

Making Efficiency Gains – some ideas for schools to consider

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Introduction

Schools have historically had in place systems to ensure that 'best value' is routinely obtained, for example, seeking comparative quotes when procuring items of high value. Schools more than ever, need to be aware of the '3 E's' that are economy, efficiency and effectiveness.

The tables below list areas where schools may be able to make efficiency gains, some of which are cash-savings and others are non-cash savings (e.g. savings in staff time). This list is not exhaustive and we would be pleased to hear of

any suggestions schools themselves wish to make.

The purpose of this is not to issue a prescriptive list of practices which must be adopted, but simply to generate ideas of the potential for streamlining practices. Suggestions may work in some cases, but not in others. It may be that schools have already taken on board several of these suggestions.

Of course, some suggestions would require the school to incur additional costs (e.g. acquisition of a till) and, in such cases, schools need to appraise whether this extra monetary cost will lead to worthwhile savings in staff time (e.g. less frequent bankings).

In theory, non-cash savings (e.g. savings in staff time) become cash savings in time as staff can be more effectively employed on other duties that would otherwise need to be undertaken through alternative resources.

General

1. Are items being unnecessarily photocopied e.g. cheques?

- Cash savings in reducing photocopying and efficiency gains for staff in not having to photocopy documents unnecessarily

2. Avoid duplication (i.e. is there a need to keep a subsidiary record of income, if this simply duplicates the receipt book)?

- Efficiency gains – think whether there are things that are being done twice (e.g. is it necessary, even sensible, to have a central inventory but then also expect departments to maintain their own?)

3. Effective use of e-mail for non-confidential mail (e.g. governors' meetings agendas and financial reports to governors' home addresses, routine letters to parents)?

- Efficiency gains – less effort to simply e-mail documents. Some schools have even begun to collate parents' e-mail addresses via which to issue non-confidential circulars (e.g. school newsletter).
- Cash Savings – postage, paper etc.

4. Involving volunteer governors in certain procedures (e.g. doing the annual inventory)

- Efficiency gains – schools may find governors happy to volunteer to do certain tasks such as the annual inventory check. This then becomes one less task for school staff to undertake

5. General printing efficiencies

- Cash savings – using draft print quality where possible, double-sided duplicating etc. would save on paper, toner, print cartridges etc. Only printing in colour when strictly necessary.

6. The use of school rubber stamps, especially where the school has a long name (e.g. "The William Whitehouse Sixth Form and Specialist Sports College")

- Efficiency gains – a rubber stamp of the school's name could be used in numerous situations. For example, a stamp could be used to endorse the school's name on duplicate receipts, saving school staff from having to write out the school's name on several receipts per book.

There are clearly certain circumstances where the use of a school stamp would not be appropriate (e.g. a stamp of the Head teacher's signature).

7. Job cover for key financial duties / personnel procedures in the absence of staff (e.g. raising orders)

- Efficiency gains – although often not feasible in smaller schools, it is best practice that more than one person is able to undertake basic financial procedures in the event of the absence of key staff. Examples might be raising orders, processing petty cash payments, posting income etc. Service delivery should be maintained if a key member of the finance staff is absent.

- Cash savings - This might in turn reduce the level of external support) that the school may need to buy into in cases of emergency (e.g. long-term absence of school bursar). Any external support bought into can then be directed towards more complex issues (e.g. budget monitoring).

8. Insurance of Risks (e.g. staff sickness insurance)

- It is good practice for all schools to assess their main risks and make judgements whether those risks need to be controlled, and, if so, how (e.g. by transferring the risk, introducing internal controls to minimise the risk or insuring against the risk).

9. Duplication of cover

- For example, a supplier might (in good faith) offer to sell an item of equipment and, for an extra charge, arrange for that item to be insured against theft (i.e. it would be replaced by the company at no additional cost to the school in the event of it being stolen). However, this 'cover' may simply duplicate cover that the school may already has and thus to 'double-insure' is effectively superfluous and a waste of money

Be fully aware of what services schools are entitled to under Service Level Agreement

10. Outsourcing certain activities to companies offering commission on sales (e.g. vending machines)

- Efficiency gains. For example a school could choose to have its own machines and be responsible for replenishing stock, emptying the machines, banking the income etc., or simply choose to let a company operate machines on its premises, for which the school would receive commission. The company would take over all responsibility for emptying machines, replenishing stock etc. The former may generate more 'profit' than the latter, but would the latter actually be far more efficient for the school (i.e. considering savings in staff time)?

Commission schemes are low risk.

11. How viable is the school's telephone coin box / payphone?

- Cash savings – does the income generated by the school's payphone cover the line rental (and cost of calls) payable? Is there such a necessity to have a payphone in today's 'mobile age'?

12. Posting Information to the School's Website

- Efficiency Gains - schools could provide information to parents e.g. weekly newsletters, by posting them on the school website saving printing costs and the need to distribute these manually.

13. Fraud Awareness

- Not an efficiency as such but schools can ensure all resources are safeguarded through effective fraud awareness.

14. Telephone Suppliers

- Consider reviewing the current telephone subscriptions to identify whether by changing supplier savings and perhaps better services could be obtained.

15. Purchasing Comprehensive Training Packages.

- When arranging training courses it is worthwhile considering whether more than one member of staff requires training, savings could be made by making group bookings, training being held on site etc

16. Jointly Contracted Staff.

- Efficiency Gains – schools could work together in "clusters", or in development groups to discuss potential efficiencies of sharing staff. Examples of this could be Business Managers, ICT Technicians, Admin Support or a Premises Officer.

17. Employ an 'Odd Job' Person

- A school could employ an 'Odd Job' Person to reduce the need for the school to have to source general repairs and maintenance externally (e.g. plumbing, repairs, painting)

18. Using school pupils to carry out tasks

- Using pupils in appropriate circumstances can give administrative efficiencies through needing to use admin staff less for certain processes. For example pupils could be used for reception cover at the start of the day or at lunchtime or to operate the school switchboard.

19. Effective Support Staff Training

- Head teachers and Business Managers / Bursars should consider whether finance and admin staff are adequately trained for the job they are expected to do.

Good practice is to undertake annual performance reviews for all staff, to set targets for the forthcoming year and to determine what training may be required to help individuals to do their jobs better. An example might be to send staff on a Microsoft Excel course to learn how to computerise elements of their work (e.g. dinner registers, private fund accounts etc). A little bit of investment with a financial cost could lead to considerable time efficiencies

20. Use of Document Templates

- Set up a number of templates for documents which are used regularly e.g. standard letter templates for hirers of premises owing lettings fees, letters to parents regarding school trips, outstanding dinner monies etc.

Templates can still be adapted to be relevant to the specific case, but do provide efficiencies in that much of the body of the letter is predefined.

21. Documented School Financial Procedures

- A well-managed school will have its main financial procedures clearly documented (e.g. how to reconcile the school SIMS system to the LA's central accounting system)

A well-defined set of financial procedures can promote "continuity of operations" in the absence of key staff. This can give efficiencies through there being less need to engage external support in an emergency.

Budgetary control

1. Training of budget holders – standard templates with arrows and explanatory notes

- Efficiency gains – would training of new budget holders / governors in how to understand financial reports be simplified if the Finance Office produced an example of a cost centre transaction report / user-defined financial report and adapted it with arrows / explanatory notes (e.g. 'This is your annual budget', 'These are items ordered but not yet invoiced for', 'This is your balance remaining', 'These are the individual transactions charged against your budget', etc.). This document could then simply be given to new staff with budgetary responsibilities each year with no real need to undertake detailed one-on-one training with them.

2. Having a well-defined set of cost centres on FMS6 (e.g. putting related cost centres into one cost centre group, such as consumables).

- Efficiency gains – financial analysis and reporting may be streamlined if information provided is meaningful. Examples might be having separate cost centres for lettings, music, swimming etc., rather than just one generic cost centre called 'Income'.
- Take school trips, a separate cost centre for each residential trip may aid schools to quickly ascertain the profitability (or otherwise) of a particular trip, and compute easily any refunds due (simply the cost centre residual balance divided by the number of participating pupils).

3. User-Defined Reporting

- Efficiency gains – financial reporting can, in some cases, be as easy as pressing a button and generating a report. The FMS6 User-Defined reporting facility enables schools to create their own bespoke reports in a format that they (and their governors) want
- Furthermore, some FMS6 generated reports can be automatically exported in Excel spreadsheets for those schools who wish to add extra information (e.g. explanation of variances).
- Creating financial reports by manually typing figures from a number of sources into spreadsheets can be both inefficient and risky (e.g. unintentional misrepresentation of data).

4. Giving staff budgetary responsibilities (e.g. Premises Officer for cleaning materials, Faculty Heads etc.).

- Efficiency saving - By delegating responsibility for monitoring some budgets to responsible staff, this then becomes one less function for the Bursar (or Headteacher) to carry out. Is it really appropriate for the Bursar to be responsible for the caretaking and cleaning budget, for example?

5. School Plan

- Although not an efficiency as such a school's financial and operational effectiveness centres around having a fully costed School Plan and a budget suitably planned to resource it.

Local spending

1. Making supplier payments by BACS/Internet Payments

- Cash savings re. postage, envelopes, cheque stationery.
- Efficiency gains for staff (e.g. not having to envelope cheques etc.).
- Maximisation of bank interest by having a better ability to pay invoices on due-dates (i.e. effective cash-flow management).
- Reduction in level of un-presented cheques?

2. Internet Banking

- Natwest bank offer a facility called 'Bankline' which offers BACS payments, balance transactions, voucher imaging, CHAPS payments, faster payments and historical statement details.
- Efficiency gains would be similar to those shown as above

3. Taking prompt payment discounts

- Cash savings – paying some invoices within x days will occasionally attract a prompt payment discount. Always worth checking invoices for such payment terms.

4. Paying invoices at the most optimum time (i.e. not too early)

- Maximisation of bank interest – careful cash-flow management through not paying invoices too early will optimise bank balances and consequently bank interest received

- Also, by minimising the number of cheque runs should lead to fewer cheques being issued (i.e. a cheque issued may pay a number of invoices).

[Schools are reminded though of the legal requirement to pay invoices by supplier due dates].

5. Setting up recurring 'low risk' payments by direct debit (e.g. data protection registration, rates, utility bills, lease payments)

- Recurring payments are ideal for paying by direct debit.
- Cash savings – postage, cheques.
- Also sometimes supplier discounts may be available as a result of paying by direct debit (some energy companies?).
- Efficiency gains – staff not having to process cheque payments
- Other benefits – e.g. Data Protection registration not allowed to lapse as a result of continuous registration.
- Additionally some cash-flow benefits may arise, as paying monthly by direct debit is often an alternative to paying the whole amount at the beginning of the financial year.

6. Using computerised cheque stationery

- Efficiency gains – negates the need to handwrite cheques if SIMS generates cheque runs using continuous cheque stationery.
- Reduces risk of cheques being inadvertently made out for different amounts to what was processed on SIMS (e.g. transposition of figures) if cheque is produced directly from SIMS.

7. Use of the rubber payment certification stamp/or equivalent on printed labels enforced

- Some efficiency gains if budget holders were required to:-
 - Confirm goods have been received;
 - Confirm prices charged are accurate;
 - Confirm that payment can be made;
 - Confirm what cost centre is to be charged.
 - How much of a Bursar's time can be wasted chasing this information?

8. Having sufficient cheque signatories established on the bank mandate (official and unofficial funds)

- Efficiency gains – if, say, your cheques have to be dually signed, it is not ideal to have just two signatories set up on the mandate. Schools should seek to have sufficient signatories established to enable cheques to still be signed in the absence of normal signatories, up to a maximum of 6.

(Cheque signatories, however, should not be people with full SIMS access, and ideally should be independent of the main finance function of the school).

9. Using petty cash.

- Efficiency gains.

Whilst several schools choose not to use petty cash, consider whether introducing it to fund minor purchases might actually make things easier? For example, if a teacher buys something out of their own money for, say, £4.99, is it *really* reasonable to expect him/her to receive reimbursement by cheque? Allied to this, reimbursing small items by cash reduces the amount of suppliers that need to be set up on SIMS (for cheque payments to be made to).

Beware however; the availability of petty cash, if not controlled adequately, can lead to staff over-relying on petty cash and avoiding official ordering/invoicing channels. This may in turn lead to value for money not always being achieved if an avenue for 'on the spot' purchases is opened.

10. Returning inspection copies (i.e. books).

- Cash savings – schools should try to ensure that they are not incurring postage costs when returning any inspection copies/goods on approval that were not requested by the school in the first place.

11. Purchase card

- Efficiency gains – facilitates internet ordering or cashless procurement

A monthly statement is received, reducing the potential number of transactions to be processed on FMS6.

Certainly more efficient than relying on a member of staff to make an on-line purchase with their own debit/credit card and then have to seek reimbursement from the school. There have also been VAT recovery difficulties in these instances where the transaction in law is then not seen to be between the supplier and the school.

- Cash savings – facilitates internet ordering and the possible achievement of on-line discounts.

12. Benchmarking – National and Local

- Schools are advised to periodically benchmark their costs against 'similar' schools using the DFE's Benchmarking Tool and to make use of local benchmarking information issued at the end of the summer term.
- Schools can select one or more key criteria to find matches with similar types of school country-wide
- The national benchmarking tool gives the school the ability to contact other 'comparator' schools to follow-up cost areas where it appears that the school is spending more than the comparator schools in its group.

Procurement/ordering

1. Joint procurement (e.g. by cluster or family of schools)

- Could goods and services be acquired cheaper if bought as a consortium (e.g. two or more schools commissioning window cleaning, or even the sharing of a joint member of staff)?
- It is always worth emphasising that achieving best value is not always choosing the cheapest option, but is a trade-off between cost and quality. You also need to add in the cost in staff time when searching for a 'bargain'.

2. Utilising LBC Central contracts e.g. telephone and utilities supplies

- Possible cash savings

3. Quotations policy

- Cash savings - an established, widely-distributed quotations policy will require staff to seek quotations in a number of pre-determined circumstances to ensure that value-for-money is routinely sought / obtained.

4. Simply asking suppliers if they offer a discount

- Cash savings – worth asking at procurement stage. Some companies may offer discounts to schools etc. as a matter of course. Don't be afraid to ask!

5. Taking advantage of bulk-buy discounts (ties in somewhat with joint-procurement)

- Cash savings – does the school buy anything where the unit cost reduces, the more items are bought?

(However, beware of overstocking for the sake of it).

6. Lease or buy decisions

- Cash savings – leasing is a viable option where schools wish to pay for an item over a number of years, say if their budgetary situation prevents them from buying an item outright.

Nevertheless, leasing may be more expensive than buying outright and schools should always fully evaluate the situation to determine if buying outright is an affordable and appropriate option to leasing

Make use of a company recommended by LBC procurement e.g. CAPITA to ensure leases are legal and represent value for money

7. Considering what services the school might be able to provide in-house (e.g. printing annual reports etc.)

- Cash savings - some schools may have the technical capacity to undertake 'professional' work such as duplicating, printing, basic IT repairs etc., without the need to procure such services externally
- Any scope for, say, smaller schools to procure such work through the larger schools in their area or via the LBC Printing Service, as opposed to commissioning work from the private sector?

8. The use of mobile phones

- Mobile phones can be expensive. If the school has mobile phones are they warranted and all used (i.e. not paying unnecessary contract charges on phones seldom used)?
- Cash savings - has the school appraised the best way to 'fund' its mobile phones (i.e. monthly contract, or pay-as-you-go)?

There are numerous comparable tariffs on the market and schools should ensure that tariffs are selected which best suit their needs (broadly speaking, pay-as-you-go tariffs may offer better value-for-money where the phone is used infrequently, whereas an unlimited use contract may suit better where usage is typically high.

9. Minimising the regularity of ordering

- Efficiency gains – some schools still make ad hoc orders for relatively low value purchases. Is there scope to have a bulk (e.g. half-termly, termly)?
- Cash savings – reduction in postage and packaging charges if goods are bulk delivered.

10. E-ordering / E-procurement through SIMS

This functionality in SIMS FMS6 enables the processing and exporting of purchase orders in XML format by email as a file attachment.

- Cost saving - on postage, printing etc.
- Speed of goods being received in school.

11. Open Procurement

- The Open procurement portal is available for schools nationally and provides schools with efficiency through automated comparisons of the marketplace in a user friendly way. Additionally its "Request for Quote" function enables schools to source quotations for major works in a simple electronic way

12. Internet Ordering

- Cash savings – on-line discounts (e.g. PC world offer prices more competitive than the 'in store' price) and recognised 'cheap' providers (e.g. Amazon for books).

Ordering via the Internet does have some risks attached to it. The purchase card scheme gives advice to schools on how to control these risks.

13. Entering Into Contracts

- Are there appropriate authorisation procedures in place detailing those members of staff who are authorised to enter into contracts on a school's behalf. A number of schools have been trapped into long term contracts where the original contract was signed by an inappropriate person in the first place.

Bank accounts/banking

1. Receiving income by BACS

- Efficiency gains – no physical cash to have to receipt and bank.

2. Retaining excess funds on deposit / building society accounts (e.g. private funds, excess public funds)

- Maximisation of bank interest - are the school's bank balances – both official and private – invested at their most optimum? I.e. does the school have deposit accounts and/or building society accounts in addition to their current accounts if significant balances are held in the bank.
- Is there scope for the school's bankers to automatically transfer funds from accounts on the school's behalf to ensure that funds held in the current account are at a minimum (sweep accounts)? Is there scope for funds to be transferred easily from one bank account to another via, say, internet banking? Is the rate of interest received reasonable and competitive?

3. Unnecessary bankings?

- Efficiency gains – schools should not fall into the habit of banking in a set pattern (e.g. every Tuesday and Friday), particularly if this means occasionally and unnecessarily banking very small amounts of income. Banking should be done as required but at least on a weekly basis, having regard to cash held and the establishment's insurance limits
- Banking less frequently would not preclude the school from still processing the income on FMS6 on a weekly basis, provided insurance rules are not breached.
- Cash savings – in mileage allowances (not) paid.

4. Scope for using a Cash Collection service

- Efficiency gains – school staff not having to bank themselves.
- Security aspects (less risk to the personal safety of staff).

5. Cash counting (weighing) machines

- Efficiency gains – if an establishment does generate a lot of cash income (say through vending machines, dinner monies or whatever), would the acquisition of a counting machine aid cashing-up and banking procedures?

6. Acquisition of a safe

- Would the acquisition of a safe enable schools to bank less frequently, as well as the obvious security advantages?
- Additionally, certain 'high security' safes and other security measurers (e.g. CCTV are recognised by some insurers as being so, with possible decreases in premiums

7. Choosing a bank that best suits the school's needs

- Schools are free to select their own bankers from the list in the Local Bank Account scheme.
- Schools should consider whether their bankers give them a competitive rate of interest. However, from an efficiency viewpoint, schools should consider just more than interest rates when choosing their bankers:-

- Physical location (i.e. near to the school)
- Opening hours
- Parking
- Cash collection service
- Efficiency of counter service

Postage

1. Necessity to keep postage book?

- Efficiency gains – is the effort of keeping a postage book of any significant value to the school?
- Would a monthly summary suffice thus enabling usage to be monitored in total (to ensure that usage remains pretty constant month on month)?

2. Use of a franking machine

- Efficiency gains – would the school find it easier to frank than put stamps on mail? Also, many machines can be ‘topped up’ by telephone/internet saving trips to the post office for stamps

3. Purchasing pre-franked envelopes

- Efficiency gains - no necessity to frank or put stamps on mail if envelopes are ordered ‘pre-franked’. Also, opportunity for things such as school name and address to be pre-printed on the reverse.

(Schools are then invoiced periodically by the Royal Mail for postage use).

4. Letter folding machines

- Efficiency gains – is there scope to automate processes of putting letters / cheques etc. into envelopes?

5. Using the Courier service to send in documents to LBC

- Efficiency gains – the cost of stamps predominantly.

6. Minimising the use of envelopes

- Cash savings – does internal mail really need to be enveloped, if non-confidential?

7. Purchasing stamps from Royal Mail Direct

- Efficiency gains – are schools aware that stamps can be acquired by post from Royal Mail Direct, negating the need to travel to the post office to obtain them. Payment is then made by direct debit.

8. Minimising the use of first-class postage

- Using second-class postage as the norm will save small amounts of money.

9. Sending items electronically

- Efficiency gains – documents can simply be received (sent) electronically.
- Cash savings – reduced printing costs, postage costs etc.

10. Pupil post

- Efficiency gains – does the school send non-sensitive information to parents via pupils (e.g. school newsletters)?

11. Using optimum sized envelopes

- Since 21st August, 2006 the Royal Mail has changed the way post is priced. Previously, the system was based only on the weight of your items, the new system is based on both size and weight.
- Cash savings – postage costs can be minimised through using optimum sized envelopes.

Inventories

- 1. Scope for larger schools to undertake their own PAT testing by purchasing the testing equipment and sending a member of staff on a course to become accredited**
 - Cash savings – PAT testing is a costly exercise. There may be significant cash savings to be made by doing PAT tests in-house.
 - Income generation opportunities – could a larger school become accredited to do PAT testing and sell its services to do the PAT testing at, say, its feeder primaries?
- 2. Ask departments to check their own inventories (or each other's)**
 - Efficiency gains – departments are perhaps better placed to identify and check their own items.
 - Scope for passing this work to Departmental Technicians?
- 3. Consider adopting the SIMS Equipment Register computerised inventory module**
 - Efficiency gains – e.g. easily generated reports for, say, PAT testing, annual inventory checks, disposal lists to go to governors etc. Also, items can be automatically imported onto ER from SIMS when acquired thus making the upkeep of the inventory much simpler.

Energy usage

- 1. Monitoring energy usage.**
 - Regular monitoring of usage as can identify problems at an early stage (e.g. water leaks)
- 2. Energy efficiency initiatives.**
 - Efficiency gains – energy efficient light bulbs, sensor controlled lighting, controlled-flush toilets etc.
- 3. Cheaper energy sources**
 - Is the school on competitive tariffs with its energy suppliers? If not, there might be cash savings to be made by seeking help in getting a better deal.
- 4. Using the correct dosage of cleaning fluid (e.g. building cleaning, swimming pools).**
 - Cash savings – ensure that the correct dosage of cleaning fluid is used (refer to instructions on bottles). Take bleach, for example, the dosage is sometimes as little as 1:600 (i.e. a thimbleful).
- 5. Carbon Trust**
 - The Carbon Trust offer free Carbon Surveys to organisations with annual energy bills of more than £50,000.
 - The survey includes a visit to the premises to identify energy saving opportunities with no or low cost of implementation.
 - The website also contains many useful ideas on how energy savings can be made.

Governance

- 1. . Establishing a fully detailed Finance Manual**
 - Efficiency gains - any organisation will work more efficiently and effectively if staff are fully aware of their respective roles and responsibilities, and of the organisation's policies and procedures (e.g. on procurement).
 - A fully documented Finance Policy can facilitate the training / learning of new Finance Staff.
- 2. School Intranet**
 - The school intranet (or restricted areas of the school internet) can be useful areas to post information to, such as the school's Finance policy, procurement policy etc.

- Cost savings in posting large documents electronically, rather than having to print off copies for circulation.

3. VLEs (Virtual Learning Environments)

- A large number of schools now have VLEs within the school. These provide excellent on line learning for governors and staff.
- Specific areas can be set up for groups to access information, for example a group could be set up for governors to hold meeting agendas and minutes saving on printing and postage costs.

4. Effective Governance

- A governing body can function far better if the governance structure that it works to is clear and unambiguous. For example, is there a comprehensive Governor Induction Pack / Handbook, are committees governed by written Terms of Reference, are meetings properly constituted, clerked minuted etc.

5. Effective Use of Committees

- Full Governing bodies will largely delegate down areas of responsibility to committees (e.g. financial reports may be scrutinised by a finance committee. Is there, therefore, any reason for the full governing body to receive the same detailed information? Should it not just receive a brief update from the committee itself unless there are any clear areas of concern.

6. Membership of Committees

- Consider if committees would function more effectively with fewer members (remembering the need to be quorate in accordance with the Terms of Reference / Constitution of the Committee)

7. Scope for Merging of Committees

- As the role of governors gets more and more complex, and the time commitment gets greater and greater, some schools are looking to streamline the number of committees (and hence the number of meetings). Examples might include merging finance with health & safety, or merging finance with personnel. This would give time efficiencies to staff too (e.g. Head teacher, bursar) if there are fewer meetings to attend.

8. Reducing the number of Committee Meetings

- Again, this may reduce the burden on governors but would also give time efficiencies to staff (e.g. Headteacher, bursar) if there are fewer meetings to attend. There may be cost savings to be made in reducing clerking fees if fewer meetings are held.

9. Setting times to agenda items

- Set provisional times against each agenda item in an aim to keep meetings “on track”.

Pupil registration

1. Using SIMS Attendance Registers (Optical Mark Reader)

- Efficiency gains – automatic totalling and analysis of figures. Automatic feed through of information to SIMS Attendance modules.

School private funds

1. Closing down private funds (or minimising the number and type of transactions passing through it)

- Some schools already have done this as most activities can nowadays be processed through official funds

- Efficiency gains for staff - closing the school fund is one less account to physically administer, bank income into etc.
 - Potential saving in bank charges?
- 2. Retaining excess funds on deposit / building society accounts**
- Maximisation of bank interest - Are the school's bank balances – both official and private – invested at their most optimum? i.e. does the school have deposit accounts and / or building society accounts in addition to their current accounts if significant balances held.
 - Is there scope for the school's bankers to automatically transfer funds from accounts on the school's behalf to ensure that funds held in the current account are at a minimum?
 - Is the rate of interest received reasonable and competitive.
- 3. Having sufficient cheque signatories established on the bank mandate (official and unofficial funds)**
- Efficiency gains – if, say, your cheques have to be dually signed, it is not ideal to have just two signatories set up on the mandate.
 - Schools should seek to have sufficient signatories established to enable cheques to still be signed in the absence of normal signatories.
 - (Cheque signatories, however, ideally should be independent of the main finance function of the school).
- 4. Private fund audit – are schools incurring unnecessary audit costs?**
- Cash savings – are schools paying too much for their annual private fund audit
- 5. Computerised private fund packages (e.g. School Fund Manager)**
- Efficiency gains – a computerised package may streamline the administration of the fund, reduce the scope for accounting errors, and automatically produce a statement of accounts the end of each year.
 - Alternatively, a well designed simple Excel spreadsheet can assist greatly in the administration of the school fund.

Income – general

- 1. Selling obsolete equipment that schools may consider worthless but others might not (e.g. IT equipment, furniture)**
- Income generation opportunity - what may be seen as worthless by schools may have a nominal value to others (e.g. for spare parts).
 - Consider recycling (e.g. printer cartridges), where this can give rise to a resale value.
- 2. Necessity to keep a record of private telephone calls?**
- Efficiency gains – is the effort of keeping a telephone book of any significant value to the school, considering the relatively small amounts of cash that are typically collected? Would an honesty tin be a suitable alternative?
- 3. Collecting debts promptly / offering your customers prompt payment discounts?**
- Conversely, collecting debts promptly can also maximise bank interest received (e.g. by raising invoices within 30 days, routine following-up of unpaid debts etc.). Schools should adopt and follow a debt recovery policy.
 - This is not a common practice, but there are schools that offer a prompt payment discount. The theory is that bills are paid by debtors earlier, bank balances are optimised and there are efficiency gains to be made in debt chasing / reducing the level of bad debts.

4. Annual review of charges – are charges commensurate with market conditions?

- Maximisation of income – are all charges reviewed annually (e.g. lettings, music)?
- Are charges compared with the external market (e.g. lettings, swimming pool)?
- Schools are able to set their own lettings charges, for example, as opposed to using the LA guidance. This may be particularly suitable at establishments where its demographic position/quality of facilities would enable much higher charges to be levied with no adverse effect on demand.

5. Denoting specific times of the day for pupils (and staff?) to pay in money to the office

- Efficiency gains – fewer interruptions for finance staff if pupils are expected to pay in income to the Finance Office between certain hours of the day.

6. Having a preference for pupil payments to be made by cheque (e.g. dinner monies, trip contributions)

- Efficiency gains – less need to count, bag-up cash etc. No urgency to bank (i.e. no need to get large sums of cash off the premises).
- Security issues – less risk of cash being lost, stolen.

7. Introduction of a till (to replace manual receipting)

- Efficiency gains – a programmable till in the Finance Office still enables income to be receipted (via the till) and cashing-up of the till will analyse takings by type and identify VAT payable.
- Saves manually receipting income, adding-up receipt books etc.

8. Introduction of software to manage income more effectively e.g. Tucasi Cash Office

- Reduces workload, improves audit trail, streamlines procedures for collecting income from parents and pupils

9. Paying Photography Commission into the school private fund

- Cash saving – if photography commission received is processed through official funds, there is a requirement to account for output tax on the income received, resulting in less income being credited to the school budget.
- However, HM Customs & Excise have ruled that photography commission can be paid into school private funds. Assuming the school private fund is not VAT registered, there would then be no necessity to account for output VAT on the income received.

10. Collecting lettings income in advance

- Recommended practice, particularly for one-off lettings (e.g. parties).
- Efficiency gains – less risk of bad debts arising, and the subsequent following-up of unpaid debts.
- Cash-flow / bank interest benefits if income is collected earlier.

11. Advertising income

- Is school making best use of advertising income and / or sponsorship (e.g. local company logos / links on the school website, local company adverts in a school programme for a performance)?

12. Grant income

- Cash benefits – increased income. Schools should be aware of what grants they are eligible to apply for, from relatively minor ones right up to large grants (e.g. Lottery Funding).

13. Parent Pay – remote payment enabling parents to pay for school activities etc. via home internet / credit & debit card.

- Potential efficiency gains – income goes directly to school's bank account, less physical cash to receive, record and bank, parents have option to make payment by debit / credit card.
- Security benefits – less cash received on site, no need bank cash in to bank account.

14. Extended Services Provision

- This relates more to income generation than efficiency, but schools could consider whether they could generate income out of school hours. For example a school with a high quality ICT suite would be well placed to offer a range of ICT classes for adults and children outside of the school day, making effective use of the schools assets.

School dinners

1. Computerised dinner registers e.g. SIMS Dinner Money module

- Efficiency gains for staff – automatic addition and balancing of registers.
- Also, the SIMS Dinner Money module can automatically generate letters to parents who owe money.

2. Cashless catering

- Efficiency gains – pupils pay by swipe card at the tills or parents top up credit via the internet ; no physical transfer of money between pupils and kitchen staff
- Security benefits – no cash generated during lunch time

School trips

1. Recovery of VAT on school trip expenditure (trips of an educational nature only)

- Cash savings – for parents, if standard-rated trips are operated through official funds, VAT can legitimately be reclaimed provided the trip 'encompasses part of the National Curriculum' (i.e. isn't wholly recreational).

2. Costing of School Trips

- Costing out of a school trip prior to its commencement can ensure that contributions collected from parents are sufficient to cover all of the costs of the trip, and thus ensure that the trip does not run at a loss. Potential costs to consider include:-
 - Accommodation
 - Travel
 - Admission Fees
 - Supply Costs
 - Incidentals (e.g. photograph developing)
 - Internal Recharges (e.g. photocopying)
 - Insurance
- Some schools have devised a standard pro-forma for trip leaders to complete to enable an accurate trip contribution per person to be calculated. Remember to disregard recoverable VAT from calculations

System security

1. Use efficient back-up media

- Efficiency gains – is the school backing-up onto fast, efficient and reliable back-up media?

2. Back up regularly and take back-ups off site

- Saves huge amounts of time if the system fails or needs to be restored – minimises the loss of data

3. Anti-virus software

- Ensures security and integrity of data

4. Business continuity plan

- Ensures that service will be restored more quickly in the event of a disaster/theft.

Schools with vehicles

1. Schools with vehicles – buying 12m road tax instead of 6m

- Cash savings – buying 12 months road fund licence is cheaper than buying two lots of 6 months.

2. Schools with vehicles – is the LBC Insurance Section invited to give a quote for vehicle insurance?

- Cash savings – would insurance premiums be cheaper if the vehicle is insured via LBC rather than by schools arranging insurance directly with brokers/companies (economies of scale).

3. Schools with vehicles – scope for routine servicing / repairs / MOTs to be undertaken by LBC (who do the main transport fleets)?

- Cash savings – their prices may be competitive compared with local garages.

4. Fuel purchase cards

- Cash savings – fuel purchase cards typically allow fuel to be purchased from a number of ‘qualifying’ garages at a discounted rate, say 1p per litre.

5. Shopping around for cheaper fuel

- Cash savings – some garages are considerably cheaper than others (although shopping around can, in itself, be inefficient). Schools should have a clear idea of the cheaper garages in their area, the internet can be used to source the cheapest fuel locally.

6. Petrol vs. Diesel

- Diesel may be a cheaper form of fuel, particularly for high mileage vehicles. A petrol vs. diesel decision should be taken when buying a vehicle. Average mpg consumption is generally shown in promotional literature for vehicles.

Register of business interest

1. Annual update of Register of Business/ Pecuniary Interests – consider just asking individuals to re-sign and re-date existing forms rather than physically complete new forms

- Efficiency gains – whilst there is a requirement for all relevant individuals to update their entries in the RBI on an annual basis, schools are advised that it is perfectly acceptable for them simply to re-sign existing forms (as opposed to physically completing a new form). Schools may wish to re-design their forms

Schools with kitchens

1. Cashless kitchens / smart cards (Secondary schools running their own cash-cafeteria kitchens).

- Efficiency gains – would dining procedures run far more smoothly if meals were paid for by pupils using smart cards/cashless facilities? Security advantages and time savings in banking

2. In-House Catering

- Schools have a choice to buy into the LA’s catering contract or to take on the running of catering ‘in house’.