

THE PLAN IS NOTHING BUT PLANNING IS EVERYTHING



“When US President Eisenhower stated some 55 years ago, ‘In preparing for battle, I have always found that plans are useless but planning is indispensable’, he could almost have been talking about 21st century school planning,” says Simon Leicester*, former Director of Finance and Business at Hendon School, London, who provides an independent insight into cohesive planning.

Planning for the school business professional (SBP) includes overseeing the financial planning cycle, which culminates with the formal submission of the financial operating plan to the Education Funding Authority in July. Whether you are working in primary, secondary, academy, state, free, faith or all-through schools, the plan quantifies – in financial terms – school activities for the new school year. The value of this is difficult to overstate. The planning process typically includes some degree of request prioritisation and ‘trade-off’ planning, which happens via a series of internal discussions – hopefully with the relevant experts – sitting around a communal table.



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The plan should encapsulate wider school plans, with no internal contradictions. Examples of wider plans include curriculum, admissions, premises, IT, recruitment and retention, restructuring projects and funding plans. Each of those wider plans comes with its own assumptions and estimate uncertainties.

Submitting the plan

For SBPs, ensuring other school plans are joined up with the financial plan can be more challenging than it sounds.

Teaching staff are naturally concerned about student education and welfare and therefore:

- planning deadlines for them are centred around various student deadlines, not the budget cycle per se
- staff may downplay external drivers (feeder-school changes, anticipated Ofsted inspections, Department for Education (DfE) policy changes, technology changes, or peer-school plans) that might otherwise improve the forecasting reliability on future student numbers, which, in turn, translates into future-year funding-income predictions
- school staff don't readily think about financial costs or financial break-even points, unless they're made the budget holders for those things, and
- career promotion or control of additional resources may only be loosely linked to budget holder performance, if at all.

Reporting systems can also be slow to identify:

- outdated or unrealistic assumptions
- error margins around some forecasting lines, and
- risk mitigations on the risk of overspending.

In addition to the above submission of 'the plan' (the financial plan indicating an income and expenditure surplus or deficit), many schools – whatever type they are – also prepare and submit a Condition Improvement Fund (CIF) bid for capital-project funding in December.

Funding authority considerations

Perhaps one flaw with sending the one-year plan and CIF bid to the funding authority is the lack of information provided by the school on its longer-term plans. Meanwhile, DfE policy-making will tend towards medium-term planning, inclusive of a 'honeymoon period' to bed in some reforms.

If July plan submissions had to include future-year financial operating plans as well – for example, a three- or five-year operating plan – DfE policymakers might have more valuable financial information to work with and, therefore, drive less short-term change for the sector as a whole.

Equally, if CIF bids had to include premises masterplans (a premises plan for what the school campus will look like in ten years' time, for example) and estimates of the useful economic life of the capital works being bid for, CIF grant-makers would be able to challenge the validity of the planning assumptions embedded in such bids.

At present, many CIF bids are declined each year, which causes those schools' repair and maintenance budgets to rise even higher, regardless of student numbers being funded. If a CIF bid is declined, it may mean a slightly strengthened CIF bid is resubmitted the

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following year (stronger case with weaker build quality?), increasing the competition for available funds faster than they can be allocated.

Room planning

As uncertainty increases about future student numbers and future course enrolment options, it becomes desirable to build premises that are flexible in use and student-number flexible (moveable furniture and moveable room partitions – much harder to do for specialist room subjects, however).

If a school builds or refurbishes premises that are a mismatch with student course demand (number of students and/or by type of specialist use), the opportunity costs are high and students pay the price. And if the school contributes its own funds to the refit, the real costs are high too. Yet, how rigorous is the demand-forecasting step in most schools (demand is driven by results, perceived reputation, demographics, school strategies and the school vision) before the premises funding stage commences?

If student demand by course, or in total, remains volatile for the foreseeable future, should schools look to replace old buildings that aren't preservation-order-listed with short-life, modular-expansion buildings that can cater for a wider variety of usage in future years?

Lastly, are schools anticipating that, within the next five years, science labs designed for physical experiments will be superseded by virtual science experiments, using science educational software run by student users in computer suite rooms?

Exterior services management

Are schools likely to increase their strategic focus on to courses, staff, students and building interiors, while contracting out the external facilities management, (grounds maintenance, playing fields management, outdoor PE facilities management, building exterior management, waste removal and perimeter security) to a single service provider? Along with achieving support staff reductions, this could smooth out the combination of capital and operating charges into a relatively smooth stream of annual payments over a long period, in exchange for risk and management time transfer.

The questions posed outline the complexities of planning, and the examples are by no means exhaustive. As you contemplate your cohesive planning, consider aesthetics versus substance planning – (are schools getting the balance right between school appearance and school facilities?) – and you'll find there is plenty for SBMs to advise and lead on regarding school plans. 'Ike' would be proud, as will your school when you deliver a first-class financial operating plan. ■



Simon Leicester

TOP TIPS:

Start planning early and integrate the wider school plans.

Keep the wider planning assumptions consistent.

Build flexible-use premises.

Consider outsourcing external facilities management.

*The views of the author are his alone and not necessarily those of his employer.