

Budgets and Finance
Geoff Barton

If ever there was a programme that could furnish us with an alternative philosophy for leading our schools, it is The Fall and Rise of Reginald Perrin. In particular, close study of CJ, the autocratic boss of few words and mangled sayings at Sunshine Desserts could prove as valuable as half a day in Nottingham at the National College of School Leadership.

Remember how he builds the nervousness of underlings pacing outside his office awaiting an appointment?: “One, two, three, four...Make 'em stand outside the door. Five, six seven, eight...Always pays to make 'em wait. Nine, ten, eleven, twelve...COME!”

Remember his homespun aphorisms:

- "What the eye doesn't see is goose for the gander"
- "It's the early bird that catches the quick brown fox"
- "I'm not an ostrich who buries his head under a bushel"; and
- "I avoid clichés like the plague."

I suspect there are few of us over a certain age (let's not dwell on that) who don't suddenly find ourselves quacking a version of “I didn't get where I am today ...”

The most common formulation of this saying in headship might be the “I didn't become a headteacher in order to do the budget / discuss the state of toilets / pick up litter ...”. Delete as appropriate.

According to some leadership gurus – in particular those who have never run a school - our job as headteachers is all about being lead learner, establishing networked learning communities, coaching other learners, being lead learning mentors and, er, learning to learn. I'm not dismissing this central emphasis on learning and teaching. Of course it's the most important part of our work and without doubt what most of us came into education for.

In fact, the bit that surprised me is the sheer creativity of dealing with finances. Now as my Business Manager will be first to declare, I take little interest in the day-to-day issues of finance. That's the job of Derek and his team. But that shouldn't imply an abdication of responsibility or interest. In fact, I want to suggest four principles of finance which should be central to our role as headteachers and which can powerfully shape everything else that happens on our schools.

1: Ensure a culture of financial accountability

This one is obvious, unglamorous, but essential.

In a secondary school, you will be expected to delegate responsibility for finances. Having a good Business Manager or Bursar allows you to be hands-off in the day-to-day matters. But that makes it even more important to have a strong finance committee on the Governing Body, led by a Chair who really understands finances.

Governors' role is to ensure the public accountability of the school's leadership, to scrutinise our decisions. As ever, it's important that Governors recognise that their role is quite distinct from managing the school. They are the critical friends who should, on a regular basis, examine our work and ask probing questions. That's the way we run our Finance Committee and, for our Business Manager, it's a termly grilling on the details of our work. In the process, we protect ourselves from accusations of potential wrong-doing or inaccuracy and the public accountability of our work is maintained.

2: Give finances a higher profile across the school

I still remember the gleeful reaction of my first headteacher when the Thatcher Government came up with what they then quaintly (and unfortunately) called Local Financial Management (unfortunate because it easily led to the acronym "less f***ing money"). It was quickly rebranded as Local Management of Schools (LMS).

Many people thought LMS was a wacky wheeze that would prove shortlived and unpopular. In fact, many headteachers loved it because – and this is my point – it wasn't simply about delegation of finances. It was about giving them power to take decisions. Prior to LMS you had control of your school fund – the money generated by school uniform sales, PTA events and lettings. Decisions about your overall budget and levels of staffing and numbers of management points – those rested beyond the school gates at County Hall.

That first headteacher of mine, the charismatic Laurie Lowton, had a distinct glint in his eye as he speculated about the possibilities of delegating furniture budgets to Heads of faculty and viring funds from one heading to another. Even something as tiny as this use of the verb 'to vire' hinted at the brave new world that was upon us.

Some forward-thinking schools were quick to embrace a new and astringent view of financial reality. I remember going for a deputy headship post in 1994 and being asked the question: "If appointed, how would you measure the cost effectiveness of our Special Needs Department". I waffled manfully before being sent home.

In the spirited of shared leadership, I think it's important that we make the financial implications of decisions more transparent. One thing you quickly learn as headteacher is that every other knock on the office door is a member of staff coming to ask for something – cash for a special project, reduced contact time in next year's timetable, a management allowance for an up-and-coming star teacher. As Tony Blair commented early into his premiership: saying no is always harder than saying yes.

So I always try to spell out the financial implications of our work. Every supply teacher costs us £160 per day. Every non-contact period we allocate costs us around £1300. Every allocation of money to project A means we won't have money to spend on project B.

This isn't to be tight-fisted or awkward. It's about spelling out the basis for some decisions, for demonstrating that almost everything we do in school comes at a cost. This is what I mean about the creativity of finances: it's all about values and choices.

3 Emphasise delegation

This principle grows directly from the last: delegate as much as possible. How can we expect subject coordinators and Heads of Faculty to be able to make their own decisions if we don't also allocate the budgets to do so? If we want serious grown-up leadership at all levels in our schools, then people need to be trained to take their own decisions. Delegated funding, as we have seen with LMS, enables this.

Every school I imagine allocates a formula-based sum for capitation (ie for textbooks and other resources). But our long-term view is that middle managers should have responsibility for other areas that are, in fact, more important. Chief of these is training. Whilst there will always be a need for someone to have a coordinating eye on training issues, the decisions about who should receive what training, when, and in what format – I would argue that these should rest with the team leader, the person responsible for the training needs of the team. If training needs grow out of the performance management process, which itself needs to be more than an annual conversation, then it's the team leader's role to respond to training needs.

That means distributing a training budget rather than holding it all centrally. If we believe strongly in shared leadership, then delegation of other resources (beyond yearly capitation) will follow. And shouldn't the same apply to students? Isn't there a strong argument for empowering School Council by giving them an annual budget of say £500 and getting them to debate their priorities and take some real decisions that can have a whole-school impact?

4 Endlessly seek external funding

Some people hate this bit, but I think it's part of the job. Whether it's seeking capital funding for new buildings, grants for school improvements, sponsorship for school projects, or writing bids for new initiatives all of these help to bring new money into the school. This is important for two reasons: first, there simply isn't enough money for everything we want to do, if we're genuinely ambitious for our staff and students. I want my school to feel as well-resourced and to look as smart as if it were an independent school. I want my students to have the same great facilities and rich opportunities.

It also drives a culture of restless school improvement. Becoming a specialist school or a training school, pursuing other sources of funding all of these are about demonstrating an

appetite for change rather than just notching up more logos. There are many unexpected sources of money – grants for environmental issues, for replacing lights, for security cameras, for improving cycle sheds and entrances. Councillors sometimes have locality budgets which they can allocate for projects of a community nature. There are funds for extending school use, creating holiday opportunities and breakfast clubs. Then of course there are local businesses, and your best way into that intangible network may be through your Governing Body.

Sometimes the sums involved are small but the impact can be striking. Students have refurbished an old courtyard, giving it a Mediterranean makeover, based on a grant from the department for the Environment. We've been allocated access funding to create new entrances to one part of school. An environmental grant has enabled us to buy smart new lighting for a corridor that now serves as an art gallery.

None of us has the time for this. But, equally, I know that we can't afford to ignore opportunities to bring in money from outside school.

Conclusion

None of this is radical or daunting. And that's my point. Budgets and finance are a part of the job alongside all the other bits. It's just that many of us lack experience, and feel less secure in dealing with a financial issue rather than a pedagogical one. So hammer out your principles, think about your short-term and longer-term priorities for the school, and work with your bursar to put your plans into effect. Seeing the impact is one of the most satisfying parts of the job. Or, as CJ's hapless yes-men might say: "Great. Super".

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