

PublicNet: Cost Cutting in Education: Is it Crunch Time for Schools?

By: Phil Neal, 19th March 2010

Budgets are coming under pressure across the public services. Although education is a priority with some ring fencing, there will be no exemption from the pain of cuts. The author offers a range of suggestions for pain free cost savings.

As the next election approaches, the state of the UK's economy continues to be a hot topic and politicians from all parties are becoming increasingly vociferous in laying out their plans for what must be done to sustain financial recovery. Cost cutting remains a major focus for the public sector and many authorities are already putting plans in place to deliver services more efficiently against a backdrop of much tighter budgeting in the years ahead.

Few would dispute that education is better funded now than it has been for years. However, in the current economic climate, schools are unlikely to be immune to the swing of the post-recession axe. There are a few small changes authorities could make today which could make a big difference in the future, should belt tightening impact upon school budgets.

But how can councils advise schools on how to make savings? Probably the most logical first step is to ensure financial management systems are being used effectively in their schools.

Tightening the belt

Better financial management will mean that governors and school leaders know exactly where school money is going and what the impact of any additional spending is. Switching to eProcurement will also help schools save money. "It is increasingly important for schools to make the most of their funding," says Ian Taylor, commercial director at the Department for Children, Schools and Families.

In some local authorities, schools are using the DCSF's OPEN portal which allows them to shop online and compare prices easily from different suppliers. They can purchase and pay for goods automatically from their financial management system. It means better prices, a better audit trail and less administration time spent on this task.

"The money and time schools save using OPEN can be ploughed back into improving education - benefiting everyone and allowing schools to make the most of their resources," says Taylor.

The schools I have spoken to piloting the scheme in the Sandwell area seem to agree. "It is far simpler to compare prices than sifting through hard copies of catalogues as it is all done for you. We purchased a small item; some tabs for children to make calendars before Christmas, and

found a supplier that was £1 per item cheaper than the rest, so we saved £250 on this one purchase," says Karen Lowe, finance officer at St Martin's Primary School. "It is about making sure every penny counts."

A rather simple change - the payment of invoices by BACs instead of cheques - can reduce the amount of time taken to authorise and sign cheques. For an average secondary school this results in a saving amounting to £3.5k per year, according to our calculations. Most schools I know could find a good home for that sort of money.

Working differently

Another way of saving money in the long term is to switch to communicating online rather than by paper. Ray Tarleton, principal at South Dartmoor Community College, is an advocate of this approach, "The future may be leaner and meaner but it is also greener with technology empowering schools to work differently. The use of online communication instead of the printed word can allow schools to save thousands of pounds.

"One large photocopied pack for twenty governors sent by post used to cost in the region of £300 to produce. Now we email everything and use on-screen facilities to project the papers at meetings. When we carried out an anti-bullying survey recently the questionnaires were completed online - a saving of around £1,000."

There are instant text messaging and email facilities to send messages to parents rather than using letters, and Learning Gateway technology which can offer a good alternative to paper-based pupil reporting. Parents are presented with much more detailed information on their child's behaviour, attendance and progress at school online and the surveys that Tarleton describes are easy to set up.

"Think of the forests saved when all schools communicate in this way," says Tarleton. "And the amount of resources, printing time and labour. There will be less cash to spare so let's make the technology work for us, provide more effective communication and even help save the planet at the same time."

Look at what you have got

Schools often look at purchasing new technology to help them meet a specific requirement. There are pupil tracking systems or software available, for instance, that can help schools with the self-evaluation process or monitoring behaviour. In fact, most schools have already bought and paid for these resources in their management information system or other technology purchased over the years. They do not necessarily need to spend more money to work more effectively.

Additional savings can be made in authorities that opt to procure technology on behalf of their schools. This allows them to take advantage of available discounts. Councils can also invest in centrally-hosted IT systems to reduce costs. This means that schools do not have to pay for servers and IT support services individually as these can be managed by the authority.

Brighter futures

As the wise financial guru, Warren Buffet put it; "Someone's sitting in the shade today because someone planted a tree a long time ago." Many authorities are already starting to plant some trees of their own and this is key to ensuring they can cope with potential leaner times to come. Preparation is after all the key to success.

Phil Neal is Managing Director of SIMS for Capita Children's Services. Capita supply 22,000 schools with systems that help with pupil and financial management.