

Committee:	School Forum
Meeting Date:	13 January 2015
Title:	New Strategic Toolkit
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Decision making / consultative / information:	Information

What is the Forum being asked to decide?

1. The Forum is being asked to note the changes to the new strategic toolkit.

Reason for recommendation

2. From the work undertaken over the summer it has become clear that the 2-Year Strategic Planning Toolkit is not widely understood and therefore several errors are being made in the completion. We have designed a system that should be much easier for schools to complete and to explain to Governors.

Alternative options

3. No other option is being considered at this time.

Who will be affected by this decision?

4. All LA maintained schools including Specials and PRU's will be affected.

Main body of the Report

5. At the meeting of the last Forum, the Local Authority reported back on the review of school strategic plans that had taken place over the summer. In that paper we reported that, although the 2-Year Strategic Plan Toolkit was introduced to combat the underestimate of reserves by schools, the situation has deteriorated, indicating that the Toolkit hasn't achieved its original goal.
6. 5% of all schools plans showed significant errors (these are errors in £000's) on the three basic checks that were carried out, indicating that schools find completion of the plans difficult. All of these schools have now been contacted and asked to amend and re-submit their plans.
7. We have also received feedback from several governors by phone or at budget briefings to say the toolkit format makes it hard for them to question changes and really understand the budget they are signing off.

8. Schools with licenced deficits or in financial difficulty are required to complete a three-year detailed financial plan in order for the Schools' Accountancy Team to effectively monitor progress. This results in a duplication of workloads for these schools.
9. Having a realistic and worst case plan makes data analysis for Forum or Local Authority management groups difficult. It is unclear if the requirement to produce two plans, rather than concentrating on just one, brings additional benefits for schools.
10. Therefore it has been decided that we should move away from the current 2-Year Strategic Plan format. The new toolkit will be based on the current budget plan/three-year medium term plan toolkit with some additional functionality. For example an additional column for schools to input last year estimated/actual incomes and spends.
11. There will be one toolkit which schools will complete and submit twice to the Schools' Accountancy Team each year, the toolkit will inform the school of their annual budget allocation. The school will work on the 1-year budget plan which governors will need to approve by the end of March, and submitted to the LA by the end of April. The school will then continue working on the toolkit on their 3-year plan and submit that at the end of May.
12. The Schools' Accountancy Team is currently working on a Budget Estimation Toolkit to allow schools to calculate funding estimates for years two and three. The Estimation Toolkit will be based on current information rolled forward and will not guarantee funding as we will not know who will be in power in Westminster to determine future funding arrangements until after the May 2015 elections.
13. Schools will have to complete a line by line budget but will only work on one realistic scenario. Although this may be more time consuming to complete initially, we believe it should reduce governor questions and errors and therefore overall be time neutral or have minimal impact.
14. The Schools' Accountancy Team have worked closely with Schools' Choice. The Finance Helpline and Enhanced Finance Teams will be fully versed on how the toolkit operates and will be able to offer schools help and support for the 2015-16 budgets.
15. At the Budget Briefings last year we advised schools that the SNR would be going and so a major change for the new toolkit is the removal of the SNR tab. Schools' Choice will now run this process and are currently in discussions with their website designer on phase two which will incorporate how schools opt in and out of SNR traded services. The aim is that the website will produce a receipt which will subtotal to ledger lines to assist schools to input the relevant charges into the budget plan. This will mean that the input mechanism into the budget plan will be the same, regardless of which provider (Schools' Choice or otherwise) is procured.
16. Schools' Choice is also working on a solution to get commitments for SNR services purchased into the FMS system as part of phase two.
17. The Strategic Toolkit will be able to produce four reports for governors:
 - The 1-year Budget Plan – expands to show full commentary text
 - Outturn – same as last year

- Management Summary – new, summarises costs into sub-headings for comparisons across years.
- Reserves and Estimates – this is the report shared with the Forum at the last meeting. The report will update as the plans are completed within the Toolkit

18. The Strategic Toolkit was launch at the Business Managers' Conferences held in November and has been very well received so far.