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Oundle Cluster

Theme 9: Financial, audit and management control improvements leading to savings or improved reporting and compliance

The Governors and Headteachers of the cluster schools identified the need for support at the cluster heads meetings. This coincided with the reduction in financial support from the LA, and the emphasis on collaboration from the Department for Education (DfE).

The small schools within the cluster had little capacity to undertake creative financial solutions, achieve economies of scale and to fully audit current working practices and procedures to identify efficiencies and improved systems that would best support pupil outcomes.

Oundle is a cluster of 6 schools (1 middle, 1 large primary school and 4 small village primaries) with approximately 1046 students between them within the larger Oundle Cluster (13 schools in total). The cluster is going through significant change, including moving from 3-tier to 2-tier education in September 2015, and to make education work well, with minimal disruption, it was decided that a Cluster SBM should be employed to improve collaborative working across the business elements of the schools and rationalise standards, policies and financial governance.

Also, considerable building work is required to implement the change and this will not begin until February 2016 which in itself causes additional pressure over the transitional period.

The LA budgets for the transition were lacking the level of clarity required for the school to develop its budget frameworks. A significant amount of time has been spent by the Cluster SBM meeting working and setting out the budgets and discussing these with LA officers for the schools in the project.

Several areas of responsibility were identified for the Cluster SBM role as follows:

- Audit of current business management arrangements & benchmarking – there will be training for finance staff to correctly code expenditure in order to benchmark effectively. Benchmark training for reporting to Governors. Training offered to Governors on understanding benchmarking. Benchmarking exercise undertaken for cluster project.
- Energy efficiencies in schools - the Cluster SBM has a long-standing close working relationship with the Strategic Carbon Reduction Manager for Northamptonshire County Council (NCC). With the change to 2-tier, consultation has been essential to reduce costs at all cluster schools especially where a smaller numbers on roll (NOR) school is to occupy a much larger site (with higher running costs) after re-modelling.
- Health and Safety – policies, structures for monitoring and managing, risk assessments – An audit is currently taking place of all health and safety arrangements in all cluster project schools including policies, internal H&S checks, management & governor monitoring and external checks.
- Joint procurement - the audit has identified, and will continue to identify, areas of focus especially for quickest gains, and grant applications.

- SLAs - all cluster schools SLAs have been reviewed for Education Finance and Capita. The Cluster SBM had several meetings with Capita and Head of IT procurement from NCC about the Northamptonshire SLA which is more expensive than the national Capita offer. In part this is a historical issue. The Capita contract with NCC is due for renewal and will not be renewed in its current format.
- Ensuring each school is receiving its correct budget allocation from the LA including high needs funding, UIFSM funding and pupil premium funding. The Cluster SBM has been coaching school finance staff to ensure they understand what they should be checking.
- SFVS and effective financial governance – review to be undertaken by Cluster SBM of all SFVS reports, and to go beyond check-list formats. An LA routine audit is being undertaken at one school shortly and the Cluster SBM is carrying out an intensive pre-audit inspection in readiness.

An Action Plan (AP) has been produced for each school which is used as a working document and is updated after each visit and sent to the appropriate school Headteacher. This can also be used as a review document for Governors. The AP includes an analysis of hours worked to date, by whom and cost savings which has been used at a cluster heads review meeting.

There are also different needs in each school and the action plans help focus on priorities. Some individual examples are:

- Increase the NOR. The challenge around this is conflicts of interest in the cluster. Increasing NOR in this one would have a detrimental impact on another cluster school.
- In the small schools with tight budgets, the administration staff are working on an array of tasks and have various responsibilities. The Cluster SBM role involves considerable ‘on the ground coaching’ which is not necessarily perceived as a cost saving.
- There is also lack of parity in pay levels for finance staff in different schools although NCC has a Job Hierarchy.
- Covering support staff absence – this often causes significant issues in a small school. We have been able to come up with cluster solutions to this by sharing staff.

The work of the Cluster SBM and the corresponding improvement in services has meant:

- better standardisation of systems, policies, and procedures (also thereby improving business continuity)
- financial efficiencies
- improved collaboration and CPD (for Staff and Governors)
- the building of resilience across cluster
- improvement of confidence of staff performing financial roles
- better understanding by the Cluster SBM (also chair Northants SBM Forum) of the issues facing small primaries particularly around inadequate finance experience
- better budget management (and identification of budgets not received correctly).
- the ability to identify cluster issues/problems and look for cluster solutions due to regular attendance at schools – e.g. exploring a cluster minibus.

The key learning points were as follows:

- Ensure administration staff are involved from the very beginning as they will need reassurance, ensuring that they understand that the Cluster SBM is a support as opposed to a challenge to their job roles. The Cluster SBM says that “close working, joint training

and effective coaching seems to have got us through and the finance staff really value the role.”

- Be clear about what is and isn't being covered as part of the Cluster SLA and ensure potential conflicts of interest are explored at the outset. Be prepared to be challenged by Governors.

The points which lead to buy-in from Governors for having a Cluster SBM were as follows:

- It can be a really positive experience for schools and not just from a financial perspective
- The amount of Headteacher time saved as a result of having a Cluster SBM cannot be underestimated
- The improvements gained are not always measurable in financial savings
- Evidence all you are doing (use time sheets, action plans, keep financial savings spreadsheet)

