

2.1 Strategic development and financial planning

Introduction

A strategic plan is an expression of how an organisation intends to achieve its aims and objectives well beyond one year. To secure effective management of the school it should be used as a working document for staff and governors to establish commonly shared and accepted aims and objectives. The plan should encompass where do we realistically want to be and how do we realistically aim to get there.

Planning helps to determine the school's aims and objectives to give purposeful direction. Decision-making should be focused on deliverable outputs and therefore resource input should be rigorously challenged in terms of measurable added value in both the short term and the long term.

By drawing together relevant information on all aspects of school activities, an effective strategic plan should be developed to cover a period of the next three to five years.

The School Plan

This plan is usually known as the School Development Plan or School Improvement Plan. The format of the strategic plan is not set.

By gathering relevant information on resource requirements and the likely limits on resource availability, decision-makers can make informed judgements on different options and project feasibility. There is always a case for more resources; however the school's governors must discharge a key responsibility to ensure that the education curriculum is delivered from an efficient use of limited resources.

By drawing together all the activities of the school in the form of a strategic plan, tasks can be prioritised and placed in a structured process of regular monitoring to evaluate the achievement of the school's objectives.

The strategic School Plan should be "costed". Some new activities have a specific cost that can be measured in "£'s" e.g. an additional Teaching Assistant. Others require a redirection of existing resources e.g. teachers time. All use of resources should be identified as clearly as possible.

Planning Cycle/Timetable

Schools should develop their own planning cycle and timetable which allows for:-

- A review of past activities, aims and objectives - did we get it right?
- Definition or redefinition of aims and objectives - are the aims still relevant?
- Development of the plan and associated budgets - how do we go forward?
- Implementation, monitoring and review of the plan - how do we make the plan work and keep it on course?
- Feedback into the next planning cycle - what worked successfully and how can we improve?

Preparation of a Medium Term Financial Plan

It is essential that a Financial Plan is prepared on a co-terminus basis to accompany the School Plan to test its validity, for example that sufficient revenue and/or capital resources will be available for developments. Thus financial projections are required to cover the period of the School Plan.

The format of a medium term financial plan should be the same as the annual budget i.e. the standard CFR codes but over a 3 or 5 year period. The assumptions used for various elements e.g. funding based on pupil numbers, salary pay awards etc must be clearly stated for the plan to have validity as a working tool.

A medium term financial plan or plans should cover both revenue and capital income and expenditure and clearly show the financing of any capital works from revenue.

Further guidance is given in this Section - 2.4 and in Section 3 Capital.