An introduction to school finance for governors – Governor Responsibilities & How Schools are Funded

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- Discuss role of governors with regards to finance in schools
- Overview of the schools funding environment
- A brief discussion on finance strategy and monitoring
- Hillingdon Schools finance Cycle
- Resources

Board of Governors

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Role of Governors

Assumptions

- Setting the strategic direction
- Creating robust accountability and holding Headteacher to account
- Ensuring financial probity

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Evidence of Good Governance at Inspection

- Knowledge of statutory duty and understanding of role as responsible body
- Support and effective challenge of leadership
- Clear communication of school context and priorities to leadership
- Fair systems of monitoring and assurance for leaders and staff at the school.

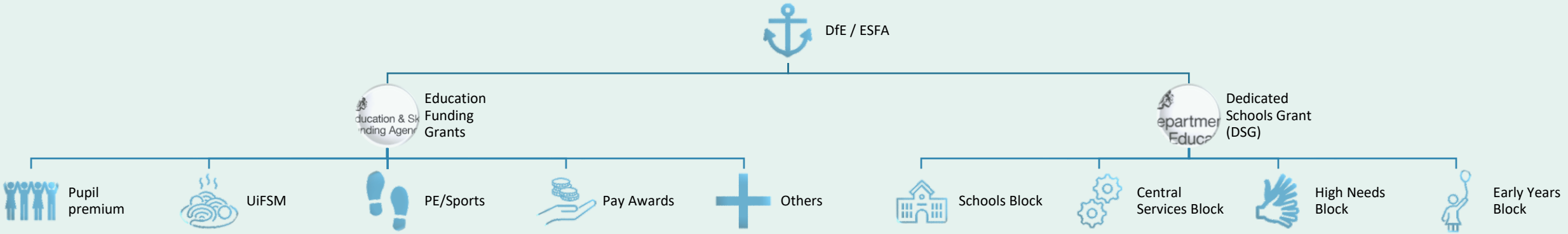
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School Funding

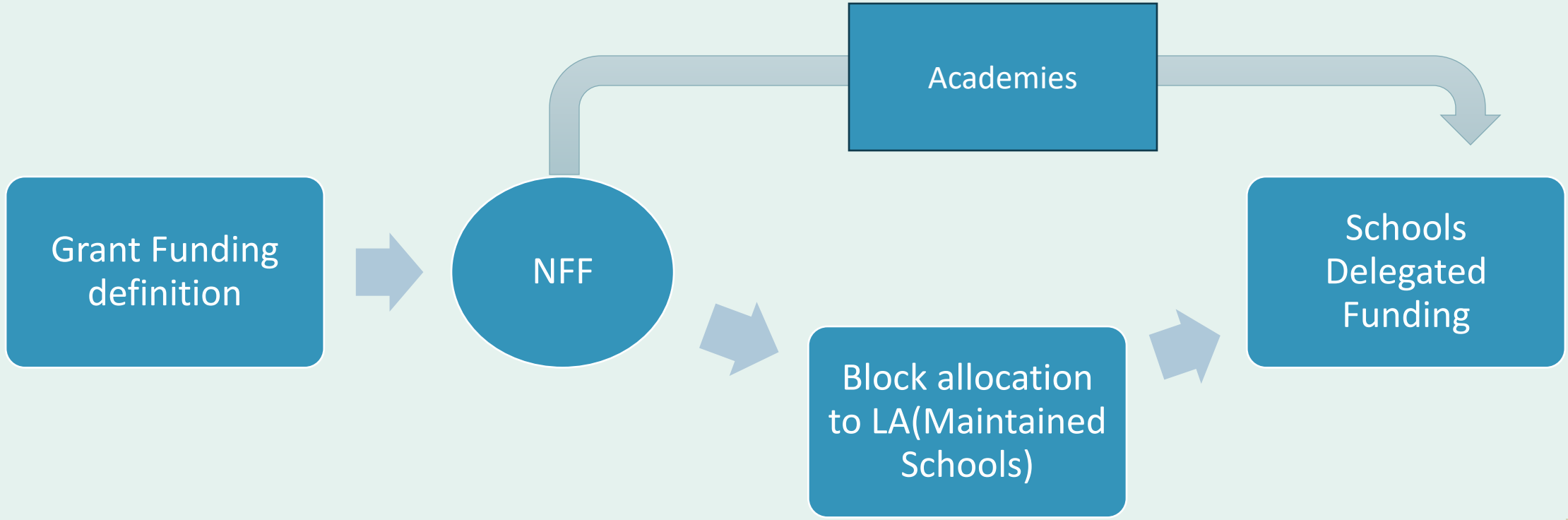
Brief Overview

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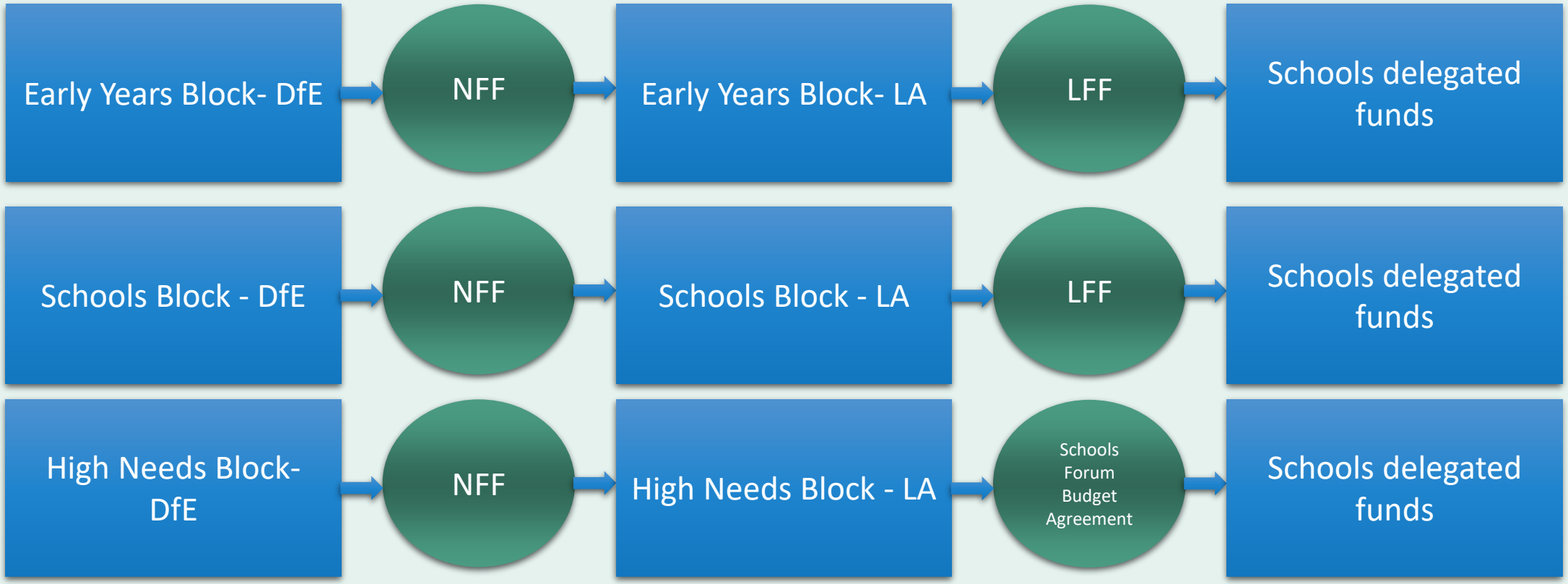
How the government funds schools



Passporting grants to Schools

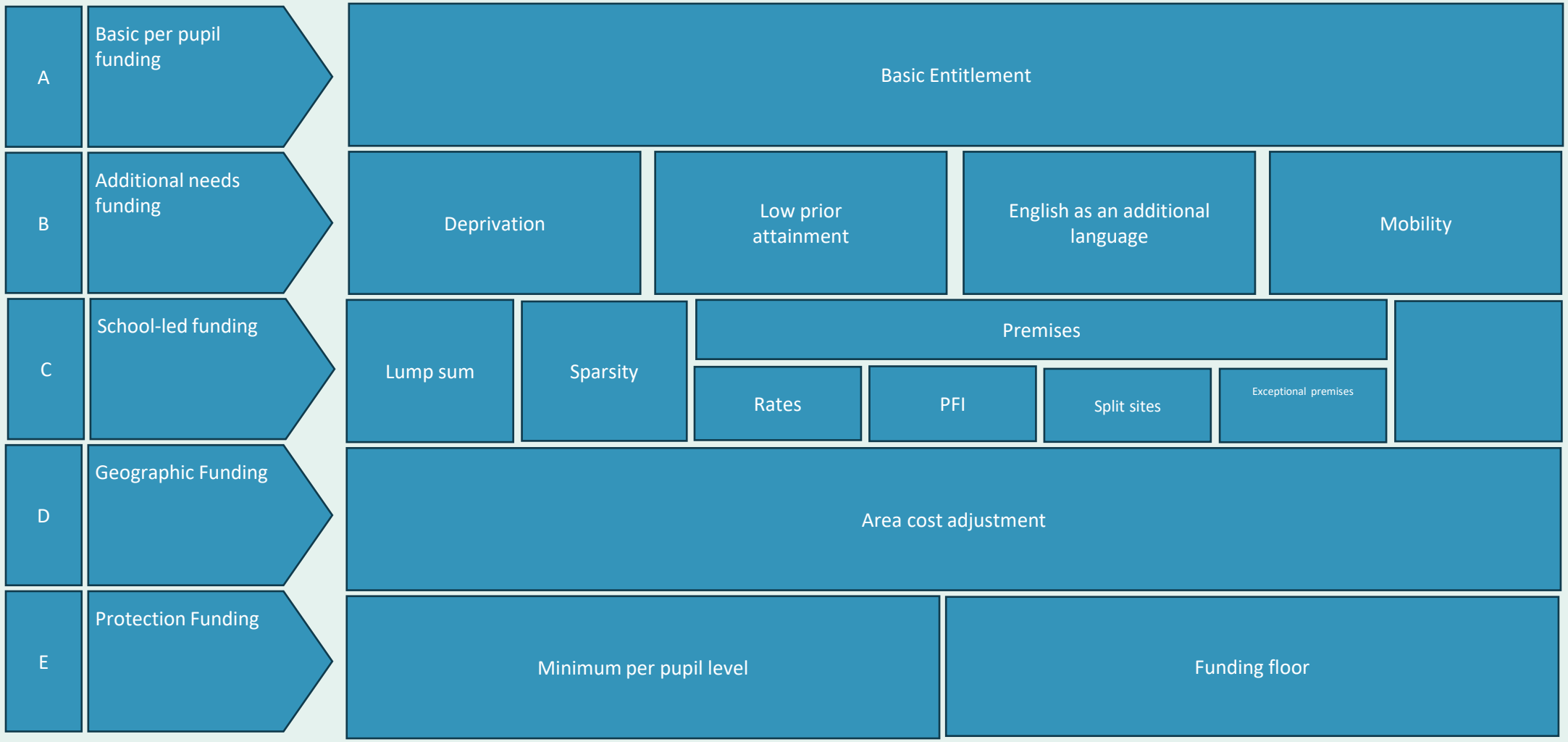


Getting DSG Funding to Schools



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Example NFF Factors – Schools block



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Key Takeaway….

- Funding is predominantly driven by pupil numbers
- There is a substantial focus on deprivation across funding streams.

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Creating a Finance Strategy

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Setting a finance strategy

- Focus on context of the school
- Must be clearly communicated to leadership as well as all employees of the school.
- Must be seen to be directing the decisions of the board.

Example strategies…

- Build school financial resilience through building of reserves to x% of income.
- Maintain pupil to adult ratio at 12:1
- Achieve a staffing expenditure of between 78% and 80% of income.

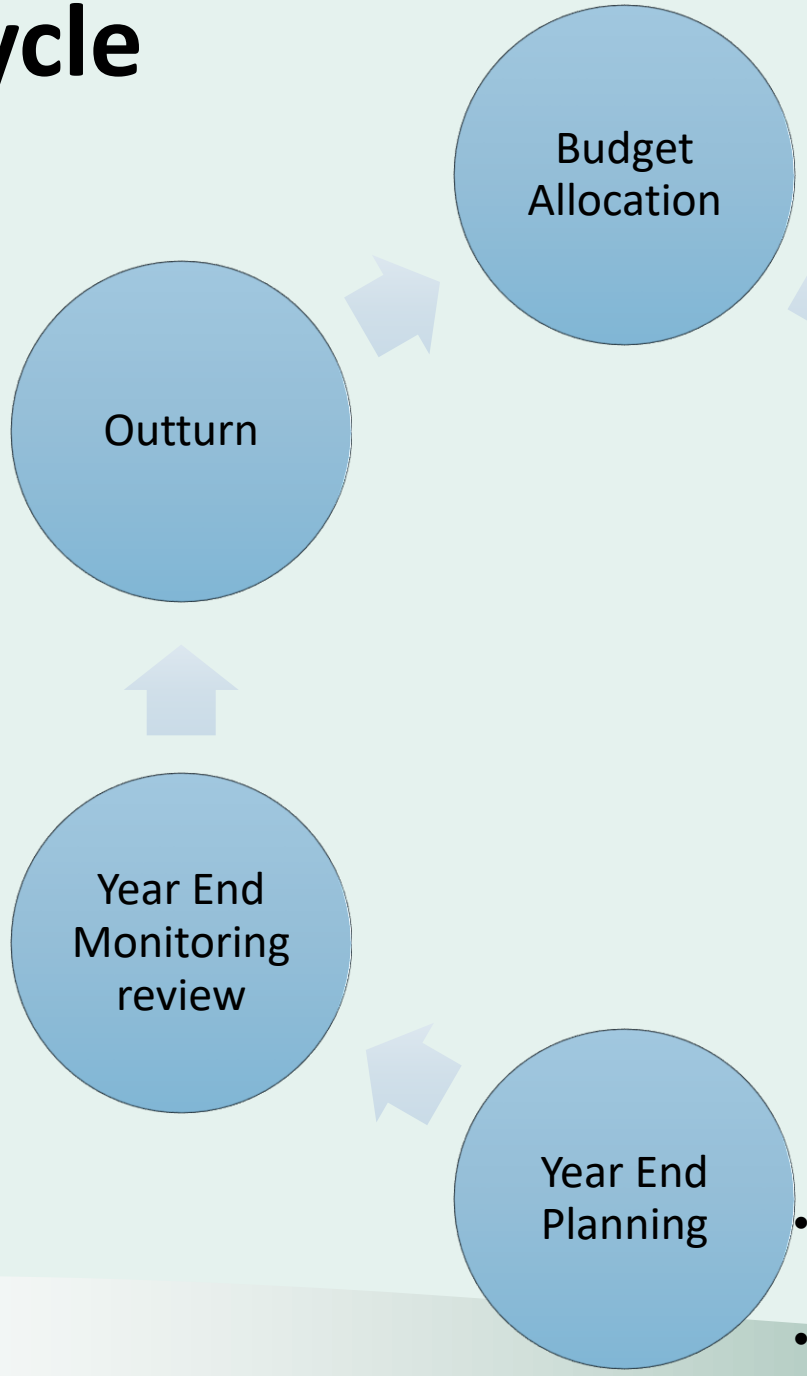
Monitoring your finance strategy

- Regular governing meetings.
- Clear mandate to resource committee
- Robust risk management monitoring
- Consistency in KPI tracking across multiple finance cycles.

Finance Cycle

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Finance Cycle



- The LA notifies schools of their annual budget.
- This is usual at the end of **February**.
- These budgets would have been approved by cabinet and schools forum

- Financial year **Apr – May**
- 3 year budget plans required
- Submissions expected in late May
- Must not submit unbalance budget

- Might involve meeting with officers at the LA to review forecast position and implement targets
- Usually reserved for schools with precarious forecast positions
- **May - Jan**

- Engage with LA to ensure all requirements for year-end are met
- **Jan - Feb**

- Review meeting with officers of the LA
- Only likely where the forecast indicates financial stress.
- **Feb - Mar**

- Year end financial position for the school.
- **March**

Useful Resources for Financial Managament

- DfE Schools Benchmarking tool (Home - Financial Benchmarking and Insights Tool - GOV.UK/)
- School Resource Management checklist
- Collaboration with governors of similar schools in your locality
- Benchmarking information from LA via your School Financial Advisor

Next Steps

Review Monitoring Cycles and Templates

- Plan your resource management monitoring calendar.
- Use LA resource to support if necessary

Develop and Implement Monitoring Strategy

- Create objectives and identify milestones to help guide the process

Increase Engagement

- Engage with LA and/or peer schools to better understand your school's finances

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End Goal…

SCHOOL BALANCE A MINIMUM OF BREAKEVEN

EFFECTIVE DEPLOYMENT OF RESOURCES

COMPLEMENT CURRICULUM PLANNING

PLAN FOR THE FUTURE