

## Using Perspective Lite as a component of income generating traded services with schools

### Background

Perspective Lite is provided to all members of NCER as part of the membership subscription. Many LA already use Perspective Lite as a key part of their offering to schools, but as budgets become tighter and there are more requirements to generate income more LA may find charging is an additional requirement placed upon them whether they are current Perspective Lite users or not.

This paper will look both at how Perspective Lite saves an LA money but also how it can help generate traded income by delivering a product of benefit to your schools. What follows is a personal perspective – no pun intended – based on real experience and LAs should *always* make the decisions that reflect the circumstances for them and their schools.

### Foundation of any offering

It is important to note that no system operates in isolation and your schools will not value Perspective Lite without confidence in your overall offering or if they are not receiving the support that they feel that they need. For this reason, an important part of trading with schools is to ensure that you continue to support their wider needs. And from the LA point of view, every opportunity to make contact with schools and demonstrate the value of your traded service is a 'sales opportunity' (though it shouldn't appear so to your schools).

Practically, this means that providing training on Perspective Lite is important but not just once or even once a year. Throughout the academic year you will have new headteachers and leadership joining schools. Even where it is an interim arrangement, some of those leaders will be end up having to make the decision on whether to buy into your traded service and they won't necessarily wish to do so if they missed the one opportunity for training in the year or haven't had an opportunity to see the system before making their decision. As school leaders see the value and widen the pool of colleagues within the school using the system more of them will require training. Providing a couple of training opportunities over the year – and promoting them to new heads and leaders – will likely pay dividends in terms of your traded service sign up.

The worst thing you can do is rely on training delivered when Perspective Lite was initially rolled out – which was potentially several years in the past. It's not so uncommon for 10+% of primary school leaders to change over (and between) academic years and so in just a few years you may stand to lose a substantial portion of your initial customers. This training is even more important now with the addition of Analysis (Insight) to Perspective Lite, which even those who attended training in the past may not have seen.

## Treating schools fairly/equally when it comes to pricing

There are many models for pricing a traded service and it will be up to you and your LA how much income you feel you need to generate and also what you think your schools will be willing to pay.

That said, I would argue that there is a public service imperative running alongside the need to generate income. If you can make your target income by having *more* schools signed up by charging *less*, then that is intrinsically a good thing. Some of your larger primary and secondary schools might be able to pay very high costs and even sustain a traded service on their own, but if you exclude 50% of your schools through high costs that public service imperative is failed. You are also that much more vulnerable when any of that smaller group of schools don't sign up or have a change in their circumstances.

Setting your costs is a very important decision. You really have an opportunity to do this *once* at launch. While you could increase costs yearly for inflation (for example) it's very difficult to relaunch a traded service at substantially higher cost per school without losing customers (and looking slightly foolish). And if you go with too expensive a price initially then you risk lower sign up and failure in your launch efforts.

The balance – for your schools and the LA – is very important. For this reason understanding the context of your schools and modelling the costs you are thinking of applying at a school level (rather than based on geography, clusters or all LA) is very important. School Improvement colleagues may also be able to advise on which schools they feel will be less likely to sign up – helping your modelling – and it's important to have them on board so they can be aware of the offering of what their schools are accessing.

The large majority of school leaders *do* understand the need for services that they value to generate income in the face of cuts, but you should also consider that school leaders do talk to each other – especially in the primary phase – and if they (or one influential leader) feels that the LA is mishandling traded services and are trying to transfer too much cost to them (in the face of their own budget pressures) that message can get around the schools, damage relationships and dent confidence.

On that topic here are a few of the models you can consider in terms of charging models:

- **Flat (nominal) fee** – I've seen this used in a large authority where some contribution was expected but full cost recovery was not required. This may just be enough to cover NCER Subscription (for example). Resource savings in using Nexus rather than generating home-grown analysis can also contribute to the 'income' as officers are freed up to do other work. Most schools probably will not object to this if the fee is small enough though you will want to consider whether the fee exceeds the cost of collection and whether that is sustainable long term
- **Flat (substantial) fee** – I've seen this used in some LA for the sake of simplicity and where the line is 'a school is a school'. Unfortunately this model (for primary schools) ignores the ability to pay. Asking a small school with 120

pupils on roll to pay the same high fee as a large 700 pupil primary will prove both unpopular and limiting in my experience (though your LA may take a market driven approach to this and decide that as long as the income is sufficient that is okay.) If you don't have small schools in your LA, this may also work better than where there is a wider spread of school sizes

- **Formula linked to ability to pay** – Most school income is linked to the number of pupils they have and therefore a charge based on ability to pay is equitable (though you still need to set a per pupil charge)
  - PRO – Schools can see exactly what they have to pay, why and it is completely equitable
  - CON – the very smallest schools in some LA may have a very small contribution, barely worth collecting
- **Hybrid** of flat fee element and element linked to funding – you could take the position that, regardless of the size of the school – there is an amount of cost and resource that is required for any school which you could charge a flat (fairly nominal) fee for, but then top that up with a per pupil element. In this scenario you will want to ensure you model the cost for ALL of your schools and look at the largest, the smallest and those down the middle to make a determination what levels are fairest and will attract the most sign-ups while covering your costs. Also ensure that you only include pupils of statutory school age (in the primary phase).
- **Bundles** – many LA operate a model where they offer Perspective Lite, FFT and other services as part of a bundle or where the school can opt for a Gold/Silver/Bronze type menu. This has the advantage of potentially masking some inequity in the Perspective Lite element (mentioned above) but potentially – for example in the case of bulk bought subscriptions – exposes the LA to some risk of having to meet the costs of the bulk subscriptions if the schools do not ultimately want them. Offers other than Perspective Lite go beyond the scope of this payment, but I would advise that LA should always protect themselves by careful modelling not only of income but also the potential risks in lower take-up levels or losing schools who pay the largest amounts into the service. In some circumstances your traded service could even end up making a loss

**NOTE OF CAUTION:** It can be tempting – either for simplicity or to match other council services – to 'band' schools so that, for example, less than 150 pupils is X cost, 151 to 300 pupils is Y cost. I've seen this attempted as a Council mandate applied to all services and the schools reacted badly when they worked out that the schools just to each side of the boundaries were paying completely different amounts for the sake of 1 pupil on the January census (and a pupil that may subsequently have left). If you are going to factor in pupil numbers/ability to pay at all, then I would encourage you to look to use a per pupil formula rather than banding. Or if you are obliged to use banding, ensure you model this and check what happens along the boundaries of each band. Once again, this is where school leaders talk with each other and the reputation of the service can be negatively affected before users even get into the system. My experience here is that banding offers few benefits but exposes the LA to some reputational risks.

## Resource requirements and savings

There is always a tendency to 'bank' resource savings in a given year and forget about them into the future in favour of requiring cash income. However, it should be noted that Nexus and Perspective Lite will save most LA substantial amounts of time and effort compared to building, maintaining (and amending each year for new requirements) an in-house reporting system that is also accessible to schools. These are savings that will be realised year in and year out.

As Nexus and Perspective Lite make use of imports from schools, the LA and the DfE with all necessary amendments and maintenance taking place centrally. The resource overheads of generating the reporting offering is minimal. My experience in the most recent year was that I was spending less than 10 days a year doing everything required to run a Traded Service offering:

- Importing data, census, pupil premium etc
- Running 3+ training courses a year
- Traded service administration and cost modelling
- Local system administration (schools information etc) and support

This was based on a largely self-service model (Analysis Insight and Reporting Nova) for school users rather than producing batch reporting etc for them which could add some additional days, but certainly not as much as creating and maintaining your own reporting systems.

At least in the first year of trading, if Perspective Lite was not the core of the offering previously, you should ensure that the resource savings are considered, especially if traded income was paying for roles in the service and resources can now be used for other activity.

## Controls available to the LA through Nexus

The Local Authority has the ability to limit what schools in their LA see in Perspective. This is chiefly based on availability of different areas/years of data but also which pages of Insight (known to schools as 'Analysis Insight') they can view and for which year.

The detail of how to handle these controls is beyond the remit of this paper, but it can be actioned by using Perspective Services in the Nexus Admin menu.

There are two high level purposes for making use of these controls in a traded service context:

- Switching off access for schools who decline to sign up to the traded service (you will want to ensure this is done before the main season of assessment reporting)
- Switching off data that you consider not yet ready to release to schools (for example where the emerging national average is not complete) or where you wish to limit access to functionality until able to provide training or additional documentation

The most important of these is clearly switching off schools that are not signed up. If schools are – inadvertently – allowed to access even where they have not signed up then the LA is clearly losing income. One of the main reasons schools will continue to sign up after the initial traded service offer has been made is because they realise

– usually once results are becoming available – that they can't access functionality they *do* want and had simply forgotten to respond (or misunderstood the offer).

For this reason you should be clear with schools that they will lose access to Perspective Lite (if they already had it) if they fail to sign up to the traded service offering for the coming/current year. In the first year of transitioning to Perspective Lite, you should be just as clear that your previous offering will cease to be supported/offered.

As mentioned, you should expect that several schools will approach you after the fact (and particularly if they change leaders and you ensure new leaders are aware of the offer) to switch Perspective Lite on. How you handle that in terms of charging for a partial year is up to you, but for simplicity I have always charged the full annual amount.

### Consulting with schools

LAs will understandably want to consult with school leaders to determine what they want. My experience is that very often you will get more clarity by *offering* leaders – who have many other things on their mind – specific capability (for example Perspective Lite) and asking them to advise what *else* they may need. While this may sound less collaborative, it reflects one of the key advantages of using Perspective Lite - reduced resource requirements. If you open it up to schools to ask for everything they want **before** demonstrating what they can have through Perspective Lite, they may well ask for exactly what they've had from your service previously – at unsustainable resource costs in many cases. Let the system capabilities sell themselves and be the foundation for your offering.

### A note on Perspective vs Perspective Lite

Perspective Lite is referred to throughout this paper, but there is a paid for version with additional functionality called Perspective that is provided by Angel Solutions, the supplier. For the purposes of the paper, these are interchangeable. The LA still has control of certain functionality and data that originates with the LA, but the school also has access to functionality through agreement with the supplier that the LA cannot manage. In practice most users of 'full' Perspective will already be benefiting from LA provided data and analysis so there shouldn't be issues based on which version schools are using but it's just something to be aware of in your communications with schools.

---

### About the author

Paul Caladine is NCER's Technical Support Director and current Kirklees Local Authority employee. He has held roles in three Local Authorities relating to Children's Services, implemented Perspective Lite as a traded offering in two of those (one a large city and the other a small metropolitan borough council) and advised/consulted with several other Local Authorities across England on the subject in the course of work for NCER.

### Contact

If you have any further queries, please contact [pcaladinencer@icloud.com](mailto:pcaladinencer@icloud.com)