



Education & Skills
Funding Agency



Department
for Education

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Academies & Maintained Schools Group



School Resource Management



Intervention



Customer Interactions



Funding and the
National Funding
Formula (NFF)

“A trusted partner that helps schools realise financial health, supporting the provision of excellent education.”

North: Financial management in this region is generally sound.

- There are 205 academy trusts in the North – 77 SATs and 128 MATs
- There are currently 2 live FNtl cases in the North



The overall outlook for schools funding

- In July 2017 we announced an additional £1.3bn for schools and high needs across 2018-19 and 2019-20, in addition to the schools budget set at Spending Review 2015. This means funding per pupil for schools and high needs will be maintained in real terms for the next two years.
- And following our announcement in September 2017, for the first time, under the national funding formula, school funding will be distributed based on the individual needs and characteristics of every school in the country.
- Of course, whilst the way schools are funded is important, it is also vital that schools themselves continue to get the best value from their resources, to improve pupil outcomes and promote social mobility.



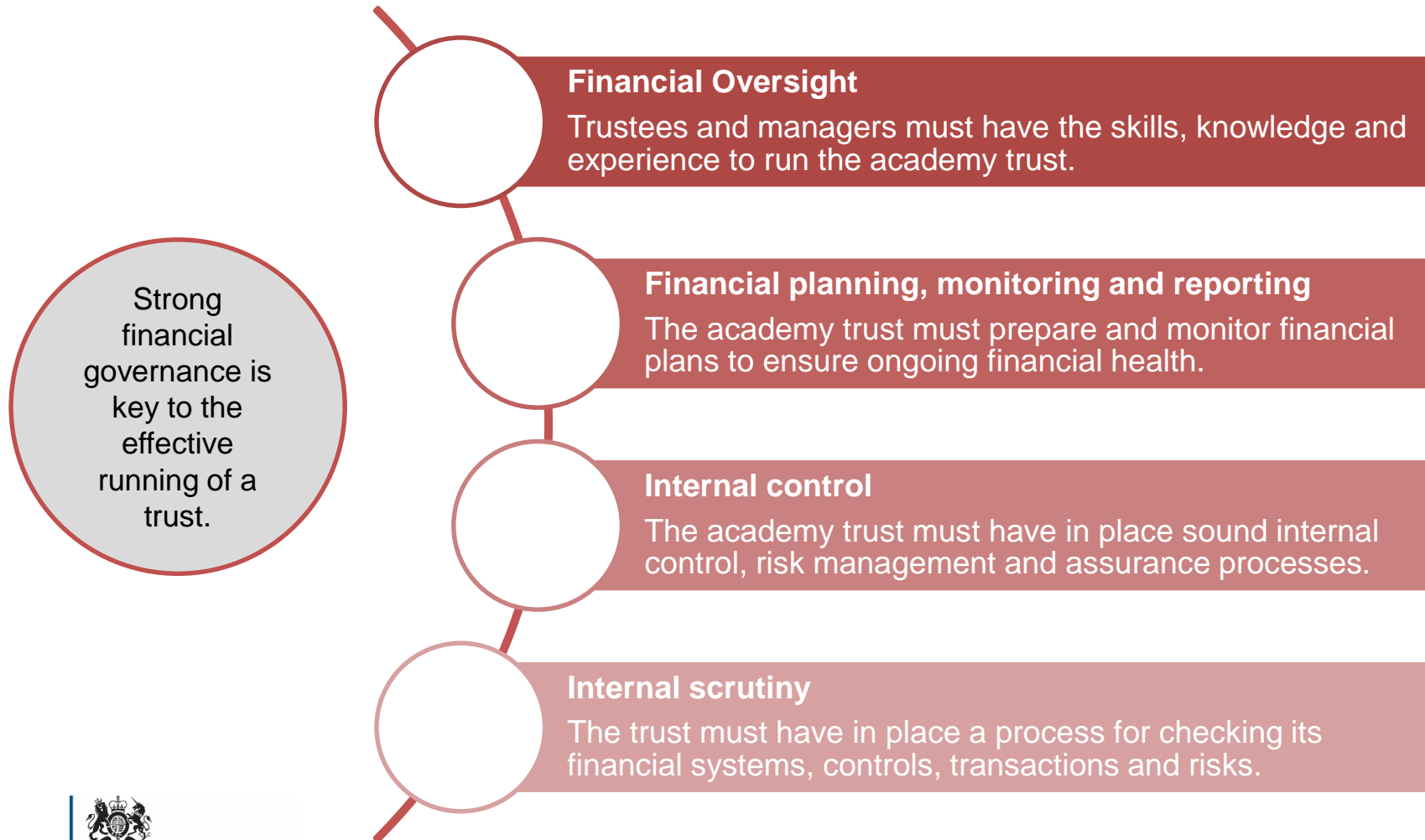
Trust financial health – when things go wrong/right

Leadership and governance

School resource management

Benchmarking, guidance, and peer support

Leadership and governance: Overview of Financial Governance



Leadership and governance: Accountability and Challenge

Top Ten Planning Checks

1. Staff pay as % of total expenditure
2. Average teacher cost
3. Pupil to teacher ration (PTR)
4. Class sizes
5. Teacher contact ratio
6. Proportion of budget spent on the leadership team
7. 3 – 5 year budget projections
8. Spend per pupil for non-pay expenditure lines compared with similar schools
9. School improvement plan priorities and the relative cost of options
10. List of contracts with costs and renewal dates

<https://www.gov.uk/guidance/schools-financial-efficiency-top-10-planning-checks-for-governors>

Evidence to Consider: Key Themes

1. Context – pupil numbers, academies
2. Attainment and Progress – education outcomes
3. Quality assurance – ofsted judgements, audit ratings
4. Attendance and exclusions
5. Safeguarding and well-being – accidents, health and safety
6. Staff & class sizes – staff numbers, ratios, staff views, HR
7. Parents and community – parent + pupil views, complaints
8. Financial health and school efficiency – capital, long-term planning, school improvement, schedule of contracts
9. Compliance and governance – vacancies, skills shortages, compliance



Excellent school resource management

We already provide support, guidance and tools to help schools make the most of their resources to improve pupil outcomes and social mobility, and we want to go further in providing this support.

Across the System as a Whole			
Transform the funding system Improve the infrastructure of the school estate Support partnership working between schools			
School-Level Support			
Areas of spend	Help schools to get the best value from their non-staff expenditure	Support schools in managing their workforce	
Cross cutting	Improve data and the transparency of information	Continue to develop schools' capability for effective financial management	Provide hands-on support to schools at risk



Excellent school resource management - key elements that support good financial health

- 1. Education-based financial planning – based on delivering educational outcomes and not a separate bolt-on consideration**
- 2. Strategic financial planning for the longer term (3-5 years)**
- 3. Effective and efficient deployment of staff**
- 4. Limited spend on back office and procurement**
- 5. Robust challenge from financially skilled governors and headteachers**
- 6. Skilled staff responsible for managing finances**
- 7. Transparent financial systems and processes that encourage constructive challenge**



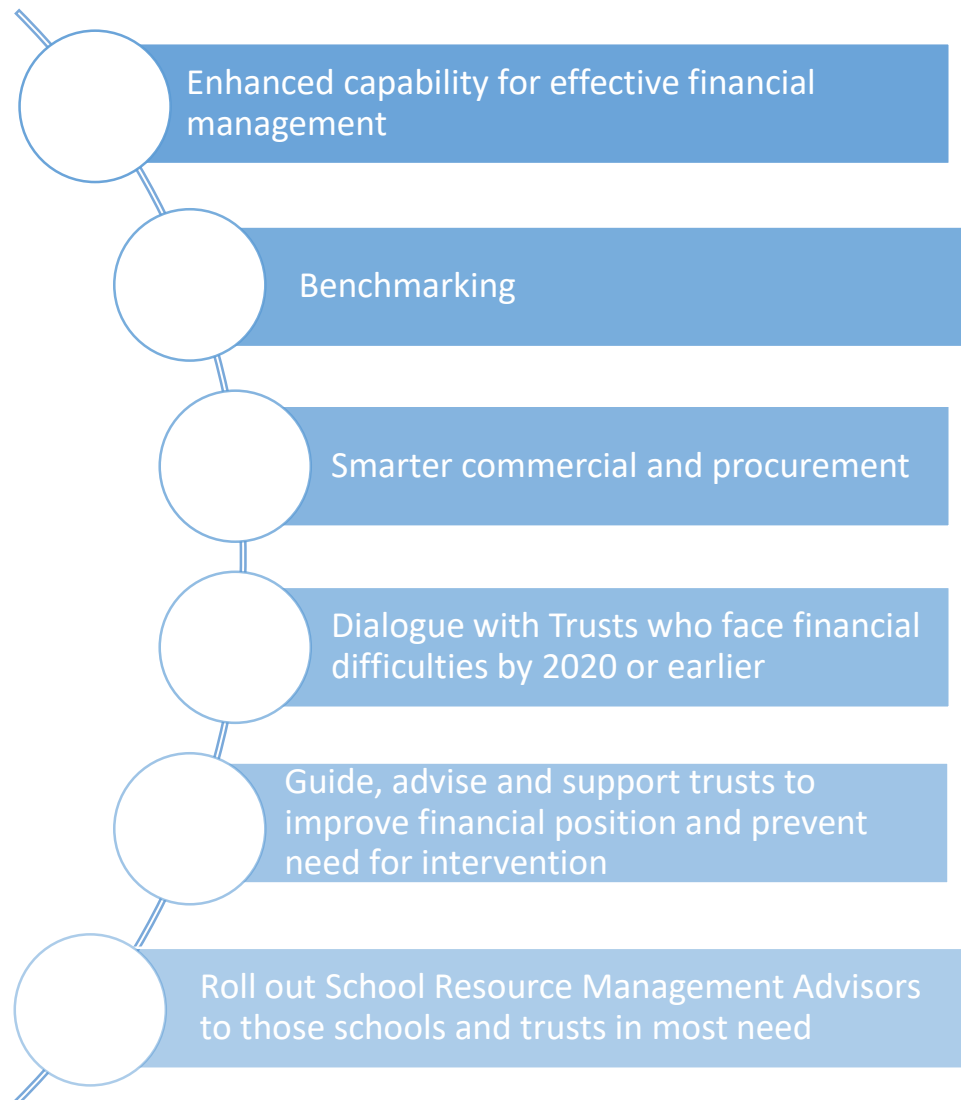
Working with the sector: a proactive approach

The ESFA will move away from a reactive approach to assisting trusts with financial problems.

A more proactive strategy will see ESFA using cumulative balances and pupil number trends to forecast ahead, and begin an early dialogue with trusts that may need support

The aim of this strategy is to:

- engage with trusts at the earliest opportunity
- collaborate with trusts to mitigate potential financial risk
- reduce the need for intervention at a later date.



Integrated curriculum and financial planning

ICFP is a data-driven approach to planning a school's staffing structure, which involves:

- Establishing a strategic plan looking several years ahead
- Identifying a curriculum to meet pupils' needs based on pupil data
- Refining this through whole-team discussion, including business professionals
- **Making decisions that are informed by key data/metrics**
- Benchmarking these against schools in similar circumstances
- Re-iterating until there's a good curriculum that's affordable

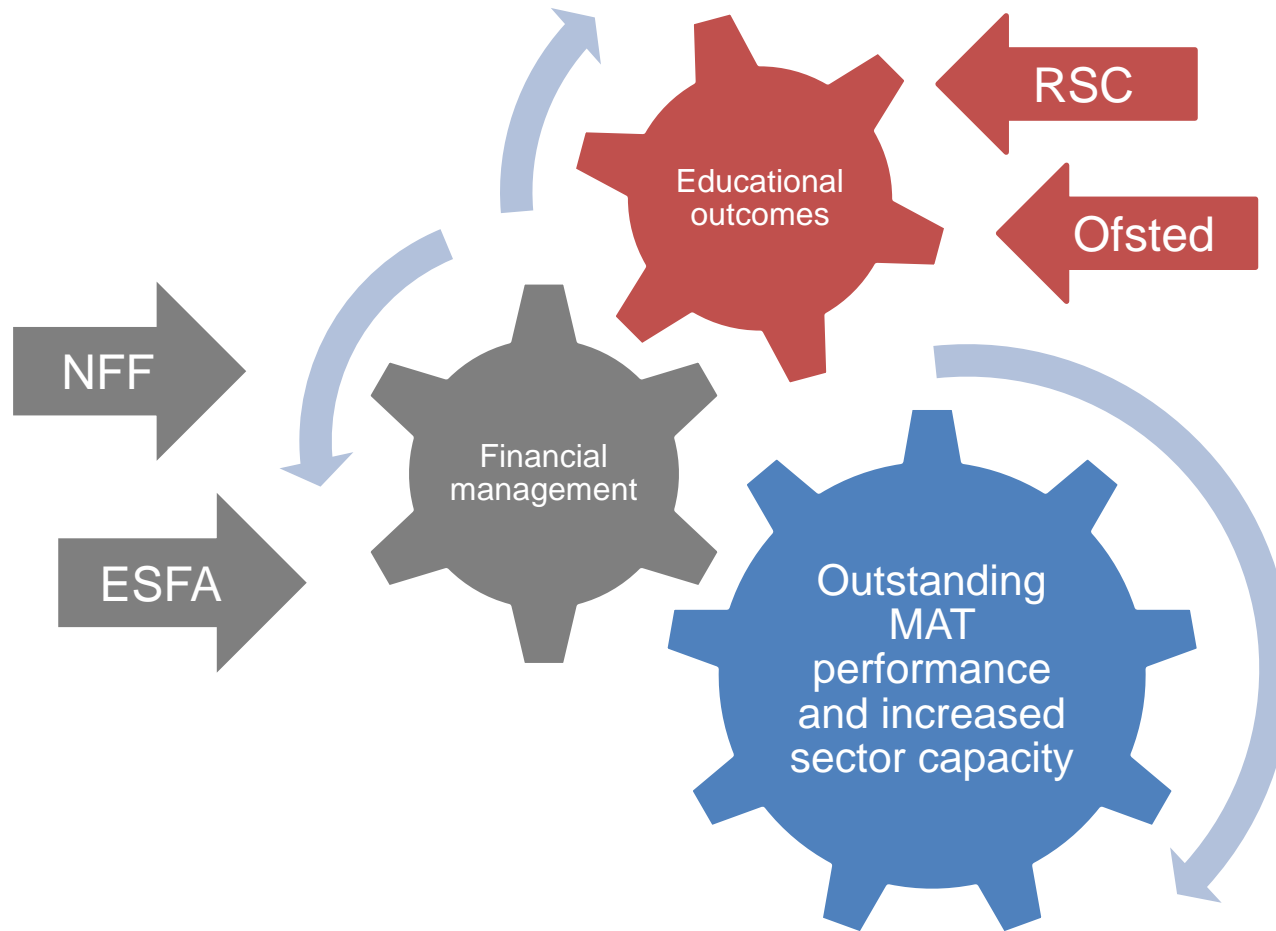


Case Studies

- Schools have told us that one of the most useful things to them is support and examples from other schools who have already made improvements to their school resource management.
- We have many case studies that illustrate some of the many examples out there of good financial management, and we hope that school leaders and governors can learn from the good practice examples in these case studies to improve the budgeting processes in their own schools.
 - [Curriculum led budget planning – the Weald School \(West Sussex\)](#)
 - [Staff deployment – Thomas Jones Primary school \(London\)](#)
 - [Capital investment – St Christopher’s CE High School \(Lancashire\)](#)



Shaped by the Sector



Any questions?

Please do take a look online at our guidance and tools on:

[School resource management](#)

