



Department
for Education

Basic Principles of integrated curriculum and financial planning

**Written for the Department for Education
by Sam Ellis and Susan Fielden**

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Contents

Acknowledgements	2
Introduction	3
Overview of key elements	4
Curriculum Dimension – additional information	5
Finance Dimension – additional information	6
Developing projections – additional information	7
Reconciliation	8
Key Performance Indicators	9

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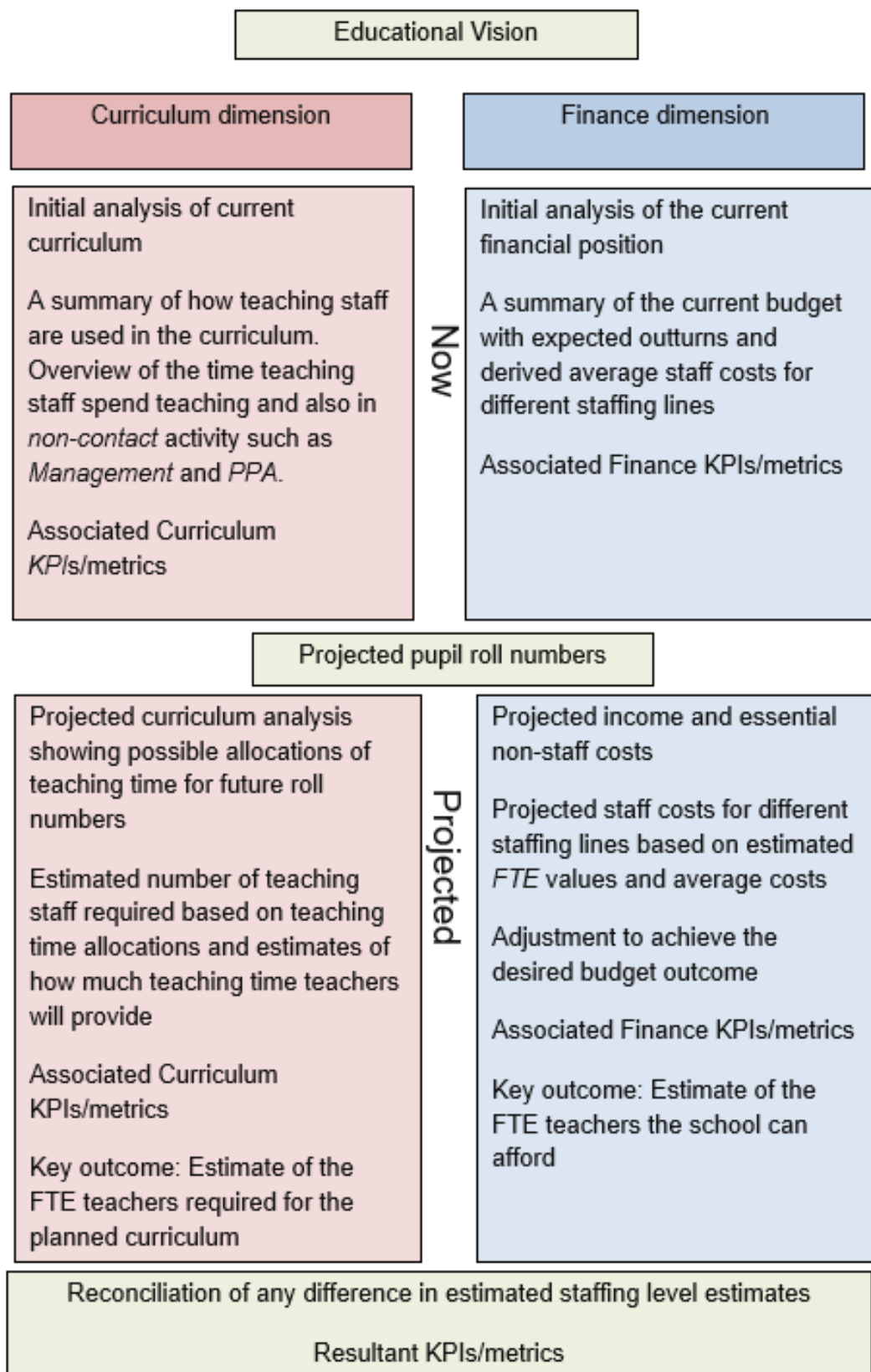
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Introduction

1. This guidance is for senior staff, governors in any type of school or Academy Trust, and Trust Board members in standalone and Multi Academy Trusts (MATs). The term 'school' can be taken to apply to any type of school, in isolation or as part of a MAT.
2. ICFP is a process with associated metrics through which a school or MAT can seek to deliver the best curriculum it can within the context of available resources. This curriculum must be broad and balanced, enabling all pupils to achieve the best possible outcomes as well as supporting their spiritual, moral, social and cultural development.
3. Technical terms in this text are explained in a separate document; 'A Glossary of ICFP related terms'. These terms are in italics in the main text. Further resources can be found on the ICFP resources page on gov.uk.
4. ICFP stands for Integrated Curriculum and Financial Planning. It is referred to by other names but this paper uses ICFP to cover all variations (e.g. curriculum-led financial planning, strategic curriculum and financial planning etc.). ICFP is a process for planning with associated *metrics*; it is not just a set of metrics.
5. ICFP supports aspects of educational vision delivered through the *curriculum structure* in the context of a *planned budget*. In this paper the discussion of ICFP is principally in terms of teachers. ICFP can be extended to cover staff such as Higher Level Teaching Assistants (HLTAs) in primary schools.
6. ICFP has at its heart a set of basic principles that can be applied in any school. This paper aims to outline the general principles. There are many different approaches that can be taken by different schools and trusts. It is important for schools and trusts to find an approach that works for their context and educational vision.
7. ICFP can be expressed as an underpinning equation. This is referenced fully described in a resource hosted by ASCL called ['The ICFP equation of life'](#).
8. There is a spectrum of approaches to ICFP from a central approach across a MAT, to two or more teams of staff in any one school working iteratively with curriculum and finance projections to agree a final FTE value. What is right for any one school or trust will depend on their circumstances.
9. ICFP also gives structure to a MAT considering consistency or otherwise of operation across its schools through the use of relevant ICFP metrics.
10. ICFP is an ongoing process through the school year, not only planning for the following year in detail but also setting out outline plans for three to five years ahead.

Overview of key elements

11. This diagram shows the key elements of ICFP in two main dimensions both of which derive from the school's educational vision



12. In each dimension the first analysis is of the current situation at the start of an academic year. The second analysis builds a projection using best estimates and planned developments for three to five years.
13. The aim is to reconcile the estimate of the number of teachers required from a curriculum perspective with the number the school estimates it can afford to employ from a finance perspective. There is a core set of metrics that schools can use to illustrate their position and use as a basis for decision making.
14. There is no recommended approach in this paper as to how ICFP should be carried out. The work could involve distinct teams; a curriculum team and a finance team. Equally it could be managed by a single individual with oversight of both finance and curriculum. In a MAT ICFP could be carried out at the centre and component schools informed of the number of teachers they can employ and relevant metrics for any one year. Other approaches are equally possible.

Curriculum Dimension – additional information

15. The first action in the curriculum dimension concerns an analysis of the current curriculum and timetable.
16. All timetables change slightly through the academic year as pupils and staff join and leave the school. The ICFP approach is to analyse the curriculum at a typical point in time and ignore minor adjustments that happen through the year.
17. The minimum items of ICFP information required from the curriculum analysis are:
 - the total amount of *teacher time* used in the current timetable,
 - the pupil roll,
 - the total number of *full-time equivalent (FTE)* teachers employed in the school
 - the length of the timetable *cycle*. (The period of time after which the timetable repeats. In secondary schools typical cycles are twenty five periods over one week, or fifty periods over two weeks. In primary schools typical timetables can be described as ten half-day periods spread over one week.)
18. This minimum information can be used to derive the key curriculum statistics of *contact ratio* and *average class size* which can be used as key performance indicators (KPIs), benchmarking information and the basis for projecting activity in future years. Other metrics can also be derived depending upon those which a school finds most useful.
19. It is quite possible to extend the curriculum analysis into increasing levels of detail. Many schools will find it useful to do this. It is also possible to include education support staff time, though the level of detail is a matter for an individual school.

20. The minimum information can be derived from a summary table of teacher time in the timetable called a '*deployment analysis*'. This also allows for several other metrics to be displayed, including the cost of teaching in different areas once the link to the finance information is made.
21. It is also possible to set out what a school might deem to be an ideal curriculum cost envelope by using metrics such as pupil:teacher ratio (PTR) and average class size (ACS). In secondary schools without post-16, *relative curriculum bonus* can also be used to define a reference curriculum. Doing this means the curriculum side of the diagram works to a predefined level of teacher periods on the curriculum plan and this can be set against the budget when converted to a number of FTE teachers required. These approaches are outlined in paragraphs 28-29 below.

Finance Dimension – additional information

22. The first action on the finance dimension concerns a summary of the current financial position. This needs to relate to the same academic year as the one used for the curriculum analysis. From an ICFP point of view, there are some key values required in a minimum overall summary. This list gives the required information for the academic year in question.
 - Total available revenue,
 - Pupil numbers
 - In year balance (excluding any carry forward or deficit from previous years)
 - Cumulative balance (including any carry forward or deficit)
 - FTE employed total for different staff lines
 - Total cost for different staff categories
 - Total of all non-staff expenditure (possibly subdivided into broad categories)
23. The key derived quantities that inform future planning are
 - Per pupil revenue
 - Average staff costs
 - Non-staff and non-teaching staff expenditure
 - The cumulative end-of-year balance.
24. Several other metrics can be derived which many schools find useful including pupil to staff ratios, ratios between different staff categories and proportions of revenue spent on different staff and non-staff categories. All these link with benchmarking and KPI aspects of ICFP.

Developing projections – additional information

25. The projected pupil roll is a significant variable. This is particularly so for schools with a volatile intake and for those with post-16. Unplanned growth can prove as difficult to manage as a falling roll so it is important to avoid over-optimistic or pessimistic projections. It may be necessary to plan for three scenarios, most optimistic, most likely and most pessimistic, reviewing the basic data over time.
26. Curriculum planners and finance staff can each estimate a number of FTE teaching staff required for a future year from different perspectives, based on a projection of current activity, a value for pupil roll, estimated funding and cost pressures. These projections can then be iterated until the school has a good curriculum which is affordable.
27. The FTE needed to run the curriculum and the FTE the school can afford need to be reconciled until the FTE required by the curriculum falls within the number the school can afford. See Reconciliation section below.
28. Various approaches to deciding the FTE teacher total are valid. Different schools and academies will find different approaches useful depending upon their philosophy and circumstance. For example a school can decide an upper limit to FTE teachers based on an agreed set of Pupil to Teacher Ratio (PTR) metrics. Using ratios of 1:21 in Primary, 1:19 in Key stages 3 and 4 and 1:12 in post-16 would put most schools in the region of the national averages shown for November 2018 ¹. Different ratios would set a different FTE as the school saw fit. Provided the number of FTE teachers fell within budget constraints and a satisfactory curriculum plan could be constructed within the PTR limit the reconciliation discussion outlined below would be about decisions concerning shortfalls or surpluses in either funding or curriculum requirements or both.
29. Some schools and trusts do the same thing in terms of a metric called *relative curriculum bonus* (sometimes referred to as % bonus). In short, bonus is a measure of teacher time above or below a reference line. This normally only applies to Key stages 3 and 4 and historically, the reference line has been the teacher time required to give an average class size of 27. If a school applies a curriculum metric of 8% relative curriculum bonus (i.e. there is 8% more teacher time than that needed for an average class size of 27) then it will have a curriculum with an average class size of 25. If a teacher contact ratio is then defined the result is the PTR that the school will operate with. For example, 8% relative curriculum bonus and a contact ratio of 0.78 means the PTR across key stages 3 and 4 will be 19.5.

¹ SFR25/2018

30. To ensure that the desired pupil outcomes can be achieved with an affordable number of teaching staff, it is necessary to look at a range of metrics to decide where changes can be made. Once a school or trust finds a model that works for them, they can use these values for benchmarking across schools or set these values as KPIs.

Reconciliation

31. Whatever approach is used there may be a difference between the estimate for the FTE teachers needed for the curriculum plan and the finance estimate of the number of FTE teachers the school can afford. The school may be able to afford more teachers than are implied by its curriculum model or the opposite may be the case.

32. The goal of reconciliation is to direct resources to where they will have the biggest impact on pupil outcomes, and this will depend on the needs of pupils in individual schools. Leaders may choose to prioritise any number of different strategies but the resulting curriculum must be broad and balanced, and meet pupils' development needs.

33. To achieve this, there are basic levers that can be explored:

- Employ a different number of teachers (in terms of the metrics mentioned above this would mean changing the PTR)
- Change the contact ratio for the teachers that are employed. This may also be achieved by reviewing the number of staff with leadership responsibilities, along with their allocations of non-contact time (it is important to have regard to work life balance in this area)
- Change the amount of teacher time required to teach the curriculum plan (in terms of the metrics mentioned above this would mean changing the average class size which in a secondary school can be expressed as changing the relative curriculum bonus)
- Change the proportion of revenue spend on non-staff costs to either increase or reduce the spend on teaching staff. Where the revenue spend on teachers is reduced the school can then decide where and how to spend the difference in revenue to best effect
- Change the teaching structure to change the average teacher cost
- Change the per-pupil revenue through income generation

34. Reconciliation will probably involve a combination of these points. Please note that there is no implication about the direction of the word 'change' in the points above. Change could be either an increase or a decrease depending upon the school's circumstances.

Key Performance Indicators

35. One feature of ICFP is the support it provides for KPI values and benchmarking. Most ICFP-related calculation and data handling will be carried out using spreadsheets. This makes it simple to derive many statistics. A risk is that it is easy to extract too many statistics and charts which can obscure rather than clarify the situation. A school needs to decide what information is valid, useful and necessary to support the delivery of its educational vision.

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