



School Budget Pressures - the role of governors

20th October 2022



Steve Barker
Head of Better Governor

Aims of today's session:



to reflect on some of the drivers for school financial concerns in Autumn 2022 and beyond;



to clarify expectations on governance in setting balanced budgets;



to explore options and actions that governance should be considering as we approach 2023.

Funding Crisis?

**School funding crisis:
Doing nothing is not
an option**

FEATURE
**Schools are on the
financial brink - and
it's going to get worse**

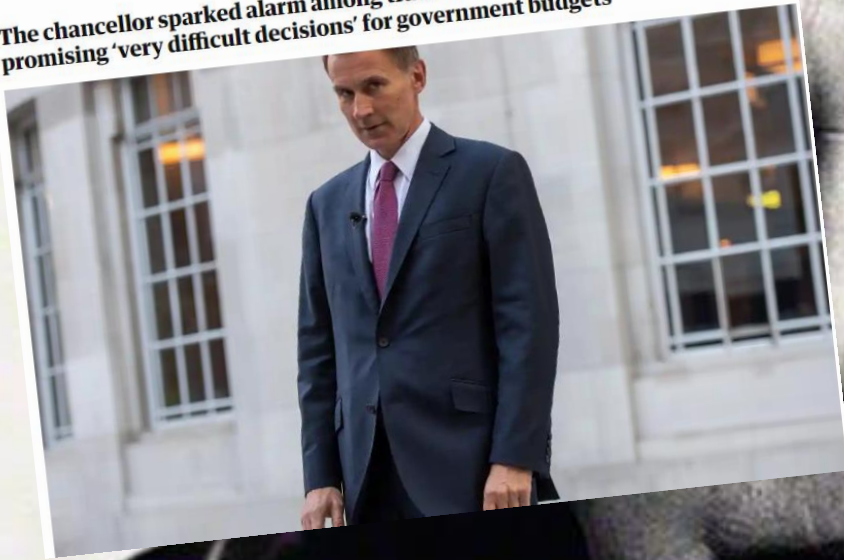
**Government's plan for teachers' pay
risks funding crisis, say unions**

**Schools urge parents to help plug
funding gaps as costs soar**

A week is a long time in politics

Health and teaching unions aghast at Jeremy Hunt's new era of Tory austerity

The chancellor sparked alarm among trade union leaders by promising 'very difficult decisions' for government budgets



Austerity 2.0: 'No good news for schools' as Hunt warns of cuts

Chancellor says 'all departments' will need to find savings, and 'some areas of spending will need to be cut'

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Warning of 'scary' spending cuts after tax U-turns

3 minutes ago • Comments

Headteachers to be balloted on industrial action in row over pay and funding

Drivers for financial concern:

- Unfunded teachers' pay award
- Unfunded support staff pay award
- Energy cost inflation
- Inflationary pressures
- Government grants not keeping pace with inflation
- Fluctuating birth rates

Balancing the school budget:

- The task of governance is to approve a balanced budget
- Maintained schools *can* be granted a licensed deficit, but it must be supported by a repayment plan
- Academy trusts are *'required to set out and approve a balanced budget'*

Balancing the budget

There are two approaches:

- increase revenue and or income;
- reduce costs

Increasing revenue/income

- Wait for help from central government
- Increase school admissions
- Prioritise SEND & EHCP processing
- Apply for grants
- Charitable donations

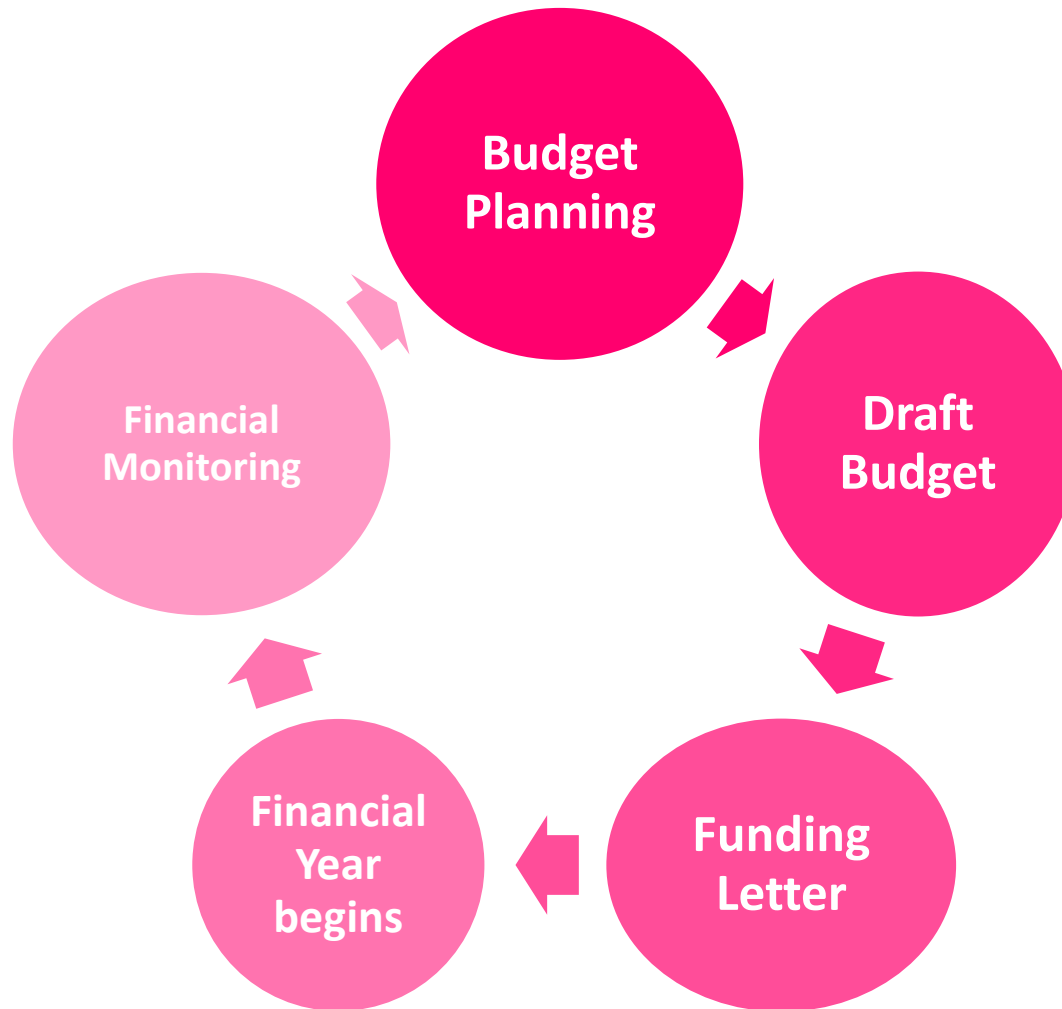
Making cuts:

- staffing;
- curriculum resources;
- training & development;
- energy;
- joint purchasing.
- other areas?

Questions for Governors to ask:

- Have we got a clear understanding of our current financial position?
- Where will we be at the end of the current fiscal year?
- How realistic are the assumptions that our three-year forecasts are based on?
- Have we considered the options open to us?
- Have we sought external advice/support?

The financial cycle in schools



Has your school/trust explored:

Home > Running a school or college

Buying for schools

From: [Department for Education](#)

Published 2 February 2016

Updated: 2 September 2022, [see all updates](#)

Search this manual



Home > Education, training and skills > School and academy financial management and assurance

Guidance

Find a DfE-approved framework for your school

Find quality-checked suppliers of goods and services for your school.

Home > Education, training and skills > School and academy financial management and assurance

Guidance

The risk protection arrangement (RPA) for schools

Public sector schools can join the risk protection arrangement (RPA), an alternative to commercial insurance, which may save time and money.

GrantsOnline Home Regional Funding News Funding Categories

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Schools and Colleges

[Applications Now Open for Funding Towards School Partnership Trips to CERN \(UK\)](#)

18th October 2022

The Ogden Trust is offering funding to secondary schools in its School Partnerships programme (to the European Organization for Nuclear Research, for disadvantaged students who otherwise would not be eligible for pupil premium or equivalent to support trips which give students the opportunity to

[Funding for Links with Japan \(UK\)](#)

17th October 2022

Grants of £2,000 - £9,000 are available to promote and support interaction between the two countries including educational and other projects and events. New initiatives are especially encouraged. Prc (Bingley) which received a grant of £3,000 to support a two-week curriculum-based school exchange

Some key metrics to be aware of:



**GOVERNORS
FOR SCHOOLS**

Beyond scratching the surface



Understanding;

- when the staffing structure was last reviewed;
- if there staff on fixed-term contracts;
- teaching and leadership responsibilities (TLRs);
- using volunteers
- the cost of every position;
- the cost and methods of recruitment

Challenging accepted wisdom

- Do we need the staffing that we have/could we organise differently?
 - three teaching assistants across two classes rather than two in each;
 - Four classes in the morning/three in the afternoon;
 - Cover supervisors v supply teachers
 - HLTA v Supply Teachers/PPA cover

Doing nothing is *not* an option

- Meet sooner rather than later
- Look at outturn/forecast and decide if you need to act now;
- Start planning – seeking advice, knowing timescales etc.
- Communicate – open and honest
- Realise it is challenging
- Demonstrate care, compassion and concern.

Any questions?



Further information:

- Grants Online

<https://www.grantsonline.org.uk/news/schools-and-colleges/>

- DfE Guidance

<https://www.gov.uk/guidance/buying-for-schools>

What you need to know, when you need to know it



Better Governor researches, interprets and distils the latest news in education policy, legislation and practice keeping you informed on how they impact your role as a governor or clerk.

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