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# School Business Management

## A quiet revolution

Part 2

Geoff Southworth

**Resource**

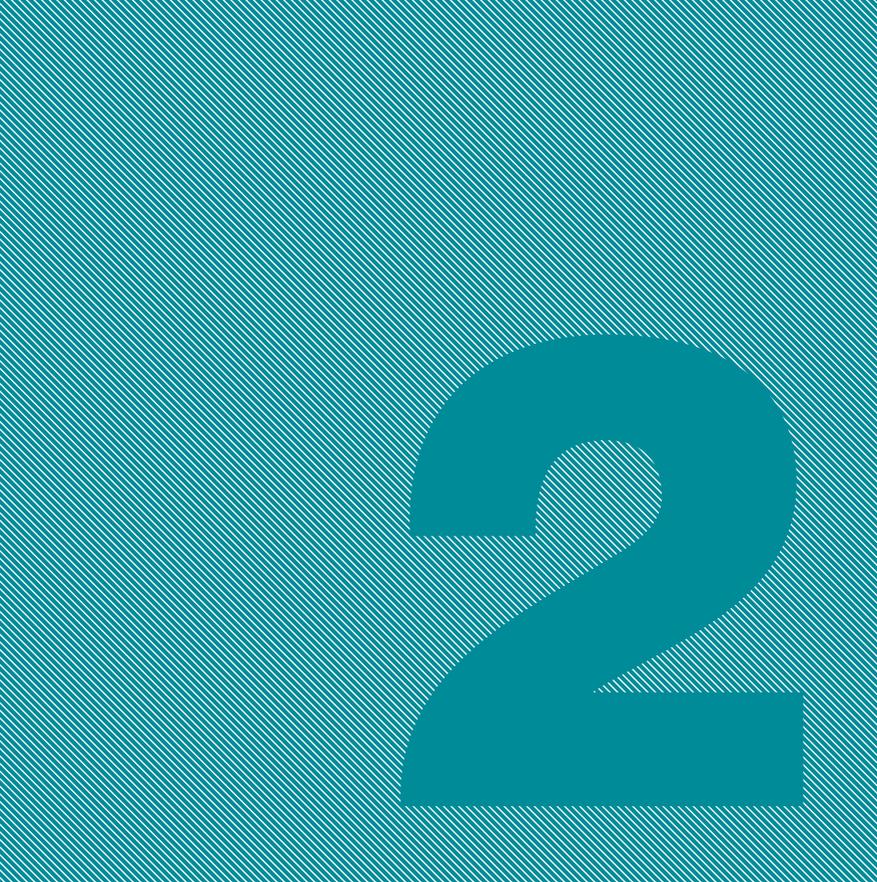
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# Part 2



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# Introduction

In this part, four of the major sources of evidence cited in Part 1 are summarised in greater detail. The sources presented here are:

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

A fourth case study, for Darlington Educational Village, has also been included in this section. These studies, alongside other data the National College has collected since 2002, form a significant body of evidence. They provide further detail and depth to the argument in Part 1. The summaries that follow are edited to provide a portrayal of what the full reports covered, concluded and recommended.

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# PricewaterhouseCoopers (PwC), 2010a, Strategic Study of School Business Managers and School Business Directors, Nottingham, National College for Leadership of Schools and Children's Services

## Introduction

This study examined the benefits that SBMs and SBDs had demonstrated by February 2010. Based on the study's findings, PwC concluded that suitably qualified SBMs and SBDs help run schools effectively and efficiently by improving financial, operational and strategic management. They also noted that 'this will be increasingly important as resources become more scarce'. PwC saw the next challenge as designing an effective roll-out strategy to increase the presence of SBMs across the school system and made recommendations as to what such a strategy might involve.

**[Note to reader: The Executive Summary is taken directly from PwC's report (PwC, 2010a), with minor adjustments. Table and figure numbers have been adjusted to make them continuous with those used elsewhere in this volume.]**

## Executive summary

### Where are we now, and what's the case for growth?

Evidence from the 'Demonstration projects' indicates qualified SBMs have achieved the following benefits:

- Net financial benefits of around £16,000 per school per annum comprising cost savings - £11,000; and income generation from grants and fund-raising - £5,000
- Non-financial benefits
  - Make more efficient and effective use of the range of staff and other resources (such as premises and ICT) in schools
  - Help schools work together more collaboratively and share best practice
  - Take a more strategic view of school management
- Significant savings of headteacher time
  - Between 20 and 33% of headteachers' time can be saved by SBMs performing tasks that would otherwise have been done by headteachers, releasing that time for other strategic activity and to lead teaching and learning.

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## What is needed in future if the system is to get the most from this role? The case for collaboration

- Most secondary schools already enjoy 90% access to a School Business Manager. Our research shows that most primary schools could also benefit from a School Business Manager or Director. Our analysis also indicates that the best impact will be achieved where schools use qualified SBMs/SBDs collaboratively.
- We believe that a range of models will emerge. We believe that around a quarter of schools in the sector could form relatively small clusters containing a secondary school working with one or two large primary schools. Our analysis also shows that the majority of schools – around 60% of them – will need to form larger collaborative with on average 4-6 schools within them, to achieve the best benefits.
- In practice of course there will be much more variation than this, with some very large collaboratives, and other individual schools which use SBMs. We believe that most schools in the country – at least 85%, and possibly more – could gain significant benefit from collaborating over [the] use of an SBM, if suitably encouraged, incentivised and supported to do so.
- We see these collaborative benefits being led by staff qualified at Diploma (DSBM), Advanced Diploma (ADSBM) and Director (SBD) level. Those with Certificate level (CSBM) will typically have a role at the individual school level.

## What is getting in the way of take up?

The major barriers are cultural:

- Headteachers and local authorities (LAs) who do not fully understand the SBM role and the benefits they can deliver
- Headteachers who are reluctant to cede power and responsibility to non-teaching members of staff
- LAs which are resistant, especially if they are concerned about their own services to schools
- Governing bodies which act as a barrier, especially around clustering

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There are also some implementation barriers:

- Some headteachers do not see past the upfront investment and so feel the role is not affordable
- Difficult to co-ordinate a group of schools to take a collective decision to recruit

Supply of the right type of skills will become a barrier if not addressed:

- There is currently no shortage of CSBMs but [there] is currently a lack of ADSBM and SBD candidates capable of working across collaboratives
- The College currently provides 1,500 1,700 places for CSBM, 600-800 for DSBM, 200 for ADSBM and 50 for SBD. Meeting the needs of a collaborative-based system implies a need for significantly more qualified DSBMs, ASBMs, and SBDs
- There are many individuals working in an SBM role but without qualifications. This may lead to issues of quality and increase the risk of a mis-understanding of what a properly trained SBM/SDB can achieve.

Sustainability issues are not significant now but will need attention in future:

- To operate strategically, there is a strong argument that SBMs/SDBs should be on the leadership team. Not all headteachers share this view. Linked to this is wide variation in pay and conditions for SBMs, with some in the leadership scale and some not.

## What actions are needed to achieve the future vision?

The interventions we recommend are:

- **Targeted seed funding** to incentivise schools with a qualified SBM or SBD to share this resource with others; to encourage new collaboratives to form and recruit qualified SBMs/SDBs; and to encourage further upskilling of C/ASBMs. We recognise an understandable reluctance to use seed funding to promote programmes. However, schools will discover that they can 'spend to save' and therefore will sustain the posts, as almost all demonstration projects did.
- **Ofsted inspection** should include a sharper assessment of Value for Money (VFM) which will encourage schools to access SBMs. Inspection is a very strong lever to change behaviours.

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- **Increased targeted marketing to selected types of schools, LAs and others** to raise awareness of the seed funding opportunities (a ‘pull’ strategy), highlight the sharpened inspection focus on VFM (‘push’), and to provide advice on how best to access seed funding and other support.
  - **Training for SIPs and advice to headteachers** on the benefits of qualified SBMs/SBDs and how to make most effective use of them. This should be mandatory within NPQH for new headteachers, but voluntary for others, provided via conferences and workshops. The main aim will be to help those headteachers who have access to an SBM make better use of them.
  - **LAs to be encouraged** to ensure that more local schools have access to qualified SBMs and to promote their take-up, on the basis it helps address workload issues and improves headteacher retention as well as supporting efficiency. The College should promote this in its Succession Planning work.
  - **Adjust the levels of supply to reflect the collaborative-based requirements.** We recommend producing, on average, 1,100 DSBMs (up from 700), 400 ASBMs (up from 200) and 60 SBDs (no change) per annum. By reducing CSBM intakes, this should be cost neutral.
  - **Accelerate sharing of the very best practice** by identifying and publicising the best examples, providing interactive tools based on these, and providing incentives for SBD Advocates to provide outreach support, advice and guidance to other schools.
  - **A clear professional development pathway which with the granting of chartered status** should raise the status, attractiveness and sustainability of the profession.

## **We believe these actions are essential and that the benefits significantly outweigh the costs**

- Our analysis indicates that by 2014 the net benefits per annum brought by SBMs and SBDs working across collaboratives will be c. £120m; and that they will also deliver savings of c.9m headteacher hours, worth a further £180m to the system.
- More importantly we believe these individuals will play a key role in reforming the system and helping to make the best of all available resources.

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**[Note to reader: The text from PwC 2010a Executive Summary ends here]**

## Commentary

On the benefits of the SBM programme, PwC is clear and categorical: SBMs make a positive difference, financially and in other ways. To achieve these benefits schools should therefore consider collaborating to take advantage of economies of scale and to reduce the cost of an SBM to individual schools.

PwC recommended a number of steps that could be taken to sustain the business management profession in schools, including:

- establishing a mandatory SBM qualification
- sharing best practice
- introducing chartered status for SBMs
- continuous professional development and training to improve standards

The PwC report was an important, independent study. It showed that SBMs made a difference to schools in terms of financial and non-financial benefits and that deploying SBMs was undoubtedly the way forward for the great majority of those not yet drawing on the expertise of qualified SBMs.

However, for many, the way forward involved working with other schools; PwC was very clear that collaboration in the form of school clusters was the best strategy. The barriers to this strategy were set out alongside possible ways of overcoming them. Issues of demand and supply were given equal attention, as was the need to concentrate on making the work of SBMs sustainable into the future. Overall, PwC's report was balanced and positive and gave further impetus to the advancement of SBMs.

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# PricewaterhouseCoopers, 2010b, Cost Benefit Analysis of the School Business Management Programme, Nottingham, National College for Leadership of Schools and Children's Services

## Introduction

This study complemented the strategic review of the National College's SBM programme completed by PricewaterhouseCoopers in January 2010 which identified the key barriers and enablers to increasing the penetration of SBMs and SBDs across schools, particularly in the primary sector.

Its report focused on analysing the costs and benefits of the SBM programme. PwC looked at many specific items of cost and benefit and produced a detailed and lengthy report. The executive summary is presented below followed by a short commentary highlighting the key points relevant to this discussion.

PwC's cost benefit analysis examined the work of SBMs according to the level of qualification achieved (eg CSBM, DSBM and ADSBM). This enabled a differentiated analysis and the identification of variations between those with one qualification and another level of qualification.

**[Note to reader: The Executive summary is taken directly from PwC's report (PwC, 2010b), with minor adjustments. Table and figure numbers have been adjusted to make them continuous with those used elsewhere in this volume.]**

## Executive summary

By the end of 2009, over 5,100 people had completed the Certificate (CSBM), 1,000 had completed the Diploma (DSBM) and 75 had recently completed the Advanced Diploma (ADSBM). A new qualification, the School Business Director (SBD) was also under way.

### Objective of this study

The overall objective of this study was to analyse the economic and financial costs and benefits of the SBM programme to inform its future development.

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## Approach

Following the development of a comprehensive framework of costs and benefits, the study used a combination of primary and secondary research and analysis to populate the framework. As part of the study, a major online survey of SBMs was conducted which generated 1,172 completed responses, and 915 provided information used for the quantitative analysis.

The efficiencies and impact that SBMs can have on a school vary depending on a variety of factors such as the school phase (ie primary or secondary), the different roles and responsibilities undertaken by CSBM, DSBM and ADSBM graduates, and the school configuration (ie single school or collaborations/clusters of schools). To analyse the differences in impact across these factors we analysed the impact of the SBM programme on the segments listed in Table 1, which shows the number of responses in each segment.

**Table 1: Number of responses in each segment**

	CSBM	DSBM	ADSBM	None	TOTAL	% by school phase
Single primary school	317	110	9	104	540	59%
Single secondary school	133	80	11	97	326	36%
Collaboration	17	15	5	12	49	5%
TOTAL	467	205	25	213	915	100%
% by qualification	51%	22%	3%	23%	100%	

Source: PwC 2010b

Note: Figures may not sum to 100% due to rounding

The cost-benefit data collected from survey respondents is grossed up based on known numbers of College-qualified SBMs in primary and secondary schools. The number of SBMs in collaborations was inferred based on the response rate to the survey. Data was collected from SBMs who had not completed the SBM programme; however, the data on costs and benefits of this segment was insufficient to include in the cost-benefit calculation.

A key aim of the study was to assess the net (or incremental) benefits of the SBM programme. In order to do this, we have examined the extent to which the benefits reported by SBMs in the survey are attributable to qualifications gained from the National College and the extent to which some of the cost savings or increases in income would have been achieved anyway (because of other factors affecting the performance of the school sector as a whole).

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## Characteristics of SBMs

Table 2 shows the estimated number of schools with SBMs broken down between single primary, single secondary schools and collaborations. This is based on the estimated number of SBMs across each school phase, and an average of 3.9 schools in each collaboration, as derived from the survey. We estimate that the total pupil population in schools with qualified SBMs is 3.6 million (around 48 per cent of the total pupil population in 2008/09).

**Table 2: Number of schools with college-qualified SBM**

	CSBM	DSBM	ADSBM	Total	% by school phase
Single primary schools	3,320	207	36	3,563	57%
Single secondary schools	1,495	160	21	1,677	27%
Number of schools in collaborations	833	104	55	993	16%
Total	5,648	472	112	6,232	100%
% of total SBMs	91%	7%	2%	100%	

Source: PwC, 2010b

Our SBM survey revealed some key characteristics which bear on the costs and benefits of the SBM programme:

- College-qualified SBMs are more likely than other SBMs to work full time, under the title of SBM or similar.
- DSBMs and ADSBMs work in more strategic roles; 80-90 per cent are members of the senior leadership team.
- Around two-thirds of SBMs feel that completing a National College qualification had a significant or moderate increase in perception of the value of their role within the school, and a similar proportion also felt that the qualification helped them to achieve cost savings and secure additional income.
- Around a third of SBMs surveyed have been working in the role for five years or more although around 70 per cent have become qualified in the last two years. This is key to driving the overall costs and benefits of the SBM programme since both grow as the number of qualified SBMs increases.
- The two main activities undertaken by SBMs are staff management and meetings and financial management activities. This is broadly consistent across the different qualification levels.

## Costs of the SBM programme

The following have been considered as cost elements:

- direct costs to the National College of developing and delivering the programme, displayed in the first row of Table 3.
- costs to schools of supporting SBMs during their studies and from employing them thereafter:
  - The survey shows that SBMs employed in schools before gaining their qualifications need to devote part of their working week to preparatory studies and to attending courses. We have valued this opportunity cost to the school based on their current salary.
  - We have also valued the opportunity cost to individual SBMs as they invest their own time to achieve the qualification: we have valued this time as leisure time and included it in the overall 'opportunity cost' calculation shown in Table 3.
  - Our survey also indicates that qualified SBMs cost more for schools to employ - we have therefore included their recruitment costs.
  - The additional salary paid to the SBM by the school is attributed to their gaining a National College qualification.

We estimate that the total cost of the SBM programme between 2002/03 and 2008/09 was **£173.6 million**. This amounts to an average cost per SBM of £31,600 and breaks down between each of the elements and segments as shown in Table 3.

**Table 3: Total costs of SBM programme, 2002/03-2008/09 (£m)**

	CSBM			DSBM			ADSBM			Total
	Primary	Secondary	Collaboration	Primary	Secondary	Collaboration	Primary	Secondary	Collaboration	
National College costs	20.46	8.09	1.51	0.73	0.58	0.09	0.14	0.15	0.06	31.81
Opportunity costs	9.22	4.31	0.57	0.79	0.50	0.11	0.08	0.12	0.11	15.82
Recruitment costs	0.15	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.16
Additional salary costs	67.38	40.39	5.82	5.42	5.18	0.51	0.16	0.69	0.28	125.81
<b>Total</b>	<b>97.20</b>	<b>52.80</b>	<b>7.90</b>	<b>6.94</b>	<b>6.94</b>	<b>0.71</b>	<b>0.38</b>	<b>0.96</b>	<b>0.45</b>	<b>173.60</b>

Source: PwC, 2010b

## Benefits of SBM programme

We have considered the following elements of benefit:

- staff costs savings in three areas: finance and administration, teaching staff and support teachers
- procurement efficiencies: savings have been considered for 10 different elements of school costs, the biggest savings being in education supplies, office equipment and building maintenance
- freeing up of headteachers' and other senior teachers' time and increased leadership capacity within the school and improvements in the educational outcomes for pupils
- increases in income as SBMs have more time and skills to pursue other sources of income for the school

We estimate that the total benefits of the SBM programme between 2002/03 and 2008/09 is £306 million which breaks down between each of the elements and segments as shown in Table 4. The highest benefit areas are teacher cost savings and procurement savings.

**Table 4: Total benefits of SBM programme, 2002/03–2008/09 (£m)**

	CSBM			DSBM			ADSBM			Total
	Primary	Secondary	Collaboration	Primary	Secondary	Collaboration	Primary	Secondary	Collaboration	
Finance & admin salary savings	9.79	2.55	0.27	0.79	0.95	0.18	0.07	0.04	0.04	14.67
Teacher cost savings	32.30	44.28	8.90	3.03	8.25	4.13	0.12	0.74	0.36	102.12
Support teacher cost savings	5.72	5.66	0.74	0.41	1.34	0.20	0.03	0.07	0.05	14.22
Procurement efficiencies	22.23	33.23	6.18	1.77	6.05	1.74	0.16	0.29	0.12	71.78
Headteacher time savings	28.81	5.43	1.90	1.87	1.04	0.33	0.11	0.07	0.05	39.61
Other teacher time savings	5.24	5.16	0.27	0.31	1.17	0.04	0.03	0.07	0.05	12.36
Increased gov't income	6.67	7.05	0.94	1.87	1.76	0.57	0.18	0.12	0.29	19.44
Increased private income	12.08	10.15	3.52	1.35	3.19	0.44	0.37	0.39	0.36	31.85
<b>Total</b>	<b>122.84</b>	<b>113.51</b>	<b>22.71</b>	<b>11.41</b>	<b>23.76</b>	<b>7.63</b>	<b>1.08</b>	<b>1.80</b>	<b>1.32</b>	<b>306.05</b>

Source: PwC, 2010b

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## Cost-benefit analysis

We have used the estimates of the net costs and benefits achieved to date to estimate the ratio of benefit to cost for each segment. Table 5 shows the results. Across all qualifications and school phases the benefit-cost ratio (BCR) is 1.8. The BCRs of the higher qualification levels (ie, DSBM and ADSBM) are generally higher than those of the CSBM. Similarly, the BCR increases with school size.

Furthermore, the estimates do not take into account the future potential costs and benefits of the SBM programme. Given that 70 per cent of SBMs have become qualified in the last two years, it is reasonable to expect that some benefits from completing the SBM programme are yet to be realised. If it is assumed that the incremental benefits measured in 2008/09 were to last for a further 3 years, with a 10 per cent decay in benefits over these years, then an additional £151.7 million of net benefits (after taking account of future annual salary costs) could be achieved by the current cohort of qualified SBMs. Including these future potential benefits would increase the average BCR to 1.9, over the period 2002/03–2001/12.

**Table 5: Benefit cost ratio (BCR) across SBM programme, 2002/03–2008/09**

	CSBM	DSBM	ADSBM	All qualifications
Single primary – cumulative BCR	1.3	1.6	2.9	1.3
Single secondary – cumulative BCR	2.1	3.8	1.9	2.3
Collaboration – cumulative BCR	2.9	10.7	2.9	3.5
All qualifications – cumulative BCR	1.6	3.1	2.3	1.8

Source: PwC, 2010b

We have tested the robustness of our findings to changes in the assumptions that we have made. Our sensitivity analysis suggests that we can be fairly confident that the achieved BCR is between 1.5 and 2.

**[Note to reader: The text taken from PwC (2010b) Executive summary ends here.]**

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## Commentary

These are important findings which add weight to the view that SBMs perform a worthwhile and important role, which is cost-effective and improves schools' efforts to achieve excellent value for money.

The PwC full report has important things to say about the job characteristics, roles and benefits of SBMs. It is therefore worth highlighting further some of the issues surrounding these points and adding a little more information where relevant. There are just four points to add.

1. In terms of job characteristics, it is no surprise that primary schools are far more likely to have SBMs working part-time, in comparison with secondary schools. What is interesting is that in collaborations SBMs are more likely to work full time, which implies that not only do collaborations enable more schools, and especially primary schools, to have access to an SBM, but also that access is likely to be available throughout the whole working week.
2. Although there is no single job description for SBMs, their main areas of responsibility include: management of the school budget (operationally and strategically); procurement; contracts; facilities management; human resources; income generation and marketing. Figure 1 shows PwC's breakdown of the time spent by SBMs on different activities, as reported by SBMs who responded to the survey. This shows that the two main activities undertaken are a) staff management and meetings and b) activities related to financial management. Staff management and meetings includes: contact interaction and management of support staff; HR activities; change management and health and safety. The pattern of time spent on different activities is broadly consistent across the different qualification levels.
3. A key aim of the development and professionalisation of SBMs is that they play a central role in the strategic management of schools. Their membership of the senior leadership team (SLT) is an important indicator of the extent to which an SBM has input into the decision-making process within the school. McKinsey & Co (2007) found that for the SBM being on the SLT provides:
  - a forum to provide business input into key decisions
  - visibility of upcoming issues
  - an understanding of the impact of business decisions on teaching and learning
  - credibility and status for SBMs within schools

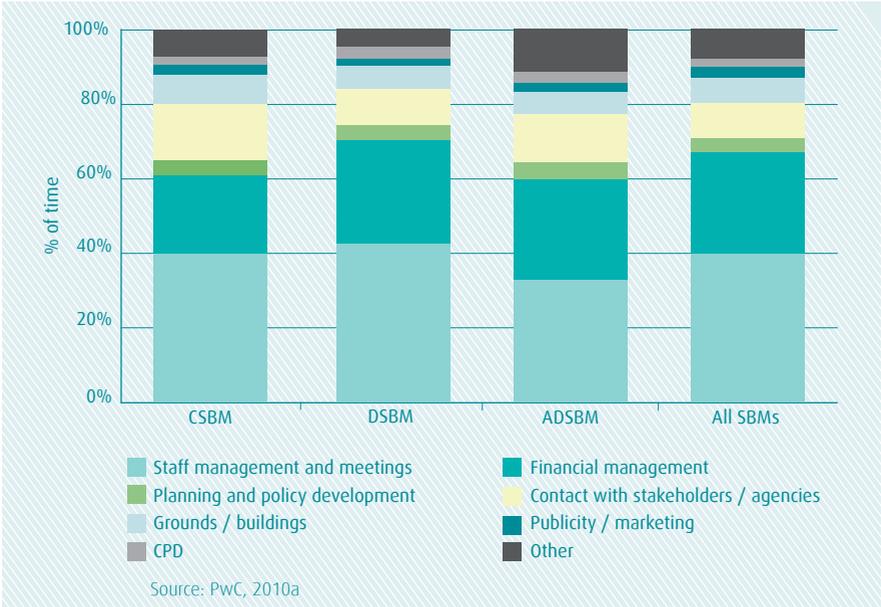
PwC investigated the proportion of SBMs that are members of the SLT by qualification. At least 80 per cent of SBMs with higher level qualifications (ie, DSBM and ADSBM) are part of the SLT. Just over half of CSBMs are members of the SLT, which is only slightly higher than SBMs without qualifications. On average, 60 per cent of all SBMs are members of the SLT.

These findings are not only interesting, but also suggest that there remains more to do to convince headteachers and governors about the importance of including the SBM as a member of the senior leadership team.

4. Around one-third of all SBMs have been working in this role for five years or more, with slightly higher proportions of new SBMs in the primary sector and in collaborations. While SBMs have been working in this role for a relatively long period of time, around 70 per cent qualified within the last two years. Given that the majority of SBMs have only recently qualified, it would be expected that some of the benefits of qualification are still to be achieved over the next few years.

In other words, the benefits reported by PwC are likely to increase because the majority of SBMs are still in the early years of their roles. There are more benefits to come and this is good news for all concerned.

**Figure 1:** Time spent by SBMs on different activities, by qualification level



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# Oakleigh Consulting, 2010, Financial Impact Assessment of the National College's School Business Manager Demonstration Projects, Nottingham, National College for Leadership of Schools and Children's Services

## Introduction

This study was described by Oakleigh in December 2009 as 'the largest and most detailed study of the financial impact of SBM/SBD activity ever undertaken by the National College'. Moreover, Oakleigh believed from its analysis of the demonstration projects that:

The National College had been careful in the design of the programme to achieve a balanced approach, covering a cross-section of demonstration project settings and contexts with the aim of enabling examination of what works in different contexts and why, and to provide a range of insights into the financial impacts SBD/SBM activity may have.

**Oakleigh Consulting, 2010**

**[Note to reader: The following is an extract from Oakleigh Consulting (2010), with minor adjustments. Table and figure numbers have been adjusted to make them continuous with those used elsewhere in this volume.]**

## Executive summary

The financial impact survey carried out by Oakleigh Consulting Ltd in autumn 2009 represents the largest and most detailed study of the financial impact of the activity of school business directors and managers (SBD/SBM) ever undertaken by the National College for Leadership of Schools and Children's Services (the National College). Returns have been received from SBD/SBMs in 19 demonstration projects with a 91 per cent response rate from 123 schools in those projects.

The National College's programme demonstrated a wide selection of project settings – from rural to inner-city, and from collaborative groups to federations – to ensure a range of insights into the impacts SBD/SBM activity may have in different contexts. The survey complements evaluative work undertaken by the University of Manchester to investigate impacts that do not have a direct financial benefit including: savings in headteachers'

time; changes in working practices; and ultimately improvements in teaching and learning.

## Key findings

Substantial financial savings are already being identified by SBD/SBMs for their demonstration projects. SBD/SBMs estimate the savings for the 123 schools as shown in Table 6.

**Table 6: Estimated savings in 123 schools from 19 demonstration projects**

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

Source: Oakleigh Consulting, 2010

The projected financial savings for 2009/10 are shown in Table 7.

**Table 7: Projected savings across demonstration projects, 2009/10**

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

Source: Oakleigh Consulting, 2010

## Potential for wider savings

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

The survey results indicated that a saving greater than the 1 per cent identified in McKinsey (2007) may be achievable. The figure for 2009/10 is 2.53 per cent (gross) total forecast saving on gross revenue budgets which, after excluding salary-related savings, is equivalent to 9.7 per cent on non-salary-related budgets. If all approved grants are excluded from the savings (since many are of a capital expenditure nature) the figure for 2009/10 is 1.82 per cent on total gross revenue budgets and 6.19 per cent on non-salary-related budgets.

## Conclusion

The survey findings make it clear that investing in SBM capability is a good use of public funds particularly where good practice, such as the National College's New Models of Leadership programme, is followed. It leads to the realisation of improved effectiveness through softer benefits such as time savings for leadership and teaching staff and greater efficiencies in the cost of service delivery, freeing up resources for use elsewhere.

## Graphical representation of findings

We include below a small selection of figures to illustrate some of the key findings from the projects to date.

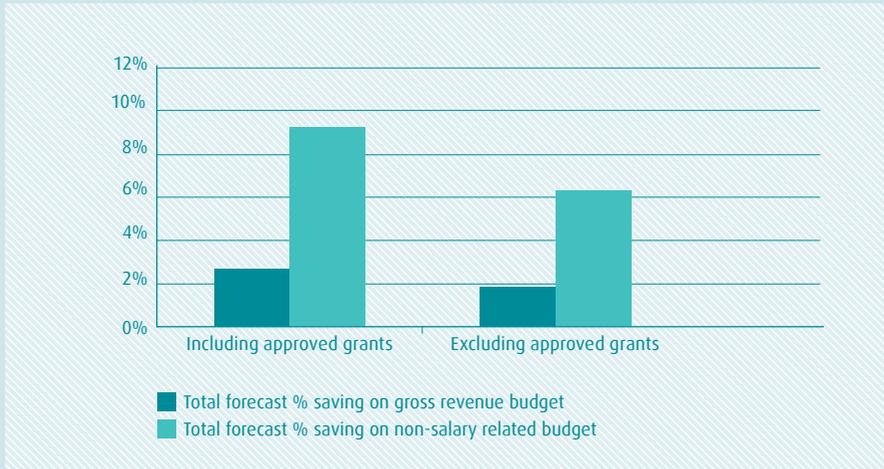
**Figure 2:** Return on investment in SBD/SBM activity 2009/10



Source: Oakleigh Consulting, 2010

The return on investment projected for the 19 projects in 2009/10 is 575%.

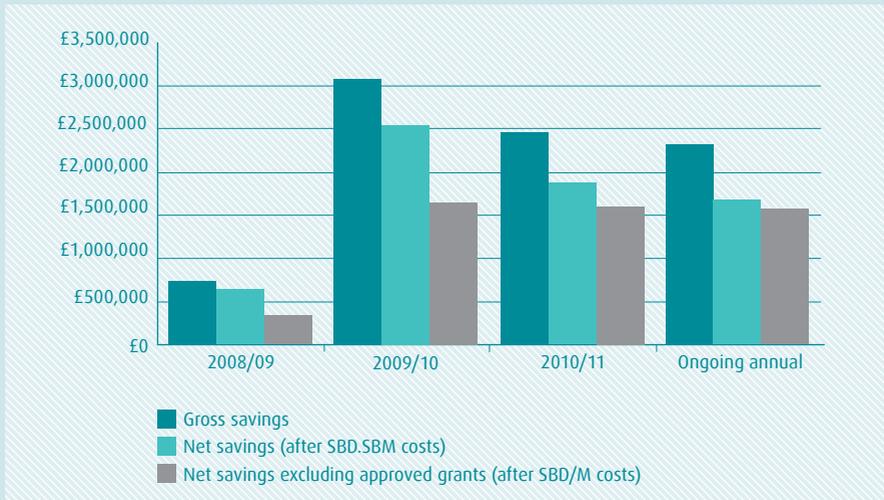
**Figure 3: Savings projected in 2009/10 as a percentage of total budgets**



Source: Oakleigh Consulting, 2010

Note: Based on 19 demonstration projects. Savings are against 2007/08 gross revenue budget.

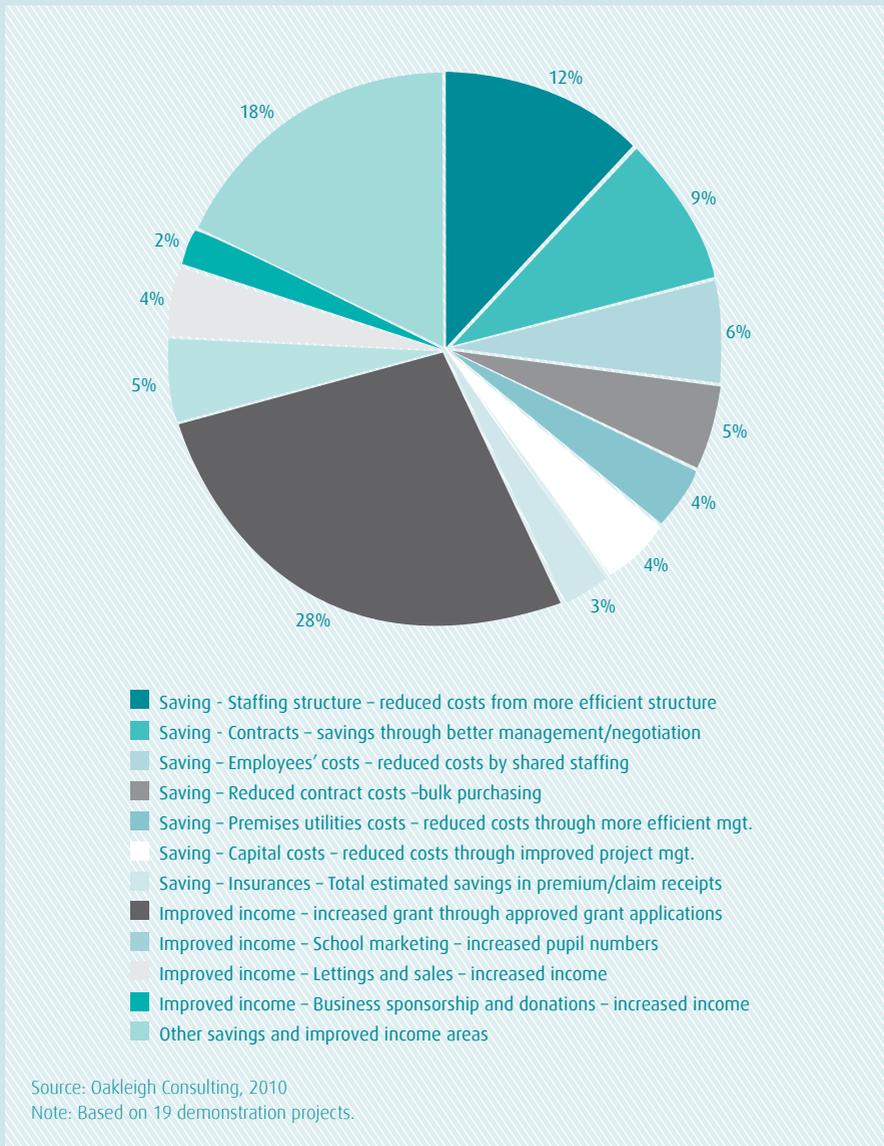
**Figure 4: Savings projected over time, 2008/09 2010/11 and ongoing**



Source: Oakleigh Consulting, 2010

Note: Based on 19 demonstration projects. Saving for each year is against 2007/08 out-turn, rather than against previous year.

**Figure 5:** Analysis of gross financial benefits of SDB/SBM activity, 2009/10



**[Note to reader: The text from Oakleigh 2010 Executive summary ends here]**

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## Commentary

Elsewhere, in the main body of its report, Oakleigh made the following points, which are reproduced here with minor amendments.

- The project board had agreed that for 12 other demonstration projects (94 schools) it was too early in the life of the project to collect meaningful data but would be collected in June 2010.
- The total survey results will cover 27,020 pupils and 1,499 leadership and teaching staff in 123 schools with 2007/08 revenue out-turns of £122.5 million gross expenditure (£1.8 million net expenditure) and accumulated revenue balances at 31 March 2008 of £9.6 million.
- Oakleigh's extrapolations to potential national savings are only broad estimates of what may be achieved because they assume that all schools will have a similar experience to schools within the demonstration projects.
- It is clear from this data that SBM activity in the 19 demonstration projects (123 schools) has had a significant beneficial effect on school finances, in terms of freeing up resources to enable the further development of improved learning opportunities for children.
- McKinsey & Co (2007) asserted that SBMs can only influence non-salary-related costs and estimated that 5 per cent savings would be achievable by SBMs on the 20 per cent or so of costs that are not salary costs (ie, a total saving of 1 per cent on the gross revenue budget). However, Oakleigh's survey suggest a greater saving than 1 per cent may be achievable: the figure for 2009/10 is 2.53 per cent (gross) total forecast saving on gross revenue budgets for 123 fully analysed schools. If salary-related budgets are stripped out as well as the salary-related savings, then the remaining savings on non-salary-related budgets equate to 9.7 per cent.
- For comparison, if all approved grants are also excluded from the savings (as many are of a capital expenditure nature) the figure for 2009/10 is 1.82 per cent on gross revenue budgets and 6.19 per cent on non-salary-related budgets when salary-related savings are also removed.
- On the basis of the Oakleigh study, it is clear that significant savings are also expected in areas directly related to staff costs as demonstrated in Table 8.

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## Areas of greatest net savings

Table 8 shows a summary analysis of the total savings and improved income generation expected across the 123 schools involved in demonstration projects for 2009/10.

**Table 8:** Top seven expenditure savings, by value, 2009/10

Savings area	Savings
1. Staffing structure: reduced costs from more efficient structure	£370,185
2. Contracts: savings through better management and negotiation	£269,032
3. Employees' costs: reduced costs by shared staffing	£198,877
4. Reduced contract costs: bulk purchasing	£150,198
5. Premises and utilities costs: reduced through more efficient management	£129,496
6. Capital costs: reduced through improved project management	£124,507
7. Insurances: total estimated savings in premiums and claim receipts	£98,192

Source: Oakleigh Consulting, 2010

Note: Based on 19 demonstration projects.

Similar savings can be anticipated nationally.

In the light of its analyses, Oakleigh went on to draw the following conclusions:

- It is clear that substantial financial savings are already being identified by SBMs for their demonstration projects although many make the point that much of their time so far has been spent on the softer time and process savings and other priorities of headteachers who ultimately direct their work.
- The total financial savings identified so far could increase markedly once all SBMs make fully completed returns for the 16 projects excluded from the detailed savings analysis.
- The variation in percentage of financial savings for each project indicates that many projects and SBMs can learn lessons from others about activities likely to produce cash savings.
- It is likely that even if only small financial savings are made when the cost of additional SBM provision is netted off, then introduction of the SBM function will still be worthwhile because of the softer non-cash savings in time and effort resulting from their activities, which frees up time for improved pupil learning.

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# University of Manchester, 2010, School Business Manager Demonstration Project Evaluation Study (Woods C, Armstrong P, and Pearson, D, 2010)

## Introduction

The University of Manchester conducted an extensive evaluation of the demonstration project.

**[Note to reader: The following subsections are taken directly from the University of Manchester report (Woods et al, 2010) with minor adjustments. Table and figure numbers have been adjusted to make them continuous with those used elsewhere in this volume.]**

## Executive summary

### Introduction

In 2008 the National College published an invitation for groups of schools to bid for grants of up to £50,000, some with matched funding from the schools or their local authorities, to fund the SBM demonstration projects that are the focus of this evaluation report. The purpose of the SBM demonstration projects was to (a) test the potential of skilled school business management professionals<sup>1</sup> to contribute to improved school effectiveness through stronger more strategic leadership and (b) build on a culture of value for money in schools. Settings for the demonstration projects are groups of primary and secondary schools, or cross-phase groupings. Data from 32 projects have informed this report, and which were launched in 5 waves. New projects continue to join the programme, which now includes nearly 40 groups of schools throughout England.

The demonstration project programme evaluation findings are of particular interest given the current policy emphasis on collaborative arrangements among schools, and between schools and other agencies delivering children's services. These pioneering groups of schools in effect provide test beds in developing shared leadership in business management.

This executive summary reports on the methods and findings of the evaluation research conducted on the programme between April 2008 and December 2009.

<sup>1</sup> Various terms are used to denote senior SBM posts within the projects and elsewhere (eg 'school business director' (SBD) or 'advanced school business manager' (ASBM)). However, post titles are used inconsistently and, unless otherwise stated or referring to a specific post, in the remainder of the report the generic term 'SBM' is used throughout.

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## Evaluation

The University of Manchester was commissioned by the National College to conduct an evaluation of the demonstration project programme and has worked in partnership with other contractors<sup>2</sup>.

A mixed-method approach was adopted, including the following four elements:

- online programme impact survey
- financial impact assessment
- headteacher work activity diary study
- collective case study research in each of the project settings

The four strands were significant pieces of work in their own right. Collectively they constitute a very comprehensive study of the programme.

## Programme

The demonstration project programme comprised a wide range of settings in terms of location and mix of school size and phase and includes a total of nearly 68,000 pupils in over 260 schools. McKinsey (2007) found that 90 per cent of secondary but only 30 per cent of primary schools have the support of a qualified SBM nationally, and primary schools have therefore been especially targeted on the programme.

The five arrangements described in Table 9 represent a broad typology of the different ways in which SBMs are working across their project schools, three of which were relatively common within the programme and two rather rarer.

<sup>2</sup> Principally Oakleigh Consulting, which conducted the financial benefits assessment element of the evaluation, and educational consultants supporting the projects, in particular Deryn Harvey.

**Table 9:** Distribution of types of SBM arrangement adopted within the programme

Arrangement	Frequency (see note)	Example projects
Project schools are self-sufficient in shared SBM service provision	11	Bromyard, Yewlands, Fishburn
Service Level Agreements (SLA)/SBM services provided by one school to others in the project	9	North Bedfordshire, Litcham
The SBM role services a federation or other discrete entity	10	Chesil, West Grantham, Lambeth
Team approach	4	Titan, Wigmore
SBM serving a locality	3	Rother Valley, North Dudley

Source: Woods et al, 2010

Note: In some projects, two different arrangements co-existed.

## Participant views on programme impact

Though some projects were still at a relatively early stage when the evaluation ended, participant views of the programme were positive overall. An overwhelming majority of headteachers (94.3 per cent) and around two-thirds of SBMs (66.6 per cent) in projects that were established (though not necessarily mature) reported that the projects had matched or exceeded their expectations in terms of benefits for participating schools.

Views on the sustainability of SBM arrangements adopted within the project beyond the funding period were also encouraging with 61 per cent of headteacher and SBM respondents either 'very confident' or 'fairly confident' that the SBM arrangements would be sustainable over the longer term and about one-third (35 per cent) unsure but optimistic.

Headteacher workload and job satisfaction will impact on the ability of headteachers to fulfil the role of school leader effectively and are widely viewed as a means of addressing a predicted shortfall among senior teaching colleagues.

Data from those projects considered to be well under way revealed that the vast majority of headteachers believed that the projects had had a favourable impact on their workload (91.4 per cent) and on their job satisfaction (83 per cent), with 86 per cent believing that the projects had potential for further improvement in these areas over time.

Perceptions of current and anticipated future impacts in these and other key programme areas were encouraging and are summarised in Table 10.

**Table 10:** Participant perceptions of impact to date on a range of key programme areas in established projects

Area of impact	Favourable (%)	No impact (%)	Negative impact (%)	Don't know (5)
Headteacher workload (see note)	91.4	8.6	0	0
Headteacher job satisfaction (see note)	82.9	17.1	0	0
Pupil learning	54.6	34.8	0	10.6
Pupil welfare	51.5	34.8	4.5	9.1
Support staff development	78.8	21.8	0	0
Teaching staff development	37.9	53	0	9.1
Personal understanding of the SBM role	87.9	12.1	0	0
Understanding among school colleagues of the SBM role	94.5	3	1.5	0
Understanding among school governors of the SBM role	75.8	19.7	0	4.5
Understanding among local authority colleagues of the SBM role	40.9	33.3	9.1	16.7

Source: Woods et al, 2010

Note: Figures for headteacher workload and headteacher job satisfaction refer to respondents who were headteachers only.

The SBM arrangements developed in the project settings were believed to have potential to impact on pupil outcomes by (a) ensuring the more effective targeting of financial resources towards enabling pupil outcomes and (b) removing, or simplifying, headteacher and other learning leaders' non-teaching-related tasks, thus allowing them to devote more time and energy to what should be the main focus of their attention. Table 10 above shows that results here were encouraging, with over half of established project respondents already noting an impact on pupil learning and welfare.

Further, Table 10 also illustrates that nearly 80 per cent of respondents in established projects believed that there had been a favourable impact on the professional development of associate staff, and thus more effective support for teaching and welfare, with around 38 per cent already reporting benefits for the professional development of teaching colleagues.

A significant barrier to the effectiveness of business management expertise to fulfil its potential for enhancing pupil outcomes is perceived to lie in poor understanding of the SBM role among key stakeholders. A significant proportion of headteachers, other school colleagues, teaching and non-teaching staff, school governors and local authority

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personnel are considered among the SBM community to view the role in a limited way and as having little connection with pupil outcomes. The results in Table 10 above show marked improvements in understanding among these stakeholders as a result of the programme.

The impact survey data also revealed that around 36 per cent of respondents believed that their projects were deriving benefits from increased collaboration within the business management functions and over 45 per cent in other areas of functioning (eg sharing teaching resources, reduced competition and increased co-operation among headteachers within a cluster).

Overall results give strong evidence that participants, especially in more established projects, are seeing benefits in key programme areas and that these are expected to strengthen over the longer term.

**[Note to reader: Section 5 of the executive summary from the University of Manchester report (Woods et al, 2010) has not been reproduced here as it is a reproduction of the Oakleigh 2010 report.]**

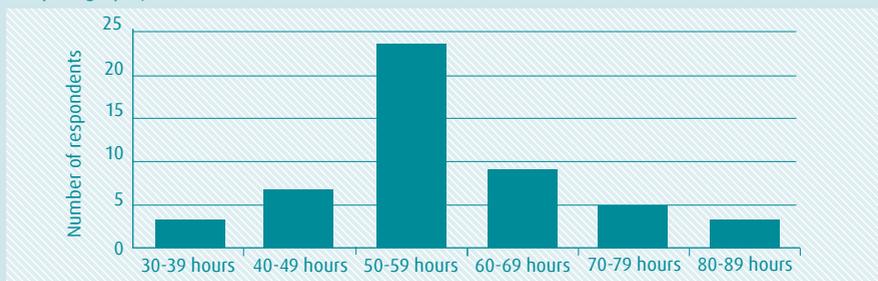
## Headteacher work diaries

A strand of the evaluation study used work activity diaries to see trends in headteacher activity across the demonstration projects and to see whether these were consistent with McKinsey's (2007) assumption that between 20 and 35 per cent of headteacher time might be saved by deploying a suitably qualified SBM.

A simple form was devised for headteachers to record their work activity in 30-minute blocks over a 24-hour period for 7 days. Respondents were asked to choose a label that best described the main activity in each of these half-hour blocks of time from a list of codes. Usable diary returns were received from a sample of around a fifth of headteachers (51 in number) in the early stages of their demonstration projects.

What was immediately striking in the data was the length of working week among this group. Though the hours worked vary considerably, as Figure 6 illustrates, overall the picture is one that indicates a widespread tendency to devote a high proportion of the week to school-related business. The shortest recorded week is 36.5 hours (one of one 3 recorded as under 40 hours), with 80 per cent working over 50 hours a week and one-third (33.3 per cent) recording a working week in excess of 60 hours. The average length of a working week recorded is 59.1 hours.

**Figure 6:** Frequency of different lengths of working week among headteachers in early-stage projects



Source: Woods et al, 2010

There was no discernable difference in length of working week, or clear difference in work patterns, between primary and secondary headteachers, and figures are therefore combined for headteachers in different school types and phases. In both primary and secondary phases, individual variation is very marked and weekend and evening working commonplace.

Analysis of the work activity of this sample of headteachers suggested that a significant proportion of the heavy workload that many experience might be taken on by a suitably skilled SBM. In our analysis, an average total hours of 16.75 per week was being spent on tasks not relating directly to the headteacher's main function of leading learning (28.4 per cent). This supports McKinsey's (2007) assumptions that between a quarter and a third of headteacher time might be saved by an expert SBM, thus offering considerable potential for impacting positively on headteacher succession.

The impact survey data reported earlier gave strong evidence of headteacher perceptions that the demonstration projects were delivering real improvements in their working lives. Some of the ways in which this was being achieved are illustrated in the collective case study findings summarised below (under the heading 'Collective case study').

Extrapolating these findings to the school system nationally, the data has significant implications. First, it indicates that the demands of the headteacher role may require a level of professional and personal commitment in some contexts that would seem likely to be injurious to health and wellbeing over the longer term. Second, the data suggests that there is untapped potential for addressing this state of affairs through the effective delegation of non-teaching responsibilities to qualified SBMs. Increased delegation of financial and administrative work to suitable SBMs would represent a more rational use of existing professional expertise and sits well with the dual policy objectives of improving both efficiency and educational outcomes.

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## Collective case study

A large quantity of data was collected in relation to the individual project settings, which constitutes what can be described as a collective case study. Data used in preparing reports on individual demonstration projects included:

- background information on the demonstration project (project proposal, school websites, Ofsted inspection reports etc)
- baseline data requested from all or a sample of the project schools in the form of questionnaire surveys for headteachers and project SBMs
- one or more fieldwork visits by the member of the University of Manchester team assigned to the project, including interviews with stakeholders

Data from a single case enabled the researcher to:

- describe the new and unique SBM arrangements developed by the demonstration project
- capture participant perspectives on their projects in relation to the programme objectives in verbal form
- yield examples of development in professional practice

Looking across cases enabled the team to describe the programme of projects as a whole, recording patterns of commonality and variability.

## Headteacher workload, focus of attention and job satisfaction

Case study data from individual projects pointed to the harmful consequences of heavy workload and role strain among headteachers, in some cases leading to loss of confidence, low motivation, ineffective decision-making and even ill-health. The collective case study work provided persuasive qualitative evidence of ways in which SBMs were improving the working lives, morale and effectiveness of hard-pressed headteachers in various ways.

First, SBMs were able to take on responsibility in specific areas. Because these were often roles for which headteachers had had relatively little professional training (eg finance or health and safety), delegation to SBMs was seen to provide headteachers with more time and energy to devote to educational matters, as well as resulting in these roles often being performed to a higher standard:

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[The SBM] will get far better prices than I would get, partly because she knows who to speak to and partly because she is more of a terrier at negotiating than I am. It's wonderful for me because it means that I can take my mind off that side of things and focus on the other aspects of the school development plan that are purely to do with pupil progress and the welfare and the wellbeing of my staff and children.

**Primary headteacher**

In some cases, the support of the SBM was viewed as an invaluable buffer against the demands of the headteacher role and a significant influence on job satisfaction, wellbeing and the ability to lead effectively. Another aspect of the demonstration projects with notable benefits for headteacher job satisfaction was the fact that working closely with other headteachers on the project made them feel less isolated:

Well it's both on the professional and personal front because it's great just to be able to talk frankly and candidly to somebody who will absolutely understand how you're feeling.

**Primary headteacher**

In addition to the potential of increased job satisfaction and reduction in role strain for enhancing headteacher retention, the demonstration projects were perceived to support succession planning for educational leaders by making the role more appealing to aspiring headteachers.

Further, the work of SBMs was perceived to impact favourably on headteacher recruitment and retention by supporting new headteachers so they are more likely to adjust successfully to the new role in the crucial early stages and providing more effective on-the-job training for aspiring headteachers in finance and other areas of business management than some headteachers will have the time or expertise to offer. The opportunities for significant collaboration with other project headteachers and with a qualified SBM via the projects were also providing welcome professional stimulus for some experienced headteachers and rekindling motivation.

## **Pupil outcomes**

By impacting on headteachers' working lives, the demonstration projects were seen to be bringing benefits in a number of other areas with implications for pupil outcomes, including an improved focus of attention on teaching and educational leadership and better decision-making:

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What used to happen to me was I would go in and my mind wasn't 100 per cent on what I was doing with the children, God forgive me, because I was thinking about all the other work that I had to do when I'd finished in my classroom. [Since the project] you can give yourself to them properly as you used to when you were a teacher.

**Primary headteacher**

I know what's happening with the reception class and how far they are on with reading. I know most of the reception children's names. I can tell you who the brightest children in year 1 are, which children have got needs, who the child protection cases are because I have time to go and sit and work with them. And I've worked with teachers and looked at how they're delivering lessons and I've got a better knowledge of my school.

**Primary headteacher**

Among the other important benefits for pupil outcomes noted by participants were:

- better targeting of senior teaching colleagues' time for higher level, rather than routine, tasks
- development of teaching staff through increased focus on observation and mentoring
- increased trust and reduced competition between neighbourhood schools and thus more open discussion and willingness to share resources and ideas

Well I think [the project's] been absolutely brilliant in the fact that it has brought [the project headteachers] much closer together. We all have different schools but we all have the same things that we've got to cover and we all have different expertise so sharing and talking about what we are doing and how it is impacting on our schools means that there are at least five sets of practice that we can draw on.

**Primary headteacher**

Why should there be this element of competition? That's not what learning and education is all about.

**Primary headteacher**

These are children. It's their lives... with us working collaboratively, we are... not hiding information from each other, we are sharing everything that we do.

**Primary headteacher**

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Participants commonly referred to value being added via projects streamlining or developing educational or business management systems and policies, enabling teaching and associate staff to spend less time on administration and more time on activities targeted at pupil outcomes.

In addition, the high-quality pupil and financial data that project SBMs were able to provide, and/or their practice of taking a long-term view in planning, were referred to as enabling a more strategic use of resources towards outcomes.

Useful learning about SBM practices delivering benefits for pupils was being shared among projects and with the wider system through the National College's demonstration project networking events and online resources.

## **Programme SBMs**

The majority of projects built SBM roles into their project proposals that were different from the existing ones (about 90 per cent). About 70 per cent of projects also involved the creation of new posts. In about half the projects, and sometimes alongside the new appointment, project objectives were met by upgrading the skills of and promoting existing SBMs.

The majority of appointees (about three-quarters) had experience of working in education while the remainder were recruited from other sectors (eg banking and finance).

There are marked differences between settings in terms of the level of responsibility at which the appointee is expected to function. A significant majority of the SBMs (estimated at around 85 per cent) were able to contribute to leadership through membership of the senior leadership team. In most projects the postholder was working at what would seem to conform to either the SBM or ASBM level of the National College/NASBM competency framework (both 38 per cent), with 22 per cent functioning at the highest (SBD) level and one postholder working at administrator level.

The framework presented in the NASBM competency framework is not yet widely familiar among programme colleagues or the sector more generally. Schools are therefore often unclear about what should be understood by terms such as 'SBM' and 'SBD' and the variety of labels used for project SBM roles: there seems little consistency in terms of the level of operation to which they refer.

Various contractual arrangements were adopted successfully in acquiring new SBM

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expertise across the projects. Fixed-term contracts, renewable dependent on financial sustainability and mutual agreement, was a common model. Two other options adopted were secondment and buying in the services of a consultant SBM on a daily basis.

Where one senior SBM is supporting a group of primary schools that does not have strong existing SBM expertise, between four and six schools seemed to be the most common size of cluster. Something of a consensus emerged that to provide effective strategic direction for a greater number would require additional staff to remove some of the more routine SBM work.

There is persuasive evidence that the demonstration projects are having a favourable impact on stakeholder understanding of, and commitment to, the SBM role at various levels: among project support and teaching staff, including headteachers and SBMs; and among school governors and local authority staff in some cases. Along with other National College programmes, the demonstration projects are also raising the profile of the role more widely among SBMs and other educational professionals nationally and internationally through seminars, workshops, conferences and the media.

However, significant barriers to impact remain. The two most commonly mentioned were connected and related to lack of understanding or support for the role among stakeholders and lack of funds to cover the cost of any new posts created.

Some local authorities are fully supportive of the SBM role, or have even acted as project leaders. Elsewhere a lack of support for the role within some local authorities has been attributed to the threat SBMs are seen to pose to finance departments, and a rather narrow view of the SBM role, which may be understood in some authorities as a purely financial one:

There is a danger that it is seen as a finance role and it's much bigger than that. I'm not a bursar.

**Primary SBM**

HR personnel in local authorities can also lack awareness of the demands being placed on primary headteachers and therefore remain unconvinced of the need for the SBM role, suggesting a need for awareness-raising among this group.

Governing bodies can also lack understanding of how effective SBM support can produce a favourable impact on pupil outcomes over the longer term, making it difficult to make a case for such support, as opposed to paying for additional teaching-related staff. This

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was seen as a challenge in terms of making the SBM role sustainable after initial start-up funding had been exhausted.

In some cases, a natural concern among governors about their individual school was felt by participants to be a barrier to the most effective way of using leadership expertise across a group of schools. In other contexts, the demonstration project was seen to provide leverage towards closer collaboration and structural change.

But most significant of all in terms of programme impacts was a lack of enthusiasm for the role among headteachers, as illustrated in the following quotations:

When we put the project together we invited more headteachers in the area to take part and some people were saying 'But I do that so what's the point in it?'

**Primary headteacher**

For some of the colleagues they are quite happy doing [finance and administration] because that's what they consider to be their job now [and] it could be quite a fearsome thought to go back into the classroom.

**Primary headteacher**

When... a headteacher came in that didn't support me it was a real shock for me. They basically said to me 'That's my job. I don't need you here'. And there is nothing I can do about it.

**Primary headteacher**

My headteachers have been fantastic but as I say I have experienced the alternative of 'Actually this is my job.... I don't want a business manager to do it'.

**Primary headteacher**

Though fortunately extremely rare on the programme, settings where the relationship between the SBM and their schools has been less than satisfactory underscore the importance of headteacher commitment to the role, both for the project schools and for individual incumbents.

Even where headteachers are personally favourable to change, interview data suggest that they may not always be engaging with stakeholders and being proactive in trying to alter unhelpful perceptions and facilitate acceptance of the SBM role among governors and staff prior to and in the crucial early stages of new appointments.

Finally, unsuitable SBM appointments will obviously limit the impact of the role. No less importantly, such appointments will be costly to schools and can have far-reaching

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consequences for the new incumbent on financial, professional and personal levels. It is therefore essential that every effort is made to ensure that recruitment, selection and induction arrangements for new SBMs are effective.

## Conclusions

The mixed-method approach to the evaluation has been effective in providing a range of evidence on which to base judgements in relation to the stated aims of the programme.

The demonstration project programme has been successful in achieving its objectives. A range of benefits for schools arising from the SBM role, both financial and in terms of educational and welfare outcomes, has been identified and, where possible, quantified. In addition, evidence of benefits for individual SBMs and the SBM profession has been provided and factors identified that will tend to support, or to limit, the impact of shared SBM arrangements.

As a result of the programme, there is growing understanding and appreciation of the SBM role in general among a wide range of stakeholders. In addition there now exist examples of specific ways that SBM expertise can be shared across diverse groups of schools and other agencies that can benefit settings beyond the programme.

The demonstration project programme has been successful in achieving its objectives. A range of benefits for schools arising from the SBM role, both financial and in terms of educational and welfare outcomes, has been identified and, where possible, quantified. In addition, evidence of benefits for individual SBMs and the SBM profession has been provided and factors identified that will tend to support, or to limit, the impact of shared SBM arrangements.

As a result of the programme, there is growing understanding and appreciation of the SBM role in general among a wide range of stakeholders. In addition there now exist examples of specific ways that SBM expertise can be shared across diverse groups of schools and other agencies that can benefit settings beyond the programme.

However, evidence suggests that developing shared SBM arrangements across schools is not a panacea and that it is an approach that will not produce great benefits where key personnel are not fully supportive of the role. Seeking to impose this type of collaboration where the thinking behind it is not widely understood or appreciated may be ill-advised. Our evidence leads us to believe that promoting understanding and acceptance of the SBM role among stakeholders still remains one of the most significant obstacles to

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impact. Work to address this will therefore continue to be an important strategy for the National College, its partners and the SBM profession for the foreseeable future.

In the compulsory education sector in England, working towards the collective goal of providing equality of opportunity and a good education for all poses significant challenges for schools. This context points to co-operation and sharing of valuable resources as a more fruitful strategy than competition, which inevitably implies winners and losers. The demonstration project programme is one example of an approach that holds considerable promise in this respect. It also has the benefit of impacting on groups of schools, which perhaps offer greater scope for influencing the wider system than do individual institutions.

The programme is to be welcomed as an approach that, in concert with other strategies, can enable the effective sharing and targeting of valuable human and financial resources where they most matter: in furthering benefits in pupil education and welfare.

**[Note to reader: The text from Woods et al, 2010 ends here]**

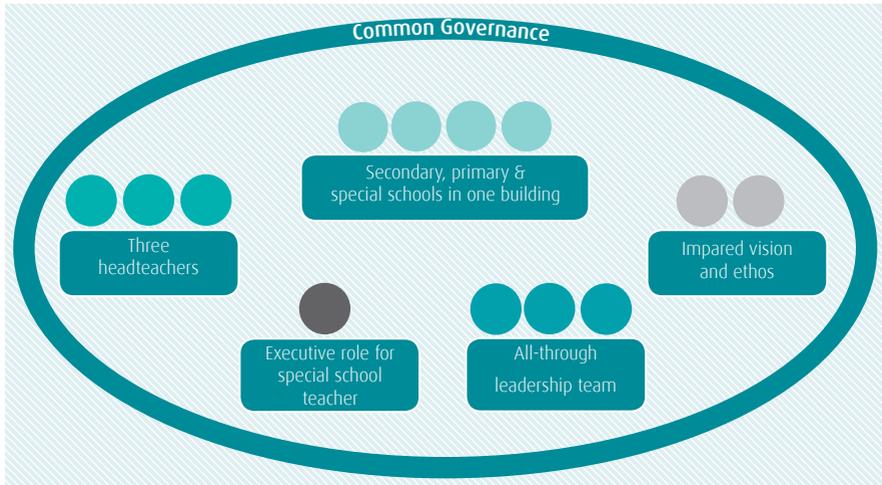
## Commentary

The University of Manchester's evaluation report, in addition to citing many facts and figures, brings back into focus the individual and human side of SBMs working in schools in its use of interview material and quotes. The inclusion of the following (Case study 4) is intended to build on this and provide a picture of an SBM in action. The National College in its work and publications has always sought to provide portrayals of leadership in action and that is why, in large measure, we want to include another case example here.

However, Darlington Education Village is more than simply being another example. It is a vivid example of what can be achieved with vision, imagination and innovative thinking, as well as leadership, dedicated staff and hard work. This case shows how a group of schools can come together in a federation to improve educational standards and provide children and young people with the best possible resources and environment. The SBM is a key figure in this case study.

## Case study 4: Darlington Education Village.

Figure 7: Darlington Education Village structure



Darlington Education Village was the first hard federation of its kind in the country, bringing together a primary school, secondary school and all-age full disability range special school. It serves 1,400 pupils. The federation was created in September 2005, and is led by Principal and Chief Executive, Dame Dela Smith.

The federation was created in order to move forward the inclusion agenda, but also had a clear mandate to improve educational standards as attainments in the secondary school were poor, and the school was at risk of being given an Ofsted category.

The move into the education village was a major undertaking, since it involved five school sites moving onto one new campus and making sure that all of the students made the transition feeling safe and well-cared for, and that the 250 members of staff moved across successfully.

The school business manager was brought in very early on in the process, before anyone had moved into the village. It was felt necessary to appoint the business manager early because the role was central to building the infrastructure required to operate three schools successfully together. Indeed, this appointment was the first permanent post to the new, integrated leadership team.

The post is designated as vice-principal - business strategy with responsibility for:

- budget (£10 million)
- human resources (250 staff)
- governance
- data
- support services
- strategic planning (working alongside the chief executive)
- leadership and line management of the village support team (30 staff)
- ICT, including operating a business arm that provides technical support to other primary schools in Darlington
- health and safety
- governance
- workforce reform
- student data tracking and analysis (whole-school, department and individual) for all three schools
- performance management
- policy development

A single leadership team was formed to provide appropriate leadership support in order to focus on raising standards by improving the quality of teaching and learning. Therefore, the creation of a vice-principal business strategy post allowed the leaders who are qualified teachers to focus on raising standards. The leadership and management executive team structure is shown in Figure 8.

**Figure 8: Structure of the leadership and management executive team**



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The experience, skills and knowledge of the vice-principal business strategy allowed for an expert perspective on issues such as financial management, rapidly covering the cost of her post in the first year by negotiating an additional £200,000 of recurrent funding.

In 2008-09 an additional £70,000 of funding was negotiated by challenging the local authority on inaccuracies to the budget shares, on top of £250,000 of savings achieved by the school business director.

The vice-principal business strategy was able to provide further support for the village's school improvement efforts by leading on the following areas:

- creative pooling of resources to achieve savings and accelerate school improvement
- tackling staff underperformance, allowing colleagues to focus on teaching and learning issues
- introducing systems to allow teachers time to teach
- reducing sickness absence
- single staffing restructure across the village
- achievement of Investors in People standard across the village
- development of a new data tracking system for the secondary school

With reference to the last bullet point Principal Dame Dela Smith said:

What I was able to do is to use my Excel spreadsheet skills to develop tracking systems for students and target-setting so I got really involved in the student progress aspects, the analysis, performance analysis, looking at which areas need further intensive support, [and] which areas are working really well within the school.

[The role of the vice-principal business strategy] has been to take the whole notion of gathering information about children's progress [and] assimilating it, so that as director of teaching and learning I simply can access the key issues.

**Dame Dela Smith, Principal and Chief Executive, Darlington Education Village**

Educationally the village has made very good progress since its formation. Results have improved at key stage 4 (Table 11).

**Table 11: Key stage 4 results for Darling Education Village, 2005 2009**

	2005	2006	2007	2008	2009
5 grades A*-C	40%	42%	31%	61%	76%
5 grades A*-C including English & maths	20%	26%	24%	19%	42%

The key stage 2 context value-added (CVA) score for the secondary school has come from the bottom of 2 per cent nationally to the top 35 per cent in 2008.

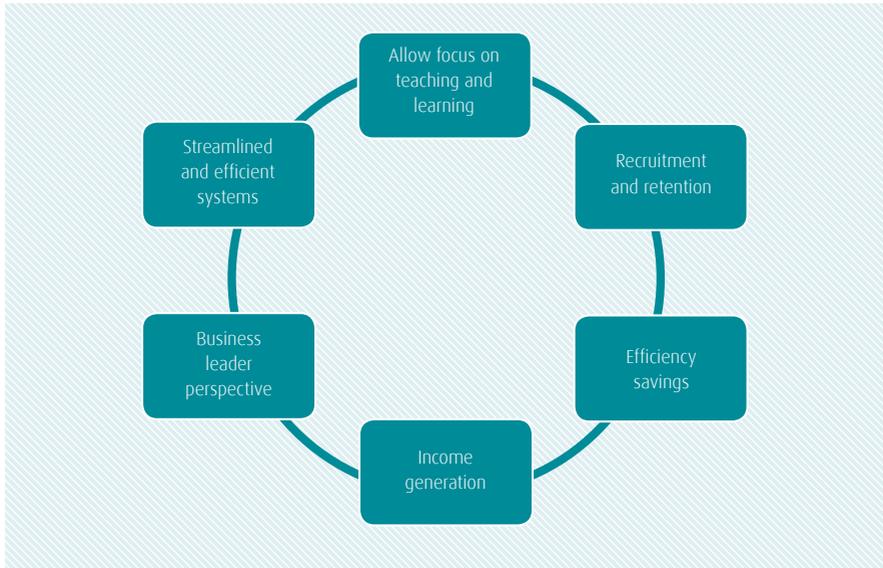
Other improvements are:

- pupil attendance improved from 86 per cent to 92 per cent
- persistent absentees reduced to below national average
- exclusions reduced
- CVA for students with special educational needs (SEN) or from disadvantaged backgrounds equivalent to that in a secondary school
- Ofsted inspection in autumn 2009 judged the school to be 'satisfactory with good features'

In addition, the village has focused on developing leadership at all levels. Among senior leaders, 12 have taken a Masters programme with the University of Teesside in leadership and organisational change. A team of colleagues has engaged in the National College's Leading from the Middle programme for heads of departments, and key stage and subject leaders, and two members of staff have undertaken the National College's Certificate in School Business Management programme, adding to the three staff who already have this qualification. The vice-principal business strategy (who is not a member of the qualified teaching staff) is on the first cohort of the redesigned National Professional Qualification for Headship (NPQH) programme.

The impact of the vice-principal business strategy can be seen in the savings and efficiency gains reported above. The impact is also summarised in Figures 9 and 10. Figure 9 categorises the six main areas of impact. Figure 10 shows how the reconfigured leadership structure has saved money.

**Figure 9: Impact of a school business director**



**Figure 10: Darlington Education Village: leadership before and after federation**

Before	After
Cost (2009/10 prices) in 2005: £722,000	Cost (2009/10 prices): £559,000
Three headteachers	One principal and chief executive
Six deputy headteachers	Five vice-principals
Two assistant headteachers	Three assistant vice-principals

The principal sees the business manager’s contribution as supporting the improvement of standards in the village:

The [vice-principal business strategy] brings, I think, a probity and a challenge to staff that wasn’t there before and that’s cut right through into the way we challenge staff about performance, we look at data, and I think it’s really raised standards in a way that had we been charged with doing as educationalists, it wouldn’t have happened.

**Dame Dela Smith, Principal and Chief Executive, Darlington Education Village**

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The principal is clearly a strong advocate for SBMs and has said:

I think one of the barriers for headteachers who haven't got a school business manager is wondering how you can afford it and I think you've got to think a little bit outside of the box and look at the longer term benefits for the school. Bringing somebody in as school business manager can free up an awful lot of headteacher time and at the same time, quite often they can generate income or raise additional funds that cover the cost of the post and have other value-added benefits as well.

**Dame Dela Smith, Principal and Chief Executive, Darlington Education Village**

Consequently the principal believes that SBMs are not only part of the present, but also the future:

I actually don't think there will be any resistance to a school business manager, I think actually in the perceptions of wanting to be a leader within a school, if future leaders knew they had the support of a school business manager, it might make more people want to be leaders within primary schools.

**Dame Dela Smith, Principal and Chief Executive, Darlington Education Village**

In a joint presentation made by the principal and vice-principal business strategy at an SBM conference, one slide summarised their future thinking. This content of this slide makes a fitting conclusion to this case study of a forward-looking approach to schooling, federation and leadership:

## **Future thinking:**

- Develop partnerships – FE, HE and business
- Pool budgets further
- Contribute to new schools model
- Further develop opportunities for shared staffing
- Generate income – be an entrepreneurial school
- Plan, do, review

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# Conclusions

Part 1 concluded that the evidence the National College has collected shows that SBMs make a positive difference, bringing more benefits than costs to schools. It was also shown that SBMs are:

- key to ensuring schools provide value for money and find ways through difficult financial times
- not only bring financial and other expertise to schools, but also save senior leaders' time, and in the case of headteachers, significant amounts of time

Furthermore, it is now both right and timely to ensure that every school has access to an SBM or SBD because they can ensure value for money, make savings that can be reinvested and free their headteachers and other senior leaders from administrative tasks to concentrate on teaching and learning and strategic leadership.

However, whilst increasing access is important, so too is effective deployment of SBMs and delegating responsibilities to them to ensure schools make the most of them and capitalise on all their skills and expertise.

The four reports and the case study presented in Part 2 demonstrate two things: first, the validity of the argument and conclusions drawn in Part 1, and second, the following points that can now be made.

1. SBMs make a positive difference to schools. These differences include making worthwhile savings, increasing efficiency and value for money, managing other support staff and saving senior leaders' time, especially for headteachers.
2. Headteachers who work with SBMs are strongly positive about the contribution they make both to the school as an organisation and to their work as headteachers.
3. SBMs need to be valued and supported, especially by their headteachers, but also by teaching staff, school governors and local authorities.
4. The role of SBM is largely contingent on context. A situationally driven approach to their appointment and deployment works best. This is especially true in smaller primary schools where collaboration between schools is critical.
5. Collaboration between schools is central to increasing the number of SBMs deployed in the primary sector.
6. Highly qualified SBMs work more strategically than less well-qualified and unqualified SBMs.
7. There are barriers to increasing the number and deployment of SBMs across the school system. These barriers are not insurmountable but must be addressed carefully and with sensitivity to the local and specific concerns of those who remain unconvinced.

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Given the above, it is clear that there is further distance to travel before all schools can take advantage of the benefits of SBMs and SBDs. What lies ahead includes demonstrating the clear and unequivocal benefits of well-qualified and carefully deployed SBMs. At the same time, collaborations among groups of schools, the sharing of staff expertise, enhancing the roles of SBMs and SBDs, and increasing their qualifications for these roles need both to be promoted and realised.

In the introduction to this book the idea of a quiet revolution was used to capture what has been taking place in the last decade. Perhaps in this decade a noisier approach is needed, albeit one that is about a chorus of voices to sing the praises of SBMs and show what is now established: that they make a very real contribution to schools and are vital to making schools 21st-century organisations that are fit for purpose.

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