



Welcome to Focus On... Education, our special bulletin looking at interesting topical issues and developments in this sector.

In the Autumn Focus On..... Education, we consider the effect that 'health' tests may have on academy trusts seeking to expand. We also discover the impact of ongoing staff shortages on school budgets and cast an eye over the increased official scrutiny of academy bosses' expense claims. We close the bulletin with a focus on overspending by academies. This edition's Spotlight On..... features Rebecca Betts.

If you would like to discuss any aspect of our specialist audit and accountancy services for schools and academies, including Multi-Academy Trusts (MATs), please contact Emma Murray, Head of Nicholsons' Academy Team, at [emma.murray@nicholsonsca.co.uk](mailto:emma.murray@nicholsonsca.co.uk) or telephone 01522 815100. John Raynor, Associate, will also be pleased to assist with any of your queries and is contactable at [John.Raynor@nicholsonsca.co.uk](mailto:John.Raynor@nicholsonsca.co.uk) or on 01522 815100.

## School costs rising due to teacher vacancy advertising needs

The Labour party has recently released figures that show Britain's schools spent more than £56 million in the last year on advertising for teaching positions – a 61 per cent increase on 2010's expenditure – due to teacher shortage.

The amount spent on advertising is equivalent to employing more than 600 teachers a year on a basic salary, and some schools spend up to £80,000 a year in their search for new teaching staff.

It is estimated that around 10 per cent of this figure was spent on re-advertising for positions that were not filled following the first advertisement, according to Labour's figures, which were obtained under a Freedom of Information request (FOI).

It has also been estimated, by a separate study, that schools spent £1.29 billion on supply staff in 2013/14, an increase of more than £276 million on the previous year – a figure which was 27 per cent higher than 2011/12.

The new figures released by Labour's former Shadow Education Minister Lucy Powell also revealed that there are currently more than 5,300 vacancies in English Baccalaureate (EBacc) subjects in secondary schools.

A National Audit Office report published in February showed that the number of teacher vacancies rose from 350 (0.1 per cent of the workforce) in 2011 to 3,210 (0.9 per cent) in 2014.

Meanwhile, almost four in five school leaders have reported a problem with recruitment, according to a survey by the National Association of Headteachers (NAHT), with schools spending up to £10,000 per vacancy on agency fees in their efforts to plug the gap.

It is uncertain how the unprecedented and deepening crisis schools are facing in securing permanent staff will, or can, be resolved, but until a way to attract teachers can be found, school



budgets – and potentially education provision – will continue to be adversely affected.

## Overspending by academies tops £170 million a year

Academies' spending exceeded their combined income by nearly £171 million last year, according to recent Department for Education (DfE) figures.

In total, academies received income of £16.74 billion for the year ending August 2015, but in the same period they spent £16.91 billion. This equates to a £171 million overspend, or one per cent of their income for the year.

However, despite the disparity between these figures, the DfE has said that this was not a crisis and did not mean that academies had fallen into

debt, 'as they may have reserve funds from which the overspending was met'.

The DfE figures showed that 95.8 per cent of academies' income came through direct grants, with the remaining 4.2 per cent generated by the academies themselves. However, one trust, Ark Schools, was able to raise more than £11 million on its own.

Following the release of the data, a DfE spokesperson said: "Our reforms mean we have stricter oversight and accountability over academy finances than

council-run schools do, which allows us to continue to monitor schools' income and expenditure and take action where we have concerns.

"It is not unusual for there to be small variations in overall school expenditure from year to year, which is why academies have reserves from previous years."

To find out more about our academy services, and for detailed information on how we can help you with budgeting and financial reporting, please contact us.

We are looking forward to welcoming Judy Hart, Head of Business Development at Investors in Excellence, who will be joining us for a pair of Academy Briefing seminars we are holding in collaboration with Investors in Excellence on Thursday 19 January 2017.

The seminars will take place from 8.30am to 10.30am and from 4pm to 6pm and will explore how the Investors in Excellence Standard can be used by academies to establish strong supporting frameworks to help them achieve constant improvement.

With the increasing devolution of power to academy trusts, schools are ever more closely resemble businesses, requiring qualified professional business managers. Investors in Excellence believes that constant improvement can – and

should be – embraced by schools by establishing the correct supporting frameworks. These structures form the backbone of the Investors in Excellence Standard.

Investors in Excellence has worked with businesses across a range of sectors, both nationally and internationally, for more than 20 years to help them excel through the use of toolkits, approaches and new ways of working, underpinned by the Standard as a benchmark.

The standard is designed to assess the areas of Leading, Resourcing, Delivering and Achieving within organisations, ascertaining 'What Matters Most'. Investors in Excellence aims to foster a culture of continuous improvement, supporting change and raising standards.

Organisations that achieve the Investors in Excellence Standard are required to undertake a rigorous process of external assessment that looks at all key performance areas and, more crucially, its business and customer results. Once organisations have achieved the Standard they will be required to undertake the re-certification process every two years to ensure that they are still operating at the required level.

The seminars will give you the opportunity to hear more about how the Investors in Excellence standard relates to the education sector.

Places are limited, so secure your place today by calling us on: 01522 815100.

Further information about Investors in Excellence is available from <http://www.investorsinexcellence.com>

## Expanding academy trusts face new 'health checks'

Recent MPs' questions have led to the government clarifying its plans for assessing academy trusts that are looking to expand their organisations by procuring new schools.

Those trusts seeking expansion will have their applications reviewed on the basis of their schools' Ofsted ratings, published performance measures on progress and attainment, and their improvement over time, as part of new 'health checks'.

Prior to her departure from the Education Secretary's post, Nicky Morgan announced that trusts without a record of school improvement would not be allowed to expand.

Since then, the National Schools Commissioner, Sir David Carter, confirmed that a new health check system would look at school histories of 'raising standards'.

At the end of July, in response to a written question from MP Stephen Timms, Edward Timpson, a minister at the Department for Education, gave new details of the qualities that officials will wish to see academy trusts demonstrate before

allowing them to take on new schools.

Timpson said it was ultimately up to the relevant Regional Schools Commissioner (RSC) to decide whether or not a trust would be allowed to expand, but added that the commissioners would want to be assured of clear and robust governance and leadership of the Multi-Academy Trust (MAT) and of its capacity to drive improvement across all schools within it.

He said: "Considerations will include, among other things, Ofsted judgements and published performance measures in relation to progress and attainment of academies already within the MAT, how these relate to the floor standard, and national and local averages, as well as improvement over time. The RSCs will also consider the performance of the academy applying to join the MAT."

In an interview with Schools Week, former Education Minister and author of the letter Stephen Timms (MP for East Ham), said: "My main concern is that the trusts which do expand should be those that have the capacity to do what is needed.

"The government is resting all its hopes for school

standards on academisation, but there is evidence that, for a lot of schools, simply becoming an academy doesn't help, and I think a big part of the reason it's not delivering is because quite a lot of trusts have expanded too quickly."

Despite its U-turn on forced academisation, the government has reiterated its commitment to seeing all schools become academies and announced in May that it would target schools in 'underperforming' and 'financially viable' local authority areas for conversion.

The introduction of new 'health checks' may drastically affect the future plans of some academies trusts, placing additional pressure on them to prove adequate performance across all areas, including financial sustainability.

Nicholsons can help strengthen your finances so your financial responsibility and funding management can be clearly and accurately represented to your Regional Schools Commissioner.

To find out how we can help your trust realise its future expansion plans, please contact us.

## Spotlight on Rebecca Betts, Senior Accountant



Rebecca Betts

Rebecca Betts celebrated eight years at Nicholsons in April this year. She started work as a junior in

2008, then won promotion in 2010 after passing her Association of Accounting Technicians' exams and gaining a wealth of practical experience.

She worked for the Charities Team before joining the Education Team in 2012, and now principally travels across Lincolnshire, and to destinations as far apart as London and Scotland, auditing Nicholsons' wide range of clients.

Rebecca said of her varied and challenging role: "I really enjoy being out and about, seeing new people and working in all kinds of new and different environments."

Becky has continued her professional education and expects to achieve her home-study ACCA qualification in March 2017, to give her and Nicholsons' team an added competitive edge.

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