

# The ISBL Approach to Integrated Curriculum Financial Planning (ICFP)

## Introduction

Early iterations of Integrated Curriculum Financial Planning (ICFP) go back nearly three decades, yet only a few schools and trusts have this firmly embedded into their strategic planning and financial monitoring. With a renewed focus on school and trust financial sustainability, there is now an expectation that school business professionals, senior leaders, governors and trustees have a good working knowledge of these principles and adopt a robust approach.

The Department for Education (DfE)<sup>1</sup> has begun to strengthen its emphasis on the links between ICFP, effective resource management and efficient financial management. It believes that there is strong evidence linking the effective use of ICFP to the optimisation of resources and sustainable financial plans.

## What is ICFP and why is it important?

ICFP is a way to review a school's financial and resource management planning and use against its widest curriculum delivery aims. It helps integrate a school's or trust's teaching and learning ambitions with appropriate strategic consideration for the financial resources available.

It supports the school business professional to approach resource management in a holistic way within their school. It helps them to quantify the areas of inefficiency within a school, diagnose the causes and then enable informed and collaborative decision-making to ensure the school has effective resource management.

When implemented fully, ICFP can be used to provide the analytical evidence that will inform the medium-term strategic planning as well as the short-term operational management action planning and collaborative decision-making of school business professionals, senior school leaders and governors.

There is no prescribed way of implementing ICFP, but there are several well-established approaches in use, which range in complexity and ease of use.

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<sup>1</sup> DfE School Resource Management pages: <https://www.gov.uk/government/collections/schools-financial-health-and-efficiency>

## The ISBL Approach

Our approach is based on our belief that a full, effective use of ICFP is the key to excellence in financial management and strategic resource-planning. It is designed to be easy to understand, simple to implement and user-friendly in its application.

Our approach uses easily accessible school data including staffing, curriculum and financial information. This data is used to generate a set of diagnostic metrics that can then be discussed and reviewed by the leadership triangle (pedagogy, governance and business) to inform decision-making and collaborative planning.

It uses the essential revenue balances, income and expenditure metrics (the Balances Metrics) for an initial diagnosis. These are then backed up by the evidence provided by a detailed analysis of the major staffing elements, which account for the largest portion of any budget, using 12 key diagnostic staffing metrics (the 12 Key Metrics).

Our metrics are based on those required for DfE reporting and have been refined via the School Resource Management Advisers (SRMAs) out in the field. ISBL is a DfE supplier of SRMAs, and these advisers have used ICFP to help schools and trusts dramatically improve their financial outlook, optimise their use of critical resources and secure their future sustainability.

The Balances Metrics and the 12 Key Metrics are easily analysed and are used to inform the school's decision makers about the effectiveness and efficiency of their financial and resource use. They provide the conversation starters for school business professionals, senior school leaders, governors and trustees, so that they discuss what actions need to be taken to ensure high-quality teaching and learning whilst securing a school's financial health.

### The Balances Metrics are the Total and Per Pupil Values for:

1. Direct Grant Revenue Income (DGI)
2. Self-Generated Revenue Income (SGI)
3. Total Revenue Income (TRI)
4. Total Revenue Expenditure (TRE)
5. In-Year Surplus/Deficit (IYB)
6. Cumulative Balance C/F from previous Year (CBB)
7. Cumulative Balance C/F to the next Year (CBF)
8. Percentage of Total Revenue Funding Spent in Total (%TRE)
9. Percentage of Total Revenue Funding Spent on Staffing Costs (%TSC)
10. Percentage of Total Revenue Funding Spent on Non-Staffing Costs (%TNSC)

### The 12 Key Metrics are:

1. Pupil Teacher ratio
2. Pupil Adult ratio
3. Teacher Contact ratio
4. Average Teacher cost
5. Per Lesson Cost
6. Average Class Size
7. Total Teaching Staff Costs as % of Total Revenue Income
8. Curriculum Support Staff Costs as % of Total Revenue Income
9. Non-Curriculum Support Staff Costs as % of Total Revenue Income
10. Total Staff Costs as % of Total Revenue Income
11. Leadership Costs as % of Total Teaching Staff Costs
12. Management Costs as % of Total Teaching Staff Costs

By providing easily digestible information across key areas of a school/trust's operations, education leaders and governors can compare results with nationally recognised benchmarks and make better informed strategic decisions.

Developing our ICFP approach has been a collaborative exercise drawing on the knowledge of school business leadership experts. Our aim is to provide this approach to help support school business professionals in this area by sharing the effective good practice that has been developed.

## **Our project partners**

The development of our approach to ICFP has been 18 months in the making. We initially consulted with a number of leading practitioners, ISBL Fellows, key stakeholders, software providers and other technical experts. We built on this further through our on-the-ground experience of using ICFP as part of the Schools Resource Management Adviser (SRMA) programme.

More recently, ISBL has partnered with Andrew Hamilton, a highly experienced school head and MAT CEO, NLE, ISBL Fellow and qualified SRMA, to develop our approach further. Andrew is the lead practitioner at Ash House Consultancy Ltd. Andrew has been at the vanguard of ICFP and has used his extensive knowledge and experience both as a consultant and practitioner to positively transform school resource management across our education system.

Our partnership has built on Andrew's initial development of his Balances and 12 Key Metrics approach and the associated Metrics RAG rating analysis tool, to create and develop ISBL'S unique ICFP tool, I-SOT. The design and specification has drawn on aspects of existing models and the evolving DfE school resource management toolkit. We have also tested our ICFP tool with a wide range of practitioners from a variety of school settings to make sure that the tool meets the needs of the sector.

## **Want to learn more about the use of ICFP?**

We have a variety of training courses to help support school leaders in the use of ICFP.

I-SOT, the ISBL School Optimisation Tool, is available to purchase on our website.

Visit [www.isbl.org.uk](http://www.isbl.org.uk) for more information.