneficial to have a further layer of critical analysis and an outlet to share thoughts and concerns over educational finances.

Rather than an additional layer of bureaucracy, an SRMA who takes the time to understand a trust can foster a strong working partnership and assist academy trusts, no matter their financial situation.”



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