
Making your budget go further

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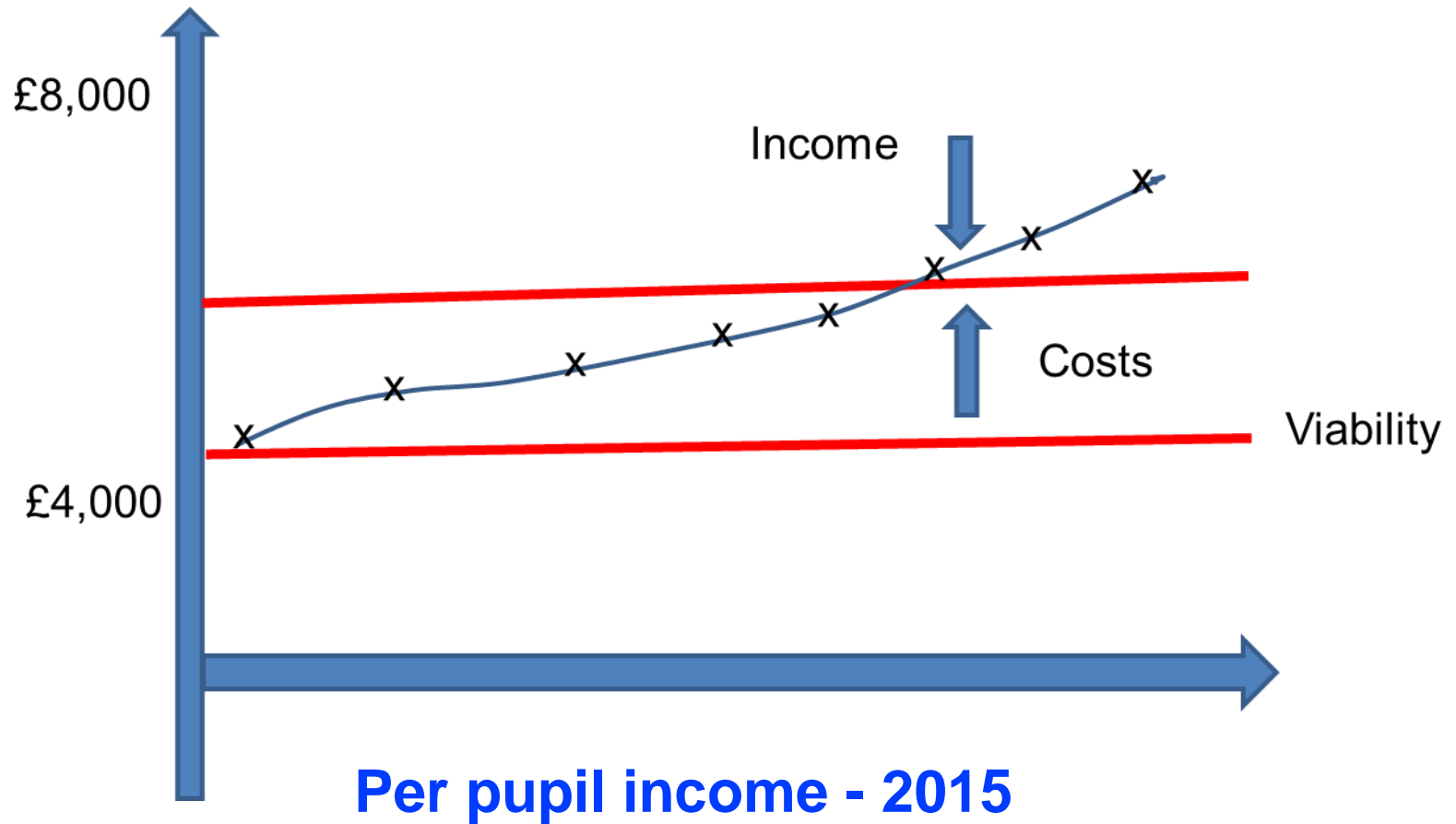
WORKSHOP OBJECTIVES

- To set the context
 - Rising costs vs reduced funding
 - To look at efficiency in an educational setting
 - To look how efficiencies can be made
 - strategic finance
 - value for money strategy
 - cost effective staffing structures
 - better use of resources
 - smarter procurement
 - Summary of top tips for making budgets go further
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Context – A Perfect Storm

- Budget changes for 16/17
 - ESG reducing to £77 per pupil from 1.9.16
 - Minimum funding values remain the same
 - Additional funding values remain the same
- Teachers' costs up by 3.3% this year
 - Support staff costs up by 2.4% this year
 - Pay rises from September 2016 will not be funded
 - Employers NI for Teachers go up by 3.4% April 2016
 - Policy decisions to align FE and school funding streams

The squeeze



So what can we do..

- Schools are businesses and need to be led and managed in the same way
 - The SBM role is there to challenge, to innovate and to improve
 - Know your school
 - Financial management vs business management
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Efficiency

‘Productive use of resources – the degree to which something is done well without wasted resources’

- Why are we doing this?
- Is there a better way of doing this?
- What is the outcome of our actions?
- Did we achieve our goal?
- What did we learn?

Efficiency in schools

- Strategic financial planning
 - Workforce planning
 - Procurement
 - Contract management
 - Whole school value for money
 - Effective use of facilities/resources/IT
 - Sharing best practice
 - Benchmarking
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Efficiency in schools (2)

- Good financial management
 - Robust internal controls
 - Risk management
 - Business continuity planning
 - Excellent leadership and management
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Strategic finance

- 3 or 5 year budgets a MUST
- Turn your budget setting process on its head
 - The blank sheet approach
 - Bottom up budgets
- Curriculum changes
- Staffing needs – SEN
- NOR – be realistic



Strategic finance (2)

- Premises improvements
 - Software to enable scenario planning
 - Formal annual cycle
 - Look at your KPI's
 - Your budget is a living document – update it when changes happen
 - **MONITOR REGULARLY**
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Workforce planning

- Staffing – are your teachers used effectively?
 - Can you share expertise?
 - Does your support staff structure effectively support the teaching and learning?
 - Have you ever considered having a development plan for your support services?
 - Think about the teachers as your clients – if they were purchasing services would they buy back next year?
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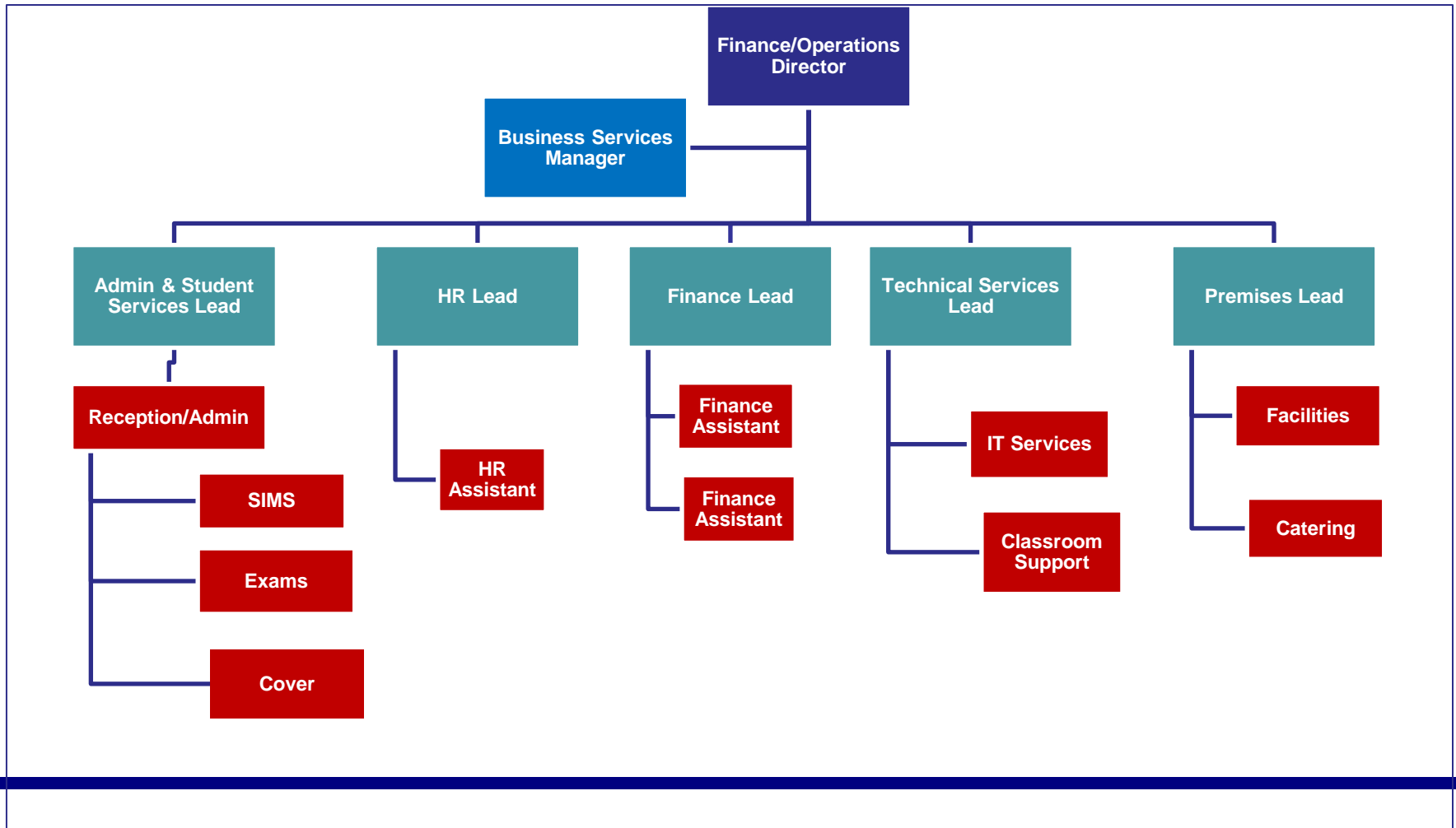
Staffing structures

- To get the most out of your greatest asset you must have an effective support staff structure
 - Think about lines of management control
 - Are there one or two key members of staff who you rely on too much what happens when they are off sick?
 - Are there clear career paths to incentivize staff ?
 - Are your job descriptions too detailed? Are roles interchangeable?
 - Do performance management processes look at personal competencies and behaviours as well as targets?
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Effective staffing structures

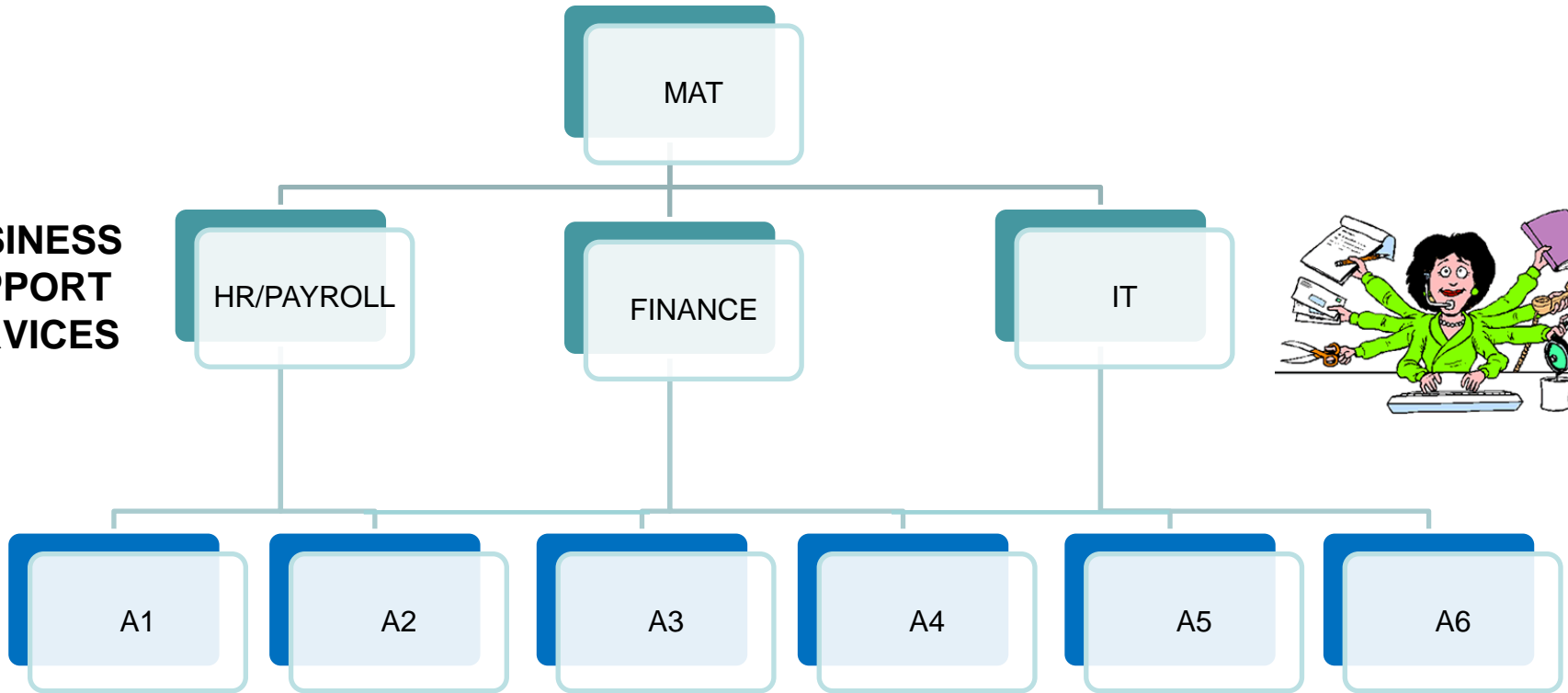
- Use experienced and highly paid staff fully
 - Clear and effective TLR structure
 - Take advantage of natural wastage
 - Manage back office costs down - centralisation
 - Clear lines of management control
 - Clear succession planning
 - Invest in talent – you want them to stay
 - Generic job descriptions
 - Flexible = cost effective
 - Supported by robust policies
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Support staff structures



Multi Academy Trusts

**BUSINESS
SUPPORT
SERVICES**



Business Finance & Admin larger MAT

Chief Executive

Chief Operations
Officer

Outsourced
services

Marketing

HR

Health &
Safety

Strategic
Estates
Management

Admin &
Project
management
Officer

Office
Manager

Business/admin

4 Business
Support
Assistants

Finance
Director
Secondary

Procurement
Officer

Finance
Director

3 Finance
Managers

Finance
Assistants

Finance
Director
Primary

Payroll
Manager

Procurement

- Contract management
 - List of all contracts and review dates
 - Clear specifications linked to clear outcome
 - Research – know your market
 - Call in the experts when you need to
 - Collaborate – MAT context
 - Value for money strategy
 - Get tough
 - Review
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Resources/Facilities

- Rather than focus on cutting costs think about ways to increase income
 - Use your assets to their full advantage
 - Marketing
 - As well as sharing expertise can you sell the expertise you have?
 - What kind of services could be selling?
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Efficiency toolkit

- DfE toolkit available which looks at various areas of efficiency
- Videos and information
- Benchmark data and efficiency scoring

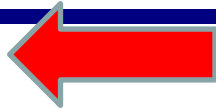
<https://www.gov.uk/government/collections/schools-financial-health-and-efficiency>

Value for money strategy

‘The simple principle that is applied to all of our work is ‘to make the best use of the resources we have available in order to achieve the desired output and maximise the benefit achieved from that output’

- Have a clear, formal strategy document setting out objectives, responsibilities, approach and reporting
 - Publish it, live and breathe it, lead by example
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VFM Slide rule



Control.....

Each School has total autonomy to commission the services it wants

Some central services provided but it is up to schools whether they use them

All services centrally through a full top-slice or buy-back schemes



Low VFM

High VFM



Top tips to make your budget go further

- Ensure your NOR – increase income
- Retain your staff
- Re-think how you set the budget
- Use 3 or 5 year budget plans
- Know your school
- Get the right people on the bus
- Sweat your assets



Top tips (2)

- Collaborate/centralize
 - Procure wisely
 - Good financial management
 - Accountability of budget holders
 - Train budget holders, SLT, Trustees
 - Benchmark – internally & externally
 - Network
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Top Tips (3)

- Use your IT effectively
 - Monitor and review
 - Keep up to date with education policy and funding changes
 - Don't be afraid to challenge and change
 - The landscape is changing and we must adapt
 - Pupils at the heart of everything we aim to achieve
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Further help and information

DfE and EFA websites

<https://www.gov.uk/government/organisations/education-funding-agency>

NASBM <http://www.nasbm.co.uk>

FASNA <http://www.fasna.org.uk/>

Buyways <http://www.buyways.co.uk/>

Questions?



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