The funding outlook

But...
Horizon Scanning

Nick Gibb, Schools Minister has admitted that all areas of education need more funding (TES 3 April reporting Ed Select Committee)

Tom Goldman (DfE funding policy unit) has said at the Schools and Academies Show that budgets ‘not generous’ and ‘real pressure’ to face

Grants for cost pressures – pay, pensions, ‘little extras’

Comprehensive spending review
Role of the School Business Professional

• Face the ‘real pressures’
• Know and analyse the budget in depth
• Look for ways to reduce expenditure
• Look for ways to maximise income
Financial Governance

Overview of Financial Governance

Financial Oversight
Trustees and managers must have the skills, knowledge and experience to run the academy trust.

Financial planning, monitoring and reporting
The academy trust must prepare and monitor financial plans to ensure ongoing financial health.

Internal control
The academy trust must have in place sound internal control, risk management and assurance processes.

Internal scrutiny
The trust must have in place a process for checking its financial systems, controls, transactions and risks.

https://www.gov.uk/guidance/schools-financial-efficiency-top-10-planning-checks-for-governors
The wider context: drivers of efficiency in schools

Maximising the use of resources to drive up pupil outcomes.

- Financial planning which is based on delivering educational outcomes and is not a separate bolt-on consideration.
- Strategic financial planning for the longer term (3-5 years).
- The effective and efficient deployment of staff.
- Reduced spend on non-staff costs.
- Robust challenge from financially skilled governors and head teachers.
- Skilled staff responsible for managing finances.
- Transparent financial systems and process, which encourage constructive challenge within and between schools.
Integrated planning (curriculum & financial) is at the heart of what we regard as good in terms of school resource management

**Efficiency themes**

- An approach to financial planning which is based on delivering educational outcomes and not treated as separate exercises.
- Strategic financial planning for the longer term (3-5 years).
- Whole-team discussions about curriculum, including school business professionals.
- Decision-making informed by key metrics to ensure effective and efficient deployment of staff.
- Re-iterate the process to secure a broad curriculum that is affordable.
- Robust challenge from financially skilled governors/trustees.
- Transparent financial systems and process, which encourage constructive challenge within and between schools.

**What does this look like / key data**

- Educational outcomes / benchmarking
  - Position on efficiency metric
  - Use of curriculum planning tools
  - 3-5 year budget projections, including use of projected pupil numbers
  - Costed & prioritised school improvement plan

- Staff Contact Time (0.78 – ASCL guide)
  - Average class size
  - Average teacher cost
  - Proportion of budget spent on teachers (50-60%) / other staff (70-80%)
  - Benchmarking to compare against other schools in similar circumstances

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  - Engagement in peer-to-peer support
  - Efficiency self-assessments
# Primary Metrics

<table>
<thead>
<tr>
<th>Primary Metrics</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of expenditure on leadership</td>
<td>A high proportion of spend on leadership indicates a top-heavy leadership structure.</td>
</tr>
<tr>
<td>Average teacher cost</td>
<td>High average teacher cost indicates top-heavy staffing structure and questions about succession-planning.</td>
</tr>
<tr>
<td>Pupil Teacher Ratio or Pupil Adult Ratio</td>
<td>For primaries, this will be more meaningful than average class size or TCR.</td>
</tr>
<tr>
<td>% of expenditure on support staff</td>
<td>A high proportion of spend on support staff indicates that they may not be being deployed to maximum effect.</td>
</tr>
<tr>
<td>Pupil number projections</td>
<td>Helps to understand how effectively school/trust is planning ahead and longer term viability.</td>
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# Secondary Metrics

<table>
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<tr>
<td>Average class size</td>
<td>A low contact ratio or average class size, compared to benchmarks, indicates an inefficient staffing structure – including large SLT, or wide use of TLRs.</td>
</tr>
<tr>
<td>[benchmark 1:27]</td>
<td></td>
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<tr>
<td>Teacher contact ratio [ASCL guide = 0.78]</td>
<td>High average teacher cost indicates top-heavy staffing structure and questions about succession-planning.</td>
</tr>
<tr>
<td>Average Teacher Cost</td>
<td></td>
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<tr>
<td>Class size variation - the % of classes that run at below or above average class size (sometimes known as ‘curriculum bonus’)</td>
<td>A high figure may mean that the school is running too broad a curriculum and / or with too many small class sizes.</td>
</tr>
<tr>
<td>% of expenditure on teaching staff</td>
<td>Triangulate with average teacher cost and contact ratio to understand size and structure of SLT</td>
</tr>
<tr>
<td>SLT as a proportion of workforce</td>
<td>If high, could indicate large SLT and/or inefficient use of teacher time (investigate TLR policy).</td>
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Role of the School Business Professional

• Face the ‘real pressures’
• Know and analyse the budget in depth
• Look for ways to reduce expenditure
• Look for ways to maximise income
• Presenting difficult messages