



EDUCATION MATTERS

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Welcome to the latest edition of Education Matters.

I always seem to make reference to an ‘interesting’ period when I put pen to paper for Education Matters. Having grappled with Covid since March 2020 and the impact that it had across the sector from teaching, exams or no exams, absenteeism, automation and let’s not forget the financial impact of discounts, schools were finally heading towards some form of normality in 2022. Unfortunately, not all our schools made it through this period and a few were forced to shut permanently and others merged into bigger foundations, trusts and commercial groups. Some would argue that Covid accelerated the inevitable.

However, I would argue that Covid also had a positive impact on the sector. It has shown the resilience of our schools and highlighted what the sector has always been good at - adapting and evolving.

We have seen a significant move towards automation in both teaching and the administrative functions. Our Digital Transformation team has been working with commercial companies in this area for a number of years and the impact on an organisation from those small changes and tweaks never ceases to amaze me. As schools continue to embrace more automated tools, cyber security and fraud start to move up that risk register.

M&A activity has increased significantly, with some schools choosing to merge with larger trusts, foundations and groups from a position of strength and others being forced to for financial reasons - either way providing those schools with protection and certainty for future years.

We have also seen schools look quite hard at their own financial sustainability and are exploring how they may do things differently. The Teachers’ Pension Scheme (TPS) plays a significant part in these conversations, and as schools continue to consult about leaving the TPS,

the issue has become more agitated with strikes being publicised within the sector.

We must not forget the parents in all of this, who are somewhat confused as to why teachers are striking over pension schemes that have long since gone in other sectors, but also concerned with any impact on their fees. As schools look to recoup monies lost through Covid discounts, the ever-mounting pressure from increased costs in gas and electricity, together with increased NI contributions, means fees are increasing not far from those inflation rates of 7%. The affordability factor surely will come to the forefront again and whilst I would like to think we have withstood going into a recession, could we be creating one by forcing parents out of our sector?

Lastly at the point of writing, we are sadly seeing the impact of the war in Ukraine. None of us can escape the horrors and the desperation of the Ukrainian population that is being played out around the world on social media. Unfortunately, we are also seeing the impact in our schools. As the sanctions start to take effect, the ability of our Russian parents to pay fees is being impacted, and already we are hearing stories of schools providing temporary financial support in these cases. On a practical level schools will need to step up their own due diligence on source of funds for anything that might be coming out of Russia.

Let’s hope there is an end to the madness.



Anjali Kothari
Head of Education



INDEPENDENT SCHOOLS IN THE “NEW NORMAL”

By David Woodgate, Chief Executive, Independent Schools' Bursars Association (ISBA)

Winds of change are blowing through the independent education sector. This is partly due to the impact of the pandemic and the 43% increase in employer contributions to the Teachers' Pension Scheme (TPS) has been a catalyst for change.

These factors have stimulated bursars and their teams to re-examine their business models and focus with greater precision on budgets and financial performance.

As part of responses to Covid, many schools offered fee reductions and have been providing additional hardship support to parents by way of short-term bursary funding. Other schools will have been impacted by the inability of international pupils to return to their boarding houses.

This has fuelled a renewed focus on future proofing measures and, understandably, schools have had to consider whether they should opt out of the TPS and provide an alternative defined contribution pension scheme. Indeed, **as at mid-February, 317 schools have withdrawn from the scheme or given notice to do so, 22 schools have opted for phased withdrawal and over 50 have introduced hybrid or “pay and benefits” options.** An estimated 170 schools are somewhere in the consultation process and 230 schools to date have opened defined contributions schemes with the Aviva Pensions Trust for Independent Schools (APTIS).

Figures from the Independent Schools Council (ISC) show that over the pandemic, numbers of pupils declined by c.5,000 in ISC schools to 532,000. However, in all of the circumstances this is not as dramatic a decline as commentators were suggesting and, at the start of the current academic year, numbers were actually up 1.9%, with many schools reporting strong recruitment and retention of pupils. Indeed, a leading newspaper suggested that 300 schools would be forced into closure because of the pandemic. This has not come to pass - although around 50 schools did close (not necessarily ISC association schools over the two years). This was generally due to underlying financial weakness and it is likely that these schools would have closed anyway. Covid was not the reason for closure and even in a normal year there will inevitably be schools that fall by the wayside.

So, there are reasons to be cautiously cheerful. However, there are reasonably foreseeable financial shocks to come which will whip up the winds of change further. Specifically, there is a risk that employer contributions to the TPS will increase again from April 2024. Three firms of actuaries with which ISBA works are suggesting that an employer contribution rate of 30% is feasible although there are also factors which may mitigate the amount of any increase.

However, prudent financial planning and risk management suggests that schools should be looking at scenarios and sensitivity analyses to measure the impact of any increase if it does happen, as the impact on bottom lines would be material. Could schools still justify a going concern position if the worst-case scenario comes about? And what will the impact be if the situation in Scotland, where mandatory business rate relief is being withdrawn from 1st April 2022, is replicated in England at some point over the next five years or so?

The threats from the emerging Labour Party policies have been well rehearsed with the objective of raising £1.6bn to £1.7bn by restrictions on charitable status being trialed. This is of course a gross figure and does not take into account the additional cost of finding places in state schools for pupils displaced from the independent sector, or training new teachers to teach such pupils, or providing new schools to accommodate them in classrooms, if for instance, VAT were added to school fees. The consultancy Baines Cutler estimates that more than 105,000 pupils would be displaced as the result of the imposition of VAT and that the net cost to the sector in year five of such a policy would be of the order of £420 million. Politicians need to be careful what they wish for but from the schools' perspective, these are factors that should be brought into the planning process now.

Of course, bursars will also be wrestling with operational finance issues such as wage, energy and food cost inflation which are impacting negatively in the short term. And this is in a world where parental affordability of school fees remains in sharp focus with little scope to pass on above inflation fee increases to parents in most independent schools.

Bursars are therefore having to look at very tight cost control and future proofing initiatives. Precision in financial planning and risk identification and mitigation is critical as independent schools face up to future uncertainties. Many of the givens of the past are being challenged... more schools for instance are considering mergers and acquisitions as a strategic response to economic environmental factors.

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Nothing should be off the table, but schools have a real opportunity to challenge - at governor, head and bursar levels - the way in which they do business to ensure that they are positioned in an optimum way to remain successful, thriving schools by embracing change and being creative in operational and strategic planning.

David was appointed Chief Executive of the Independent Schools’ Bursars Association in May 2016.

Prior to this he was Chief Executive of the Institute of Financial Accountants from 2007 to 2015 after which he spent a year as the Strategy Consultant to the Institute of Public Accountants in Australia.



GOVERNANCE UPDATE

By Luke Holt, Nonprofit Partner and Governance Expert, Moore Kingston Smith

As our Moore Kingston Smith Schools conference returns after a 12-month hiatus, looking back to my presentation in 2020 and the three themes I covered, it became apparent that two of those themes remain consistent.

(I don’t think early 2020 would have been the time to be considering lessons learned from the pandemic though!).

But I feel what has changed in that time, is that the three themes have become more mature in 2022, with a raft of additional guidance available to help us navigate through those topics.

I’ll look to signpost a number of the articles, regulator guidance or reports that should help you on your journey below.

LESSONS LEARNED REGARDING GOVERNANCE DURING THE PANDEMIC

After any ‘significant or difficult’ event, a lessons learned review is always an important step. The pandemic has been (and continues to be, for many) the most testing two years in recent memory. We have been helping a number of our clients learn from their experiences and strengthen their governance as a result. Some common themes include:

- Most schools will now have a well-tested ‘emergency decisions’ policy and procedures
- During the pandemic the ‘dotted line’ between Trustees/Governors being focused on strategic decisions and the Leadership Team on operational became blurred – is it now time to reinstate that governance foundation?
- How well did the organisations’ risk appetite/risk register/risk framework perform and what could be amended for the future?
- If the school had a delegated authority framework with sub-committees, were the ‘most important’ matters being reserved for the Board/Governors?
- Was the reserves policy appropriate (and does it continue to be, two years later?)

SAFEGUARDING

Obviously, a policy (and an embedded culture) remains at the forefront for any school, but alongside the recent ‘Black Lives Matter’ and ‘Everyone’s Invited’ movements, there have been a number of sector updates in this area:

- **The Charity Governance Code refresh** in late 2020 which became embedded in many governance frameworks throughout 2021 - www.mooreks.co.uk/insights/charity-governance-code-update-december-2020/

- **Charity Commission Regulatory alert to larger charities providing services** - "Service-providing charities are those in which front-line staff or volunteers directly serve and interact with beneficiaries – some of whom may be vulnerable. While expectations around safeguarding for some charities may be higher, protecting people and safeguarding responsibilities should be a governance priority for all charities, not an optional overhead." - www.gov.uk/government/publications/alert-for-charities-the-importance-of-transparent-and-accountable-governance/alert-for-charities-the-importance-of-transparent-and-accountable-governance
- **Charity Commission Regulatory alert to international aid charities** - much of the guidance is still relevant – "effective safeguarding is never complete and all charities must be alert to the risk of sexual harassment, exploitation and abuse and should foster a culture committed to rooting it out." - www.gov.uk/government/news/safeguarding-in-international-aid-key-steps-to-consider
- **Five minute guide on safeguarding** – the Charity Commission's guidance can never usually be described as 'succinct', but their recent development of six '5-minute guides', including one on safeguarding, marks a welcome addition to the guidance available and should form part of every Trustee/Governor induction or annual update - www.gov.uk/government/collections/5-minute-guides-for-charity-trustees#safeguarding

EQUALITY, EQUITY, DIVERSITY AND INCLUSION (EED&I)

The Charity Governance Code refresh, already linked above, marked a step change in this area for the education and nonprofit sector. Every organisation we work with now seems to be considering this area in more detail and are already on the journey towards a more diverse Board/Governing body and embedding a culture of EED&I into their organisation. A few recent articles and reports that I have found interesting include:

- **Several articles in the January 2022 edition of 'Governance and Leadership'** magazine which was dedicated to EED&I from many different perspectives
- **The joint AGBIS and Farrer & Co publication 'Towards an Equality, Diversity and Inclusion Strategy'** - www.agbis.org.uk/asset/8F230B4A-A192-468F-8DDA0C7394BB6279/
- **From Here to Diversity**, a practical guide from Action for Trustee Racial Diversity, includes one of my favourite recent quotes around building a diverse board "Some boards create a false binary between diversity and skills, presenting a situation where either diversity is trumped over the skills needed or vice versa. This is not how we would urge a Chair to approach recruiting for diversity." - www.atrd.group/wp-content/uploads/2021/09/From-Here-to-Diversity-A-Practical-Guide-on-How-to-Recruit-Black-and-Asian-Charity-Trustees.pdf

- **#iWill publication 'From here to diversity - A Practical Guide to recruiting Black and Asian charity trustees'** - www.iwill.org.uk/young-trustees-guide

And if the above wasn't enough bedtime reading, the remainder of 2022 is sure to deliver more, with a recent new Chair of the Charity Governance Code Steering Group announced, more institutions undertaking 'lessons learned' reviews and continuing on our EED&I journey towards agreed objectives.

Luke has extensive experience across the entire nonprofit sector and has built up a wide range of contacts and working relationships which allow him to be at the forefront of key issues and sector changes as they arise.

He advises across the nonprofit sector including independent schools, further education colleges, higher education universities, charities and housing associations.



UNDERSTANDING THE CONSULTATION PROCESS WITH UNIONS

By Richard Cummings, Strategic HR Partner, Moore Kingston Smith HR Consultancy

As schools continue to assess their position with regards to the Teachers' Pension Scheme (TPS), many schools entering the consultation process have suddenly found themselves having to deal with the unions.

The most high-profile consultation, which is unfortunately being played out in the press is the Girls' Day School Trust (GDST). As the outcome is being watched closely by the sector, this is unfamiliar territory for most independent schools. Understanding the process and how the unions can become involved is therefore extremely important before you even start the consultation process.

A consultation process is important when making key decisions and often involves a recognised union, or if one does not exist, elected representatives from the school. These decisions or changes can relate to various issues and concerns such as school policies and the future of the school itself.

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WHERE A UNION IS RECOGNISED

If schools have a collective agreement in place with a recognised union, then the agreement should detail the process any consultation will take. Whilst some schools may welcome the involvement of a trade union, other schools have little choice. Should most employees in the bargaining unit (in this instance teachers) wish for the school to recognise a union and it meets the criteria of the 1992 Act, which includes 10% of membership of the union already, the school will have to recognise them. If the school refuses, the union can apply to the Central Arbitration Committee who may enforce it.

Once unionised, staff lose much of the control over their own ability to negotiate their terms. Many staff are unaware of the effects of union membership to them; for example, in the event many of the staff agree with any proposed changes and the union disagrees, this may not be communicated. Additionally, some of the school's communication to the union may not be fed back to the staff and they could be unaware of its existence.

Schools could elect to voluntarily create an Information and Consultation Committee. Whilst these have existed for several years, the recent Good Work Plan from the Department for Business, Energy & Industrial Strategy reminds employers to consider these.



They are a hybrid version of a union and a staff committee. Essentially, they are an alternative to a union and enable elected employees to represent the staff within their bargaining unit. This then removes the external union involvement.

Should a school have more than 50 employees, and either 15 employees or 2% of the workforce (whichever is greater) formally requests the school recognises an Information and Consultation Committee, then the school is required to have a formal agreement in place, much like that with a union.

NO UNION RECOGNITION

Where schools do not have any collective agreements in place, statutory processes and timelines should be followed. Consultation periods are based on the number of affected employees. Affected employees are those whose terms of employment may change post any consultation period.

CONSULTATION PERIODS

For less than 20 employees, there is no requirement to undertake a collective process, and as such, schools may consult directly with affected employees.

Where 20 to 99 employees are to be consulted with, a collective consultation process should be adhered to, the minimum consultation period being 30 days.

For 100 or more employees, the minimum consultation period is extended to 45 days.

PENSION CONSULTATION

Where schools plan to consult on changes regarding pensions, the Pensions Consultation Regulations dictate that these consultations must last for at least 60 days.

This consultation process is set out by the Pensions Consultation Regulations so differs from usual consultation (e.g. contract or redundancy).

Information (of the changes) must be in writing and given to affected employees before the start of the consultation and include:

- The listed changes with an explanation of the effect (or likely effect) on the scheme and its members;
- Any relevant background information;
- The timescale for introducing the changes (including the dates for submitting written comments/concerns etc); and
- Enabling members and their reps to study the proposals and give their views to the employee on the impact of the changes.

Set a consultation period and during that time, consider the written comments/concerns received before making a final decision on whether to make the change. If there are no comments raised at all, then the consultation is deemed complete.

COLLECTIVE CONSULTATION

Where no union recognition exists, collective consultation requires employee representatives. This process is usually done via elections, where affected employees can nominate and vote for competent colleagues to speak on behalf of the employee and where appropriate, challenge the schools' proposed changes.

The employee representatives should be provided guidance as to the role they are taking on and how they should communicate with employees they are speaking on behalf of. In most cases the proposed changes are likely to be emotive and all the representatives will be affected by any change and as such, are likely to be passionate about the topic. It is always advisable to speak to employee representatives about standards of communication and professionalism, before embarking on the consultation.

It is advisable that the senior leadership team does not take an active role in the consultation process and instead delegates this. Despite the obvious reason that they must run the school during these negotiations, they also need to keep the school going post the outcome. The governors of the school should be leading the changes and ensuring they are providing accurate information.

Where large volumes of employees are being consulted with, collective consultations do have their advantages. Rather than liaising with every employee from the outset and answering the same or similar questions repeatedly, schools can answer once. This generally triggers follow-up questions, which again can be answered in this group forum.

In most collective consultations, individual consultations do feature once the collective piece has been closed off. There are exceptions, such as Transfer of Undertaking and Protection of Employment (TUPE), where there is no obligation to consult individually. In the example of pensions, schools would have to speak to all employees to formally close the process off. Normally by this stage, the emotion has gone, and most employees have accepted the proposed changes and the necessity of such change.

EXPLAIN EVERYTHING

Before starting these consultations, it is advisable to make it obvious that the change is required and provide some supporting evidence. In the example of the TPS, this could be showing financial forecasts which demonstrate how severe the impact is: for example, a likely closure within five years. This will reinforce the seriousness of doing nothing and should encourage staff to agree to the proposed changes. If in doubt, take advice before starting.

Richard has worked in HR and management for over 20 years and advises organisations across multiple sectors in all aspects of HR management, from bespoke selection campaigns to developing corporate HR strategies for clients.



GOOD PLANNING AND PREPARATION WILL HELP MITIGATE THE IMPACT OF VAT ON YOUR SCHOOL

By Debbie Jennings, VAT Director, Moore Kingston Smith

The pandemic has seen a wide range of schools having to embrace significant changes in all areas of their operations and activities. A number of these changes could have a potential impact on their VAT position and schools need to consider taking action, both to manage potential risk and to take advantage of available opportunities to achieve efficiencies.

We have seen schools enter into arrangements, either formally or informally, to share staff and other resources. This could be a school providing back-office support to another school for its operational purposes or seconding a member of its staff for an agreed amount of time to cover a shortage or a need in the other school. The lending school may only be looking to make a straight cost recovery with no mark-up being applied, but even so, there could still be a liability to VAT on the arrangements.

A supply of staff is generally subject to VAT, unless it can be treated as a supply of 'education' or of goods/services closely related to education. Therefore, this could include the provision of teaching staff, or of certain resources which can clearly be seen as relating to the education of pupils. However, the provision of administrative staff or of general admin services are likely to fall within the scope of VAT. Of course, the use of joint employment contracts could remove the arrangements from the scope of VAT, but there are other points to consider before implementing these. It is therefore important that potential arrangements are properly scoped out at an early stage and the resultant VAT treatment is identified before anything is finalised.

PARTIAL EXEMPTION AND VAT RECOVERY

VAT partial exemption recovery methods vary depending on the activities carried out and the costs incurred. Under self-assessment, it is the responsibility of the taxpayer to apply the rules correctly and undertake the necessary calculations. The overarching requirement in this area, regardless of the method in place, is that it gives a fair and reasonable outcome. This is a practical assessment and should focus on how activities that are carried out, and income generated, 'use' and 'consume' VAT bearing costs (i.e., effectively applying a "cost of sales" test).

The standard partial exemption method calculates input tax recovery based on a comparison of turnover and is the default position. It does not require obtaining the permission of HMRC. Alternative methods of calculation are termed "special methods" and need to be formally agreed with HMRC in writing.

Helpfully, in March last year, HMRC issued a Revenue and Customs Brief, reference 4 (2021), acknowledging that the impact of the pandemic may have resulted in taxable income declining for partially exempt businesses, for example, because the lettings of school facilities cannot take place, etc.

In this brief, HMRC invited those taxpayers who have been adversely affected in this way to apply for a temporary change in their partial exemption methods, using representative taxable income to calculate their VAT recovery and therefore reinstating the recovery rate that was in place prior to the pandemic. The application needs to be evidenced and supported, and a declaration provided to HMRC that the temporary amended partial exemption method gives a fair and reasonable result. That is, taking into account the pandemic has resulted in circumstances that are outside of the taxpayer's control.

VAT can be a complex area and operates as a self-assessed tax. As the effects of Brexit continue, we expect changes to the VAT regime will start to filter through in the years to come, as the UK will be able to make its own VAT rules and not be bound by the overarching rules that are enacted by the EU. However, with timely planning and preparation, there are opportunities to mitigate the impact of VAT on schools.

Debbie is a VAT Director at Moore Kingston Smith and has over 25 years' experience in VAT consultancy across a range of sectors. She has particular expertise in advising the nonprofit sector and is a member of the Chartered Institute of Tax.



WHAT TO THINK ABOUT WHEN PLANNING TO SELL YOUR SCHOOL

By John Cowie, Partner and Dan Leaman, Director, Moore Kingston Smith Corporate Finance

2021 was a busy year for mergers and acquisitions in the education space. Our Corporate Finance team were engaged on five education transactions throughout the year and are continuing to advise several school owners preparing for sale this year. We expect the momentum to continue as schools look for greater financial certainty in a group environment.

If you are thinking of merging or acquiring a school, we have put together our top tips for how to avoid the common pitfalls:

1. **Have all your information ready** – buyers will need to review three years' worth of historical financial information together with data on your pipeline, debtors, deposits, cash flow, budgets, capex, governance, reporting, safeguarding, contracts and much more. Ensuring you have this information easily to hand, reconciled, complete and accurate will avoid delays and the loss of momentum for any transaction.
2. **Forecast accurately** – this is essential for maximising outcomes from a sale process as buyers are purchasing the future, not the past. Consider your school's pupil cascade, as well as your pipeline and past trends so that buyers are comfortable with the likely future results.
3. **Be mindful of any change of control provisions in your contracts with parents** – buyers may be concerned if the sale of the school gives parents freedom to take their child out without notice.
4. **Be honest about the state of your school building** – school buildings are often the biggest asset on your balance sheet and buyers will almost always undertake detailed surveys to confirm the state of repair and capex requirements post-acquisition. Ensuring that your planned maintenance pre-sale is adequate and any required remediation works are disclosed upfront will avoid renegotiations later in the process.
5. **Have the correct planning permissions** – checking your school is registered under the correct planning use class and that planning permission has been obtained for any previous works saves delays later.
6. **Don't forget about deposits and payments in advance** – we often see schools with long-term payments for fees in advance and deposits on their balance sheets. While these undoubtedly provided a cash flow benefit at the time they were collected, understanding that these are now a liability is important. If these funds have not been kept ringfenced for future cash flow requirements, buyers will take this into account in any valuation.
7. **Stay on top of your costs** – we often find that schools are not on top of all their costs as well as they could be, which can damage profitability. Ensuring robust procurement of services is a priority and will also help you maximise pre-sale profitability and valuation.

8. **Consider the real benefit of offering the Teachers' Pension Scheme (TPS)** – a number of independent schools continue to offer the TPS to teaching staff. With an employers' contribution of 23.68% on top of your largest expense of salaries, this is a significant cost to the business which can reduce profitability. Many schools have successfully reduced this cost through consultation with staff for an alternative pension provision arrangement without materially impacting staff retention. For school owners looking to maximise profitability and sale valuation, proper consideration of the actual benefit of the TPS to schools is essential.
9. **Bear the Charitable Rates relief in mind** – 2021 saw a number of charitable schools struggling and looking for new investors. If you are considering this path, be aware that if a school becomes a 'For Profit' organisation when it was previously a charity, the loss of charitable status will result in an increase to your property costs as rates relief is lost.
10. **Take advice on contracts for staff who are paid as consultants** – ensure such individuals don't fall to be treated as employees in the eyes of the law. For example, there could be implications for national insurance, holiday pay and maternity pay which a buyer will expect to be indemnified against.
11. **Keep an eye on accommodation arrangements for staff** – staff may have enduring rights to use school accommodation which could limit a buyer's options and affect the price offered.

“Stay on top of your costs – we often find that schools are not on top of all their costs as well as they could be, which can damage profitability.”

Having completed over 500 transactions, including 57 in 2021, our team of corporate finance experts has successfully navigated even the most complex of situations for our clients.

John has a particular focus on the independent school sector. He has bought and sold many schools on behalf of his clients and understands what buyers are looking for and what can go wrong when owners choose to sell. He is known for his strong negotiation skills and places great importance on generating trusted relationships with his clients.

Dan advises clients on strategy, acquisitions, sales, MBOs and fundraising. He has over 12 years' experience in mergers and acquisitions and eight years' experience in business as a COO/CFO. Dan always starts with understanding clients' businesses and aspirations and then develops strategies to work collaboratively to deliver their goals and maximise returns.



PROTECTING YOUR DATA: TRUTH OR DARE?

By Benn Davis, Managing Director, Moore ClearComm

It's a serious question. Do you know the truth about how your school has taken action to mitigate a cyber attack or data breach, or do you dare ask?

The National Cyber Security Breaches Survey 2021 published by Gov.UK reveals that 38% of UK businesses reported a cyber attack, whilst in comparison, the figure for secondary schools was a staggering 58%.

The truth is your school will likely experience a cyber attack or data breach, even if it's not tomorrow or even next month. So, it is essential that you understand the nature of this threat and the potential for ransomware to cause considerable damage to your school in terms of lost 'sensitive' data and access to critical services.

Uncovering the truth can sometimes be very difficult. Your school will rely on your supply chain to support your organisation regarding your financial and school management software. What due diligence have you carried out?

Cyber attacks and breaches are a common theme through supply chain activity, enabling hackers to operate in stealth mode and silently enter your networks through the connectivity of the software and into your systems.

The fundamental question that must be asked is, "Have you carried out your due diligence on your supply chain?"

Rather than discuss statistics, Moore ClearComm prefers to give a practical overview on how to review your risk and help you understand the risks you face that are outside of your control. Rather than daring to ignore the threat, they will uncover the truth.

More information can be found on the Moore ClearComm website www.mooreclear.com/.

Benn Davis is a Data Privacy and Cyber Security industry professional who successfully develops strategic relationships with clients, developing and implementing Data Privacy and Cyber Security strategies to ensure successful outcomes for clients and the team.

Benn's experience has been specifically in delivering Data Privacy, Cyber and Information Security advice into the nonprofit sector working tirelessly to help deliver practical compliance frameworks.

USING EDUCATION TECHNOLOGY TO ADDRESS KEY CHALLENGES AND PRIORITIES IN THE EDUCATION SECTOR

By Tarini Aurora, Managing Consultant, Digital Analytics, Moore Kingston Smith

Advancement in technology has given rise to a multitude of possibilities and the global Covid pandemic has accelerated digital disruption across all sectors, including education.

Education Technology (edtech) refers to the use of digital solutions in the education sector that aim to enhance the educational experience and support a digital learning, research and dissemination environment. It is having a huge impact on traditional learning practices and teaching methods and redefining them in line with the contemporary needs of today.

Effective use of digital technologies in the sector can be beneficial to everyone involved, from students to teachers and administrators. There is a wide range of technological applications that can transform an educational institution and help build competitive advantage. These are crucial not only for survival, but also for institutions to thrive in a challenging and competitive environment.

“Advancement in technology has given rise to a multitude of possibilities and the global Covid pandemic has accelerated digital disruption across all sectors, including education.”

TACKLING TOP CHALLENGES WITH TECHNOLOGY-ENABLED SOLUTIONS

1. Financial constraint triggered by multiple contributing factors

One of the top challenges is the financial constraint resulting from the recent rise in running costs (including increases in employer's contributions to the Teachers' Pension Scheme and higher national insurance contributions) while balancing educational fees at a time when parents are also dealing with high inflation rates and soaring energy prices. Educational institutions must therefore look to improve the operational efficiency and effectiveness of their work to minimise their cost base and improve their financial standing. Undertaking process reviews of administrative functions to re-engineer and streamline them can potentially deliver quick wins for the team and help identify high-impact areas for digital transformation.

There are various cases of deploying digital solutions in the administrative realm, for example:

- **Digitising admissions and applications**
As part of the admissions and application process, artificial intelligence (AI) chatbots can be deployed to handle standard queries and provide 24/7 assistance. Paper-based application forms can be

easily digitised with on-the-go solutions, such as mobile scanning.

- **Data reporting and analytics**
Data management solutions can support with time-consuming management information system updates and with the reporting of covering information that may cover such data as pupil attendance and performance. Moreover, overlaying data analytics can provide actionable insights and enable or improve data-driven decision-making.
- **Smart inventory management**
Use of smart inventory management systems can help staff monitor school supplies in real-time and proactively handle re-ordering to replenish stock levels.
- **Automating simple administrative tasks**
Automation capabilities can be leveraged for simple administrative tasks such as sending email reminders for fee collection. Setting up automatic email reminders to be sent on pre-set timelines can help reduce the workload.

All these solutions would help free up valuable time for the administrative team and allow them to focus more on what matters most - students and education.

2. Delivering 'quality-first' teaching and learning in the new normal

A key aspect on the agenda of educators is to ensure 'quality-first' teaching and learning is delivered. The global pandemic has challenged the traditional education model and there is now a need to have a more adaptable education model.

We already see the emergence of 'flipped' classrooms wherein students navigate through the curriculum sitting at home via online lectures and use the classrooms to have more engaging discussions and collaborative learning experiences. This has helped foster close collaboration and deeper learning as students actively participate in classrooms.

There are many more opportunities to use edtech to improve students' learning experiences and embed 'quality-first' in the education model, for example:

- **Personalised learning experience**
Machine learning can be leveraged to drive flexible and personalised learning experiences for students instead of a 'one-size-fits-all' approach. Each person has a different style and pace of learning that can be supported using digital solutions.
- **Data-driven specialised learning**
Big data and analytics can play an important role in driving data-driven improvements, as it can help measure a student's learning progress and identify key learning patterns. This learning data can provide valuable insights about the student's strengths and development areas, allowing teachers to design specialised learning plans and implement intervention protocols as needed.
- **Optimisation of teachers' focus**
AI tools can be leveraged to support teachers with their laborious administrative tasks, allowing them to spend more quality time with students. An example of this is automatic marking of exams, especially where the testing is of an objective nature, such as fill-in-the-blanks or multiple-choice questions.

- **All-in-one classroom management tools**

Comprehensive classroom management tools enable teachers to assign homework, manage multiple classes, personalise learning, and even communicate with parents, all on one platform.

3. **Investing in long-term digital strategies to future-proof educational institutions**

The advantages of edtech in the typical classroom are significant, and educational leaders should look to invest in longer-term strategies that would future-proof their institution. With growing competition, educational institutions are being pressed to enhance the value they deliver to continue attracting parents and their hard-earned money.

As an impact of the global pandemic, we have already seen the emergence of digital classrooms with interconnected devices and cloud-enabled solutions that enable real-time communication, collaboration and access to online lectures/material. These can be further supplemented with smart technological tools to enhance the educational experience, for example:

- **Interactive educational content**

Building learning platforms that leverage audio-visual interactive presentations and gamification of educational programmes can help stimulate students and capture their attention for longer periods. Sentiment-analysis engines can be embedded to assess student engagement levels and provide actionable insight to maximise classroom interaction.

- **Blended learning environment**

Adopting 'phygital' tools that combine the physical and digital environment (such as interactive smart boards) can revolutionise hybrid teaching and foster inclusivity with remote learners. This may even help revive lost revenue streams from international students who are geographically dispersed.

- **Learner-centred experience**

Applying design thinking methodology can help administrators focus on learner-centred education and enhance the end-to-end student experience, from application and admissions to graduation and future opportunities. Mapping out the student journey and understanding the pains and gains could open a plethora of options to re-imagine their experiences and further enhance learning outcomes.

- **Immersive learning experience**

Looking further into the future, virtual reality (VR) and augmented reality (AR) technologies will undoubtedly offer opportunities to facilitate immersive learning experiences. Specialised VR headsets can enable students to interact with computer-simulated environments and learn by doing, such as exploring 3D models of the human body or visiting historical heritage sites. AR can be useful to animate educational content for ease of comprehension, especially for difficult concepts like those in physics and chemistry.

The technology behind VR and AR is moving at an astonishing rate and these will start to become a viable option for educators in the next five years.

CONCLUSION

Edtech has disrupted the educational ecosystem and will continue to do so as further technological advancements are made. Even learner needs and preferences have evolved in the new normal and it has become more important than ever for educational institutions to adapt, adopt and advance in the digital age.

Edtech offers multiple benefits, including increased access, ease of collaboration and wider communication to promote overall quality of education. It has the potential to enable better learning outcomes, improve student performance and, in turn, school rankings. The role of data and insight in the education realm can have far-reaching and impactful outcomes for all - students, teachers and administrators.

Educational leadership teams must be at the forefront of this to leverage learning innovation and ensure educators of today are well-equipped to provide 'quality-first' teaching to the bright minds of tomorrow.

Tarini has strong experience in optimising business processes and driving digital transformation in the banking and financial services industry. She is adept at leading clients through their transformative journey by using a blend of lean six sigma, design thinking and automation tools.

She is seen as a trusted partner who helps clients solve complex problems and unlock their digital potential.

Tarini is a certified green-belt design thinking practitioner and her most recent certification is in cloud solutions from Amazon Web Services.





NEWS IN BRIEF

IMPORTANT VAT UPDATE! GOVERNMENT DELAYS NEW VAT PENALTY REGIME FROM APRIL 2022 TO 1 JAN 2023

HMRC has announced that further reforms to the VAT penalty regime (to bring it in line with the other major taxes) has been delayed by nine months until 1 January 2023. The reason is 'uncompleted IT upgrades' and the delay will give HMRC more time to make the necessary changes.

HMRC plans to introduce new reforms to the new VAT penalty and interest regime for late returns and payments. The reforms will harmonise the rules between VAT and income tax self-assessment to make the regime more coherent. The new penalty system will replace the existing single VAT default surcharge that applies to late VAT filing and late payments. www.mooreks.co.uk/vat-update/.

TAX FACTS 2022/23

Your online guide to UK tax rates for 2022/23. www.mooreks.co.uk/insights/tax-facts-2022-23/.

2022 EVENTS PROGRAMME

Our events programme covers a wide range of topics to guide and inform you on the latest issues. You will also find past recordings of previous webinars. www.mooreks.co.uk/ks-events/.

FINANCE LEADERS' FORUM

A Moore Kingston Smith community for senior finance executives. We focus on the common business challenges, both current and future, facing senior finance executives. www.mooreks.co.uk/hubs/finance-leaders-forum/.

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Bringing you practical and effective guidance on the challenges we see businesses facing right now. www.mooreks.co.uk/hubs/business-doctor/.

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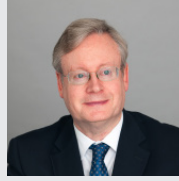
For all education related news and insights, please visit our website www.mks.co.uk/education.

If you are interested in any of the articles published in this newsletter, please contact Anjali Kothari directly at akothari@mks.co.uk.

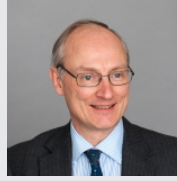
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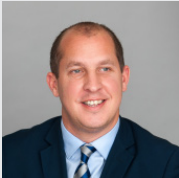
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