

Barnsley Governance Association Summer Conference

It's all about the budget!

Simon Richards

Chairs Development Manager



NGA is a membership organisation

- NGA is an independent charity representing and supporting governors and trustees in maintained schools and academies in England
- Our aim is to improve the effectiveness of governing boards by providing expert and tailored information, guidance and advice, and challenge when appropriate

n|g|a| **GOLDline**
The NGA Advice Service

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Governance
Association

GUIDANCE CENTRE

Governing board membership

- **STANDARD** governing board £95
- **GOLD** governing board £270

www.nga.org.uk/join





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Take part today!

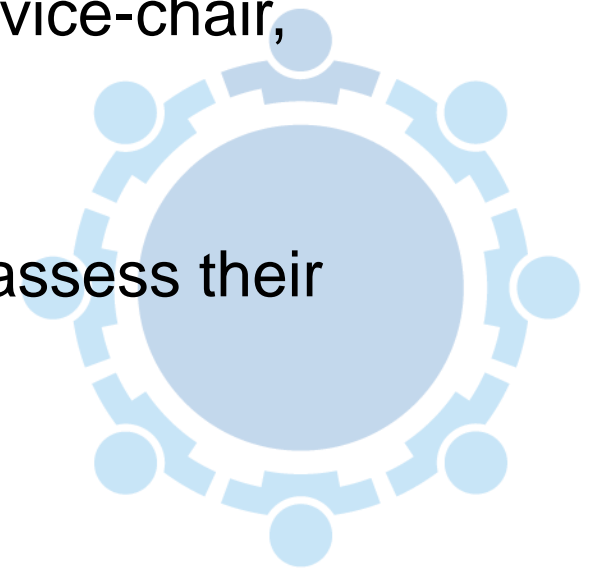
Add your views and experiences to the biggest annual
survey of
school governance volunteers.

www.nga.org.uk/survey

Future Chairs



- Strengthen succession planning on boards with high-calibre volunteers.
- A board decision to appoint a new governor or develop an existing governor as part of a time-specific succession plan.
- Volunteers join knowing they will be expected to become a vice-chair, committee chair or chair of governors after 12 months.
- Candidates go through a telephone screening interview to assess their capacity for leadership.
- Free of charge to volunteers and schools.



Support & Training

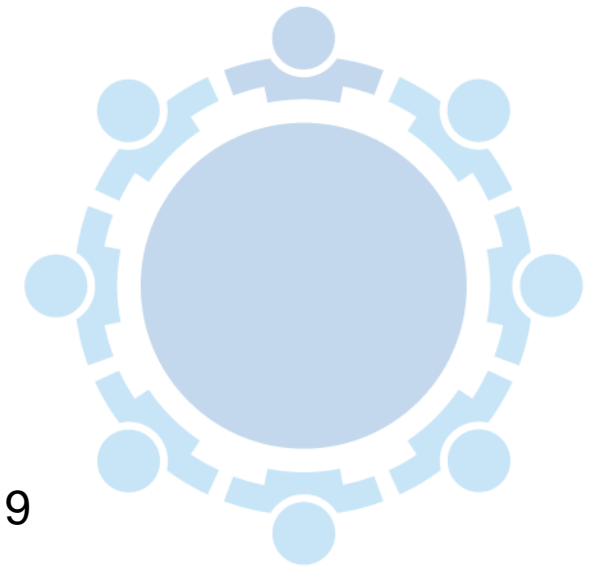
- Access to the standard support package for Inspiring Governance recruits.
- We provide additional support to Future Chairs by:
 - Providing a copy of the Chair’s Handbook.
 - Offering access to an Inspiring Governance Mentor – an experienced Chair of Governors or National Leader of Governance – who will provide support through the first 12 months.
 - Reserving a place on a Leading Governance course.



Three Core Functions of Governing Boards

- Ensuring clarity of vision, ethos and strategic direction;
- Holding executive leaders to account for the educational performance of the organisation and its pupils, and the effective and efficient performance management of staff;
- **Overseeing the financial performance of the organisation and making sure its money is well spent.**

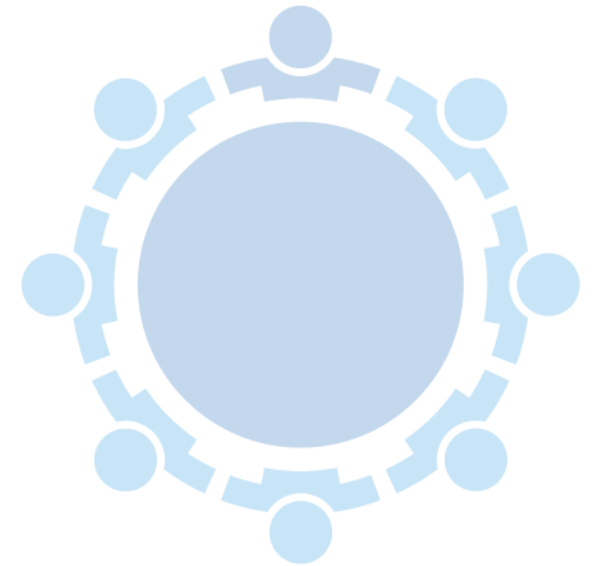
Department for Education,
Governance Handbook, March 2019



The current schools funding situation

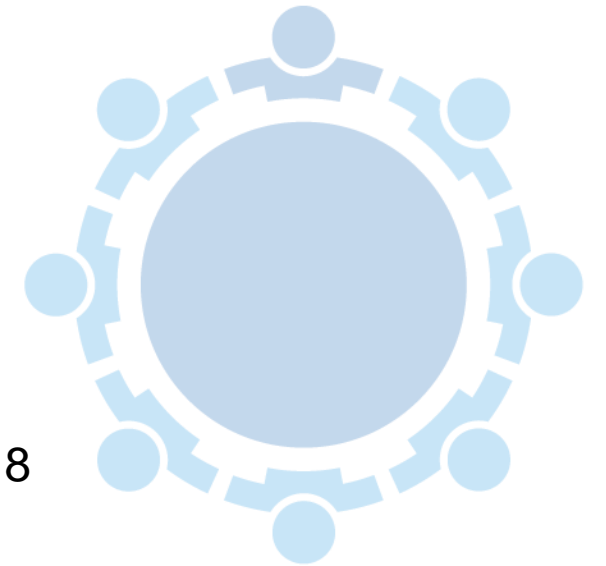
- Total school spending per pupil has fallen by 8% in real terms between 2009/10 and 2017/18;
- Sixth form funding reduced by over 20%;
- Funding per pupil to primary & secondary schools has fallen by 4% since 2015;
- 55% reduction in local authority spending on services for schools;
- Schools' costs increased more slowly than inflation between 2010/11 and 2015/16, but grew faster than inflation afterwards.

Institute of Fiscal Studies
September 2018



What governors tell us

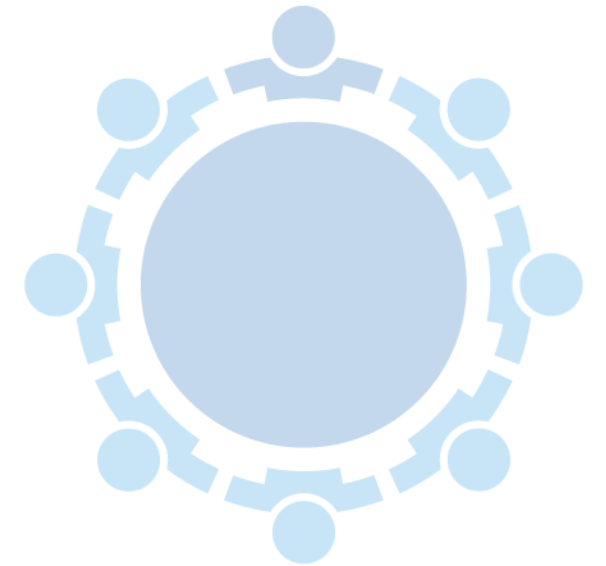
- Almost three quarters of the 5218 respondents said they are unable to manage funding pressures without negatively impacting pupils' education;
- Only half of respondents' schools are able to balance income and expenditure;
- Almost a third drawing on reserves, with 75% of these expecting to run out within two years;
- 74% said that high needs funding is insufficient;
- 47% have reduced support staff numbers;
- 30% have reduced teaching staff numbers;
- 56% of secondary school respondents have reduced subjects taught;
- 49% of secondary school respondents have reduced qualifications offered.



NGA School Governance Survey 2018

School revenue balances in England

- Education Policy Institute research report published January 2019
- 2017/18 maintained schools
 - 30% secondary schools in deficit (average £483k)
 - 8% primary schools in deficit (average £49k)
 - 10% special schools in deficit (average £225k)
- From 2011 to 2018 the overall proportion of maintained schools in deficit increased from 5.8% to 10%
- In 2017/18 60% of maintained secondary schools spent more than their income
- In July 2018 DfE reported that 6.1% of MATs were in cumulative deficit

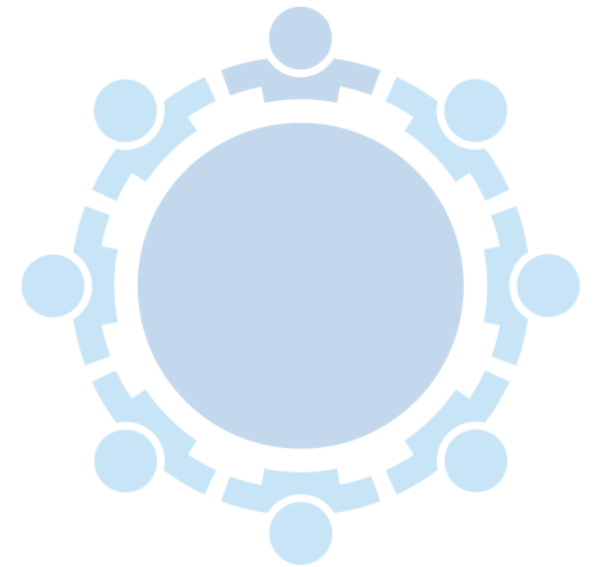


Funding the Future – NGA's 9 asks for the spending review

1. The core revenue budget must be increased by at least £2 billion per year so that the basic rate that schools get for each pupil covers the costs of their education
2. The high needs budget for pupils with special educational needs and disabilities must be increased by at least £1.5 billion per year
3. The rate for 16-19 pupils must be increased to at least £4,760 per year
4. The pupil premium funding must be protected in real terms and included in the national funding formula with reporting requirements retained
5. The government must review funding for early years so that all children have access to high quality, teacher-led early education
6. The national funding formula must be implemented in full as soon as possible, with funding distributed directly to schools/trusts
7. Funding settlements should be for a minimum of three years to enable schools to properly plan their budgets
8. The government must make sufficient capital funding available to return all school buildings to satisfactory or better condition
9. Local authority services for schools and children must be properly funded, as must children's mental and physical health services, so that pupils come to school safe, well and equipped to learn

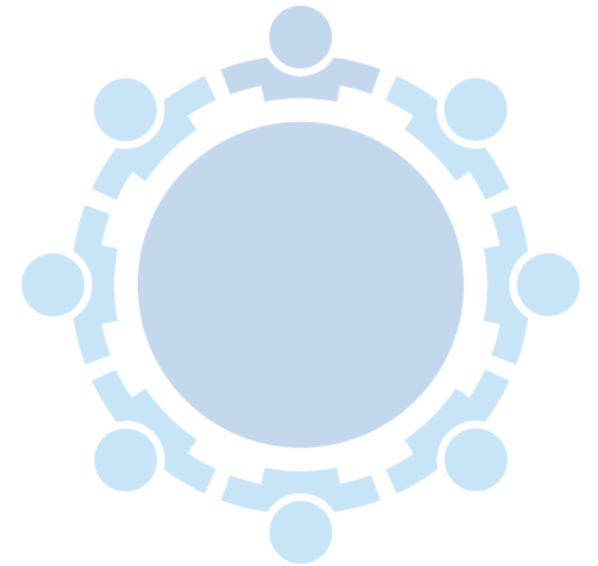
Core revenue funding

- F40 Group of lower-funded LAs has calculated that the current funding shortfall for core school costs is £2bn per year;
- Additional costs, either unfunded or only partially funded
 - Apprenticeship levy
 - Pension contributions
 - National Insurance contribution increase
 - Pay increases
- The Secretary of State for Education has recently acknowledged that schools are being asked to more than ever.



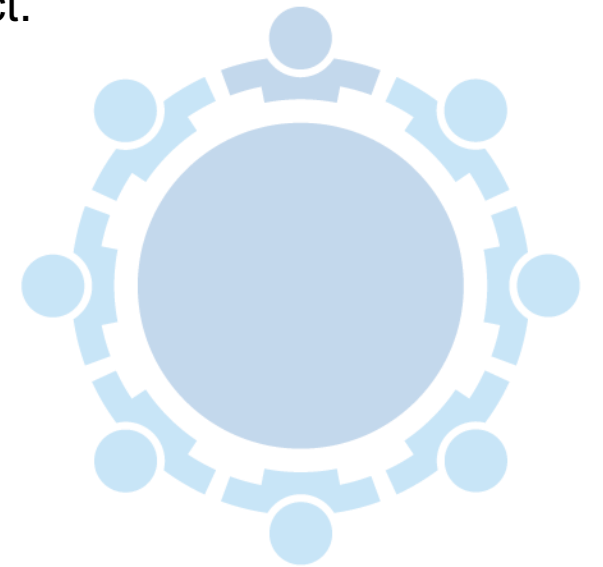
High Needs funding

- Number of pupils with statements of SEND or EHCPs increased by over 50,000 (21%) between 2014 and 2017;
- LA budgets are insufficient to meet the costs over and above the £6,000 mainstream schools are required to provide from existing budgets;
- LAs have overspent their allocated budgets for children with SEND for the last 4 years (Local Government Association research)



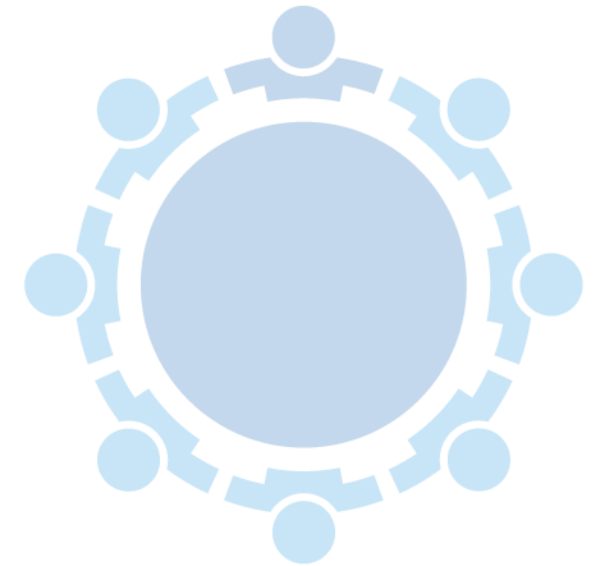
Pupil Premium

- Education Policy Institute research found that children eligible for the pupil premium were, on average, 4.3 months behind their peers when they started school, and by the time they sat GCSEs the gap had risen to 19.3 months;
- Pupil Premium funding should be protected in real terms through its inclusion in the national funding formula;
- Reporting requirements should be retained to ensure continued focus on impact.



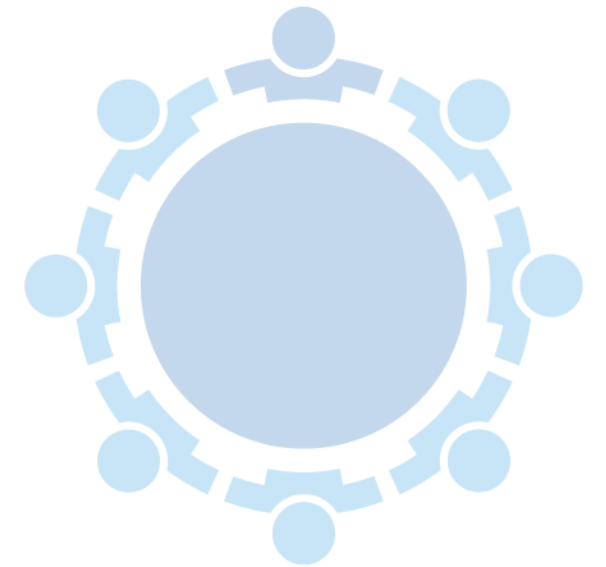
National Funding Formula

- Principles of NFF
 - equitable
 - transparent
 - meets the needs of pupils
- Current transitional period needs to end as soon as possible
 - LAs making regional/local variations to funding allocations
 - Inequalities are perpetuated
- Funding should be distributed directly to all schools
- Requires LA services to be properly funded



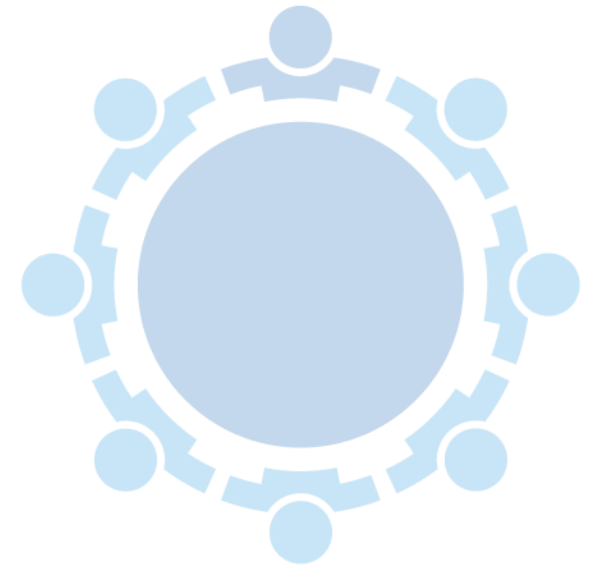
Resource Management

- Gov.uk Teaching Vacancies service
- School financial efficiency metric tool
- School financial benchmarking tool
- DfE Schools Commercial Team – Deals for Schools
- DfE school procurement guidance
- School Business Professional Networks
- DfE Edtech strategy



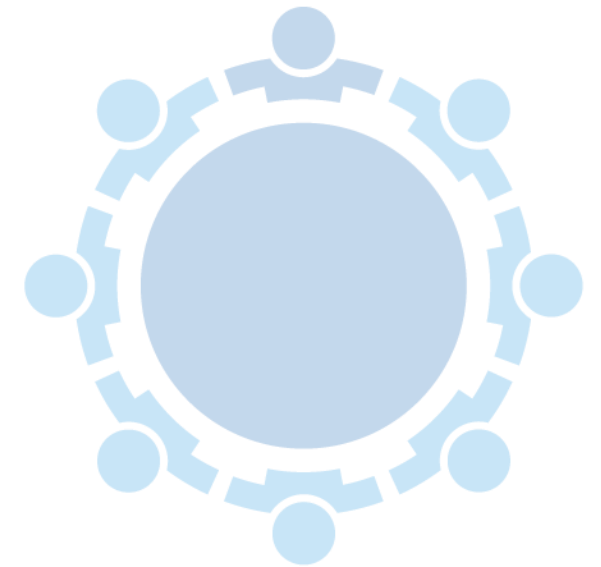
Sources of funding

- Almost 8000 grant-giving trusts in the UK giving out £2.6bn a year
- Grants4Schools website – regular announcements of grant opportunities
- National Lottery Community Fund
- BBC Children in Need
- Sport England
- DfE
 - funded school improvement support
 - funded governance development
 - Condition Improvement Fund
 - SSIF has closed, but emergency fund remains open



Executive Pay

- Academies Financial Handbook - “The board of trustees must ensure its decisions about level of executive pay follow a robust evidence-based process and are reflective of the individual’s role and responsibilities. No individual can be involved in deciding his or her remuneration”.
- DfE wrote to all trusts in 2017/18 which were paying their senior executive leader over £150,000, and reported last autumn that at least 50 trusts had reduced salaries as a result.
- £150k is based on Prime Minister’s salary, but there is significant debate about the relevance and appropriateness of this benchmark.
- NGA guidance
 - View pay-setting as part of setting culture and ethos;
 - Focus on remuneration, the full cost of the package;
 - Have clear expectations, roles and responsibilities;
 - Set pay ranges with a minimum and maximum;
 - Remember Nolan Principles;
 - Guidance document on NGA website.



What next?

“I intend to launch a full three-year Spending Review before the summer recess, to be concluded alongside an Autumn Budget.

It will set departmental budgets beyond the NHS...

...to reflect the public’s priorities between areas like social care, local government, schools, police, defence and the environment

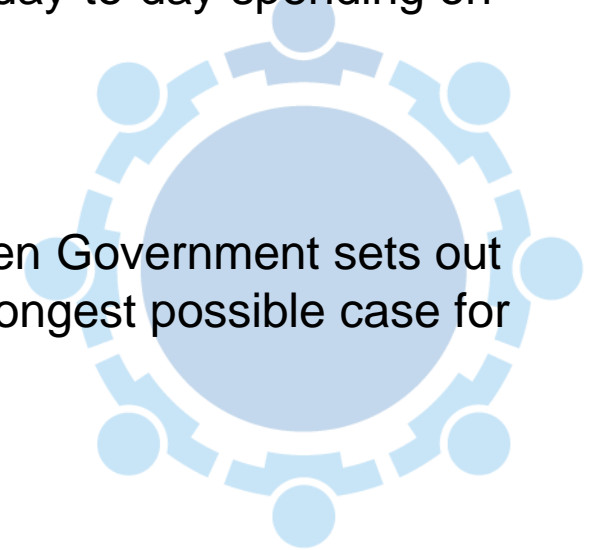
And at the Budget I announced that the long, but necessary, squeeze on current public spending would come to an end at the upcoming Spending Review...

...setting out an indicative 5-year path of 1.2% per annum real terms increases in day-to-day spending on public services...”

Phillip Hammond MP, Spring Statement, 13 March 2019

“On Wednesday the Chancellor announced the next spending review, which is when Government sets out spending allocations for the year ahead. I will take that opportunity to make the strongest possible case for education.”

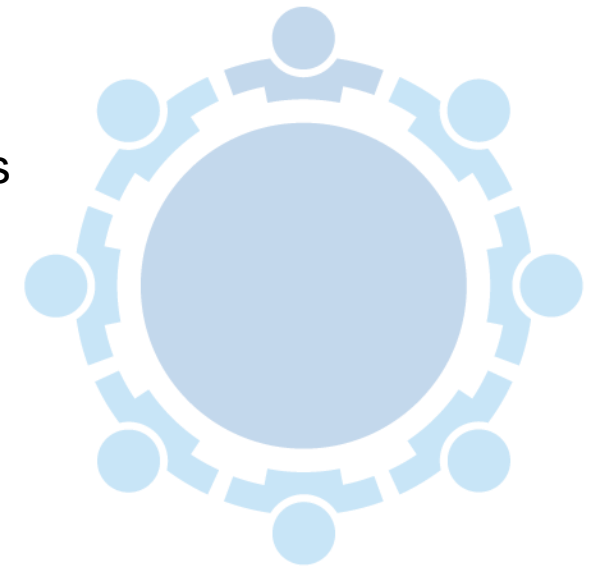
Damian Hinds MP, ASCL Annual Conference, 15 March 2019



Recent Quotes

- “I can reassure you that I have heard the message on funding loud and clear and before I go any further – I want to address this directly. I understand that there are real concerns on funding, that finances are challenging for schools and that many of you have had to make, and are having to make very hard choices. I know that rising costs from suppliers to supply agencies add to these pressures, alongside the particular pressures in High Needs.”
Damian Hinds MP, ASCL Annual Conference, 15 March 2019

- “I have heard you loud and clear on this. I know finances are challenging for many schools, that you have had to make, and do have to make hard decisions about resources.”
Damian Hinds MP, NAHT Annual Conference, 3 May 2019



Recent Quotes

- “We are now a country that has choices. We could choose to cut taxes a bit. We could choose to raise public spending. We could choose to get the debt down faster. We haven’t had that luxury for a decade.”
Phillip Hammond MP, Evening Standard, 8 May 2019
- “I just say to headteachers that we are at the darkest hour just before dawn. It’s important to – how to phrase this – to get through this period in the best way that we can.”
Nick Gibb MP, The House Magazine, 26 April 2019

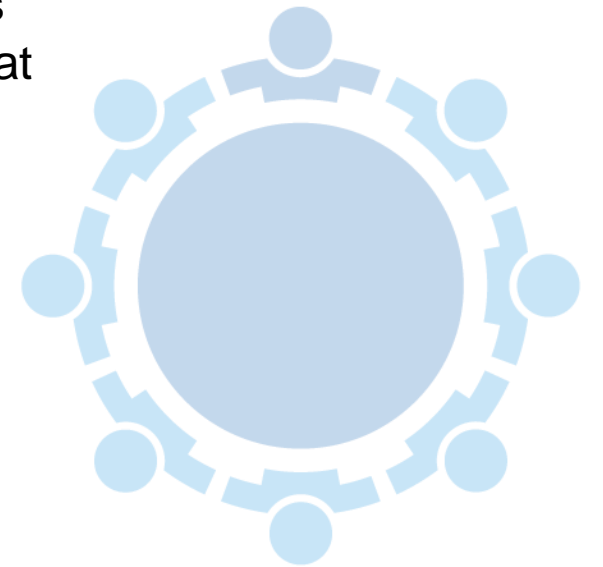
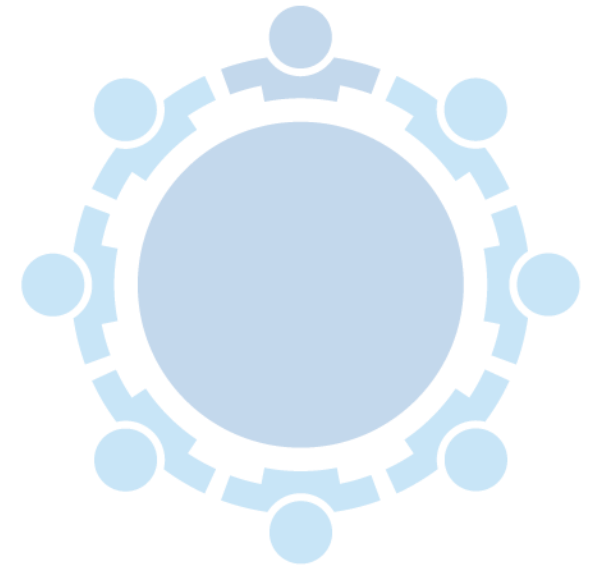


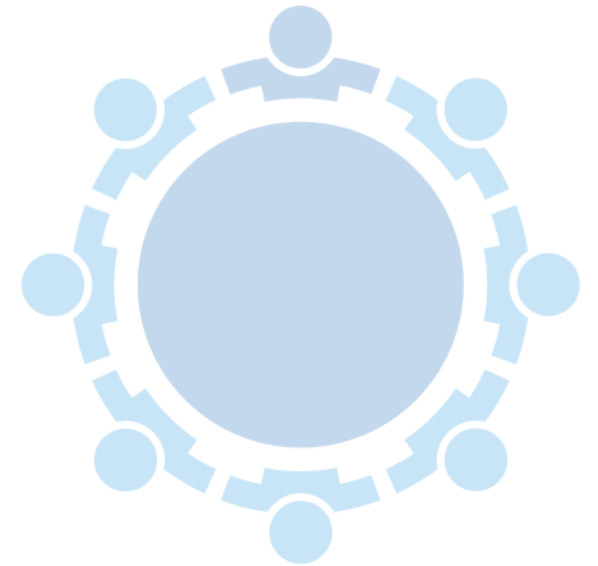
Table Discussion

What is the single most important question you would ask, or statement you would say to Nick Gibb MP, Minister of State for School Standards if you had the opportunity, contributing to making the intelligent case for increasing school funding?



Summary

The debate on school funding appears to have been won, but we need to continue to make the intelligent case for more funding in schools. Even if increased funding transpires through the spending review, the need to strive for financial efficiency will not disappear.



Thank you for your attention & participation

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