

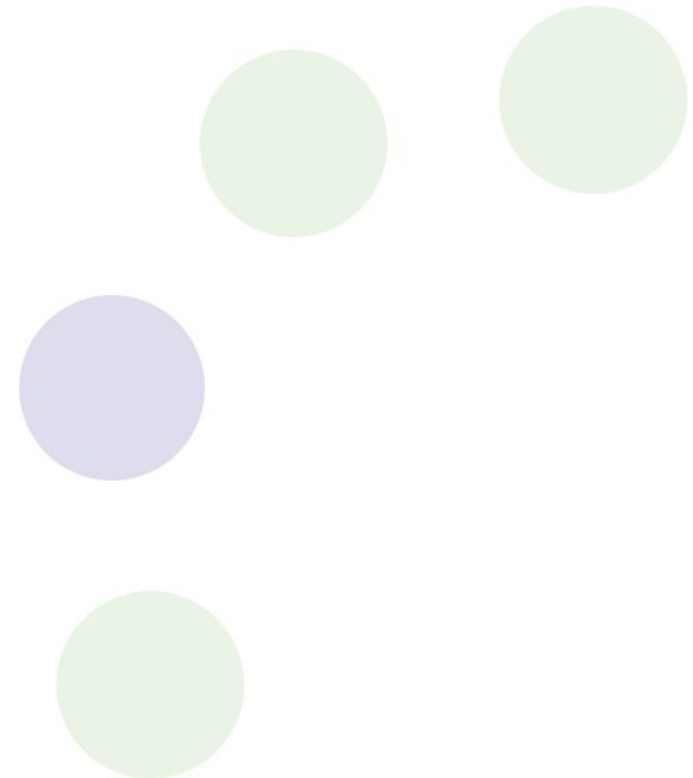
Being *Brilliant* at...

**SAILING THROUGH FINANCIAL
STORMS**

#SBM15

A Perfect Storm

Stephen Morales
Executive Director, NASBM

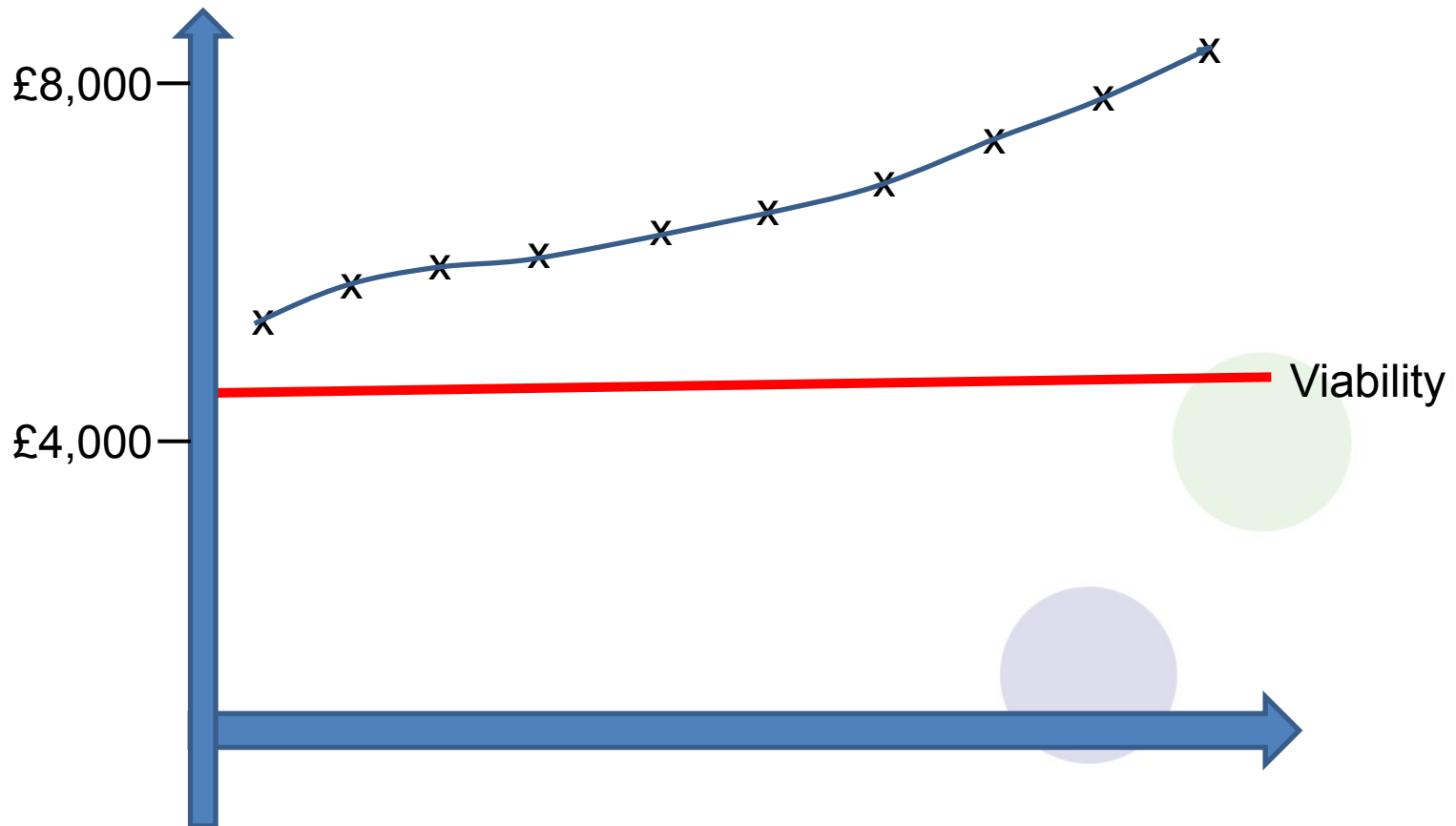


The future landscape

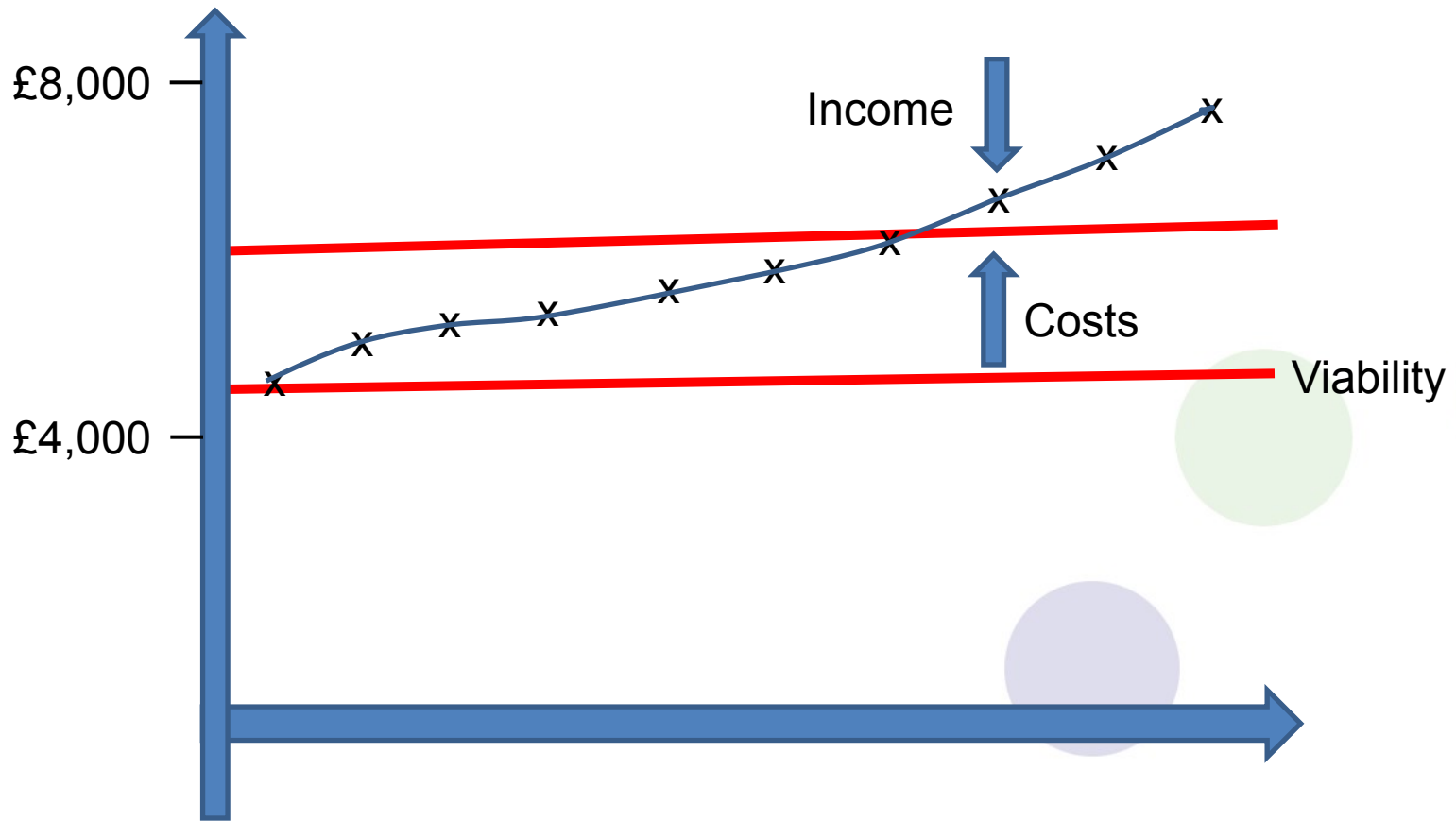
- Autonomy – *there will be more autonomous schools*
- Accountability – *will become more rigorous*
- Collaboration – *will become essential as well as desirable*
- System leadership – *the system will be led more by schools*
- Recruitment of Headteachers – *will become smarter*
- Professionalisation – *Governors and School Business Managers will be expected to have greater professional capacity*

Cost pressures already in the system

- What do we know *now*?



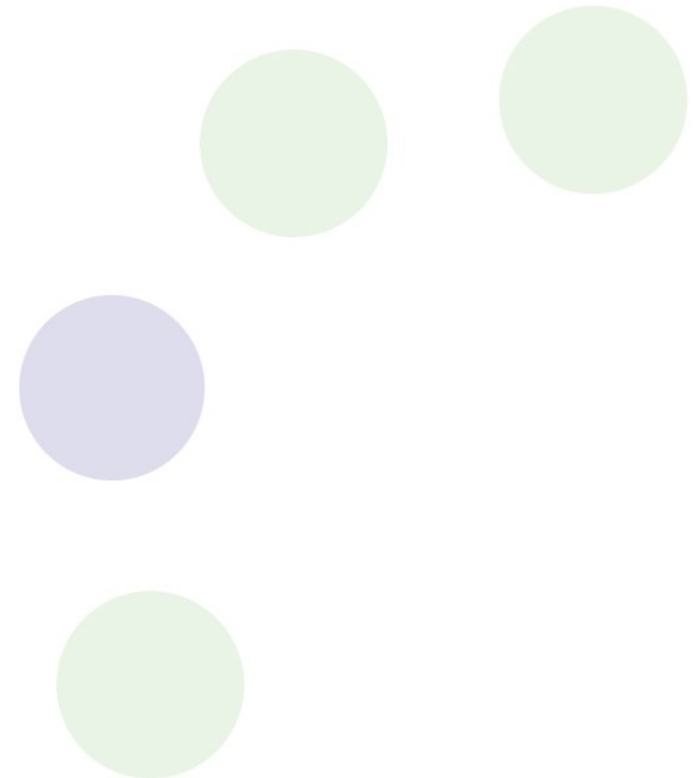
Per pupil income - 2010



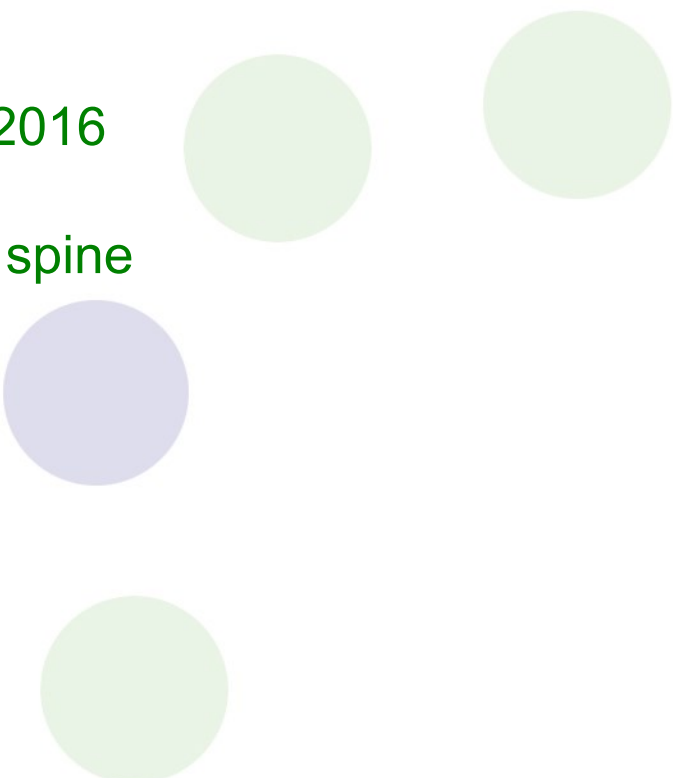
Per pupil income - 2015

Funding – going forward

- What do we know?
- Flat cash
- There will be less



Increased staff costs – teachers 2015-16

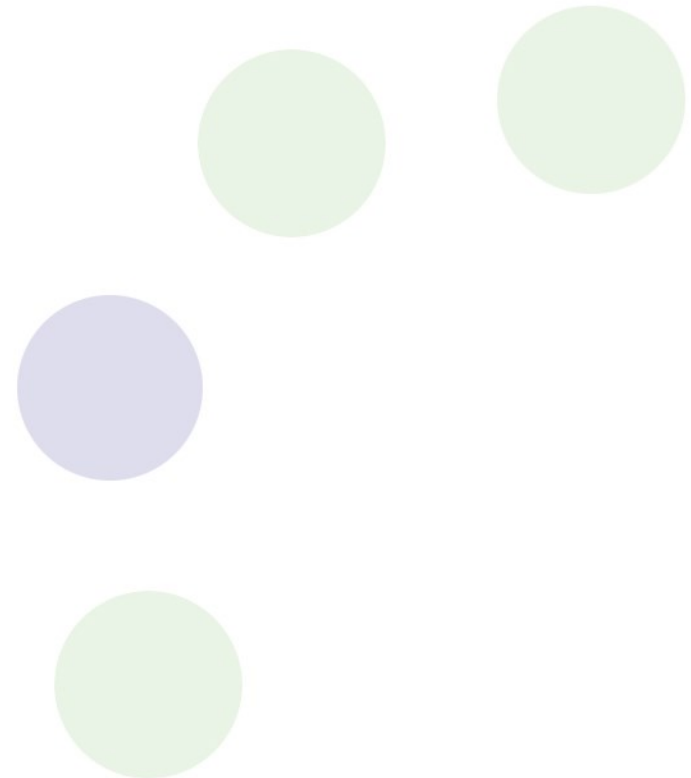
- 1% pay rise from September 2015 and (est.) 1% in 2016
 - Employers' contribution to Teachers pensions up by 2.3% from September 2015
 - Employers' NI for Teachers up 3.4% in April 2016
 - This does not include any moves up the pay spine
- 

Increased staff costs – support staff 2015-16 and 2016-17

- 1% pay rise from April 2015 and in 2016
- Employers' contribution to LG pensions up by 1.4% from April 2015 and by 1.5% in 2016
- Employers' NI up 3.4% in April 2016

Cost pressures – going forward

- What else do we know?
- Convergence of post-16 funding
- Funding ‘decreasing’ in real terms



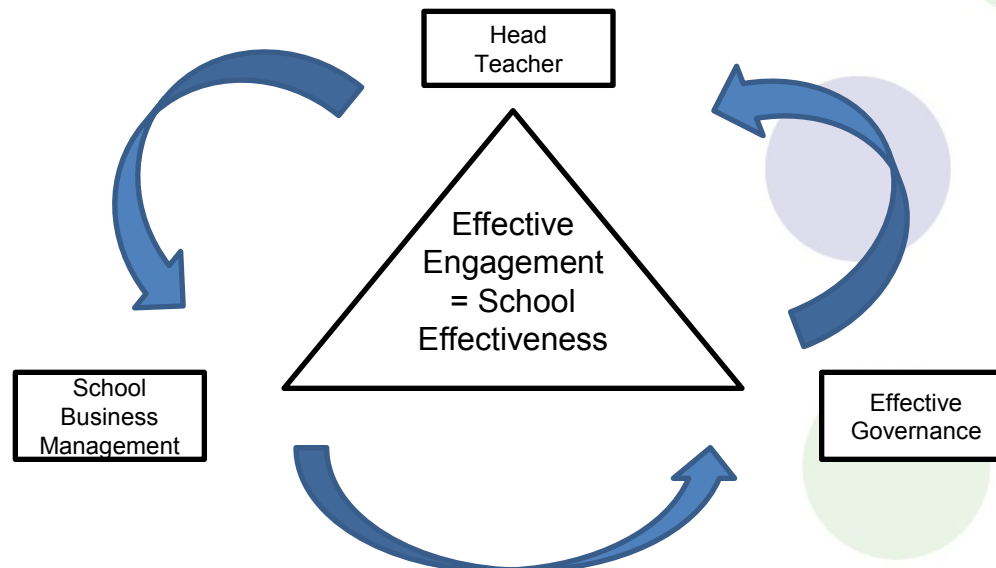
Responding to these challenges – avoiding the cliff-edge

- Undertake a capacity audit
- Review curriculum costs
- Look at teachers' contact ratios
- Look at group size
- Manage down back office and running costs
- Demand value for money in all procurement
- Look at the size of school leadership teams
- Ensure good financial management
- Balanced budget essential
- Maximise income

Collaborate – this is no longer desirable: it is ***essential***

Strong school leadership is not about one person or one set of skills

- Schools need to play to their strengths
- Schools need to trust and embrace the specialists skills of **all** their Leadership Team colleagues
- Schools need to nurture the talents of their best managers without the fear of being undermined
- Schools need to learn how to effectively manage, delegate and encourage engagement
- Strong school leadership through triangulation – we are better together!



Audit Process

STEP 1

- Budget Plan [3 year] – 14/15 outturn, 15/16, 16/17 projection based on anticipated pupil numbers
- Positive or Negative Residual projection?
- Meet with Head Teacher/ other SLT to commence budget planning for 16/17



STEP 2

- Analyse School Development Plan and how does budget match this
- Analyse Staffing Structure and is it affordable [aim for 80% staffing cost]
- Analyse PP income against expenditure and narrowing the gap
- Identify any income streams available



STEP 3

- Consultation process with Governors
- Consultation process with staff if structure changes proposed



KEY

- Guaranteed – income will reduce in the next 5 years as funding remains static but costs increase [5-10% appx]
- Doing nothing is not an option
- Plan well ahead to ensure you are prepared

Who can help?

NASBM

www.nasbm.co.uk