

TRAFFORD COUNCIL

Report to: Children and Young People's Scrutiny Committee
Date: 5th July 2022
Report for: Information
Report of:

Report Title

A report on the involvement of Trafford Council in School funding

Summary

The purpose of this report is to provide an overview of school funding and the wide range of support provided by the Council's schools finance team regarding this.

Recommendation(s)

That the contents of the report are noted.

Contact person(s) for access to background papers and further information:

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1. Introduction

Schools get two main streams of money from the Government. Their core funding, known as revenue funding which is the money that is spent on running costs, like salaries and they also have capital funding which is for buildings eg modification/renovation. All state-funded schools, whether they are academies or council-run schools, are funded by the Government. Independent or private schools operate outside this system and raise their funding through fees.

National Funding Formula (NFF)

The schools NFF is the way the government decides how much core funding to allocate for 5 to 16 year olds (pupils in reception through to year 11) in mainstream, state-funded schools in England. The schools NFF calculates an allocation for each school, using the school's pupil numbers and characteristics from the previous October school census. These school-level allocations are added up to create a total allocation for each Local Authority (LA). LAs then set their own local formulas to distribute their total allocation between all the schools in their area. Trafford Schools' Funding Forum opted to mirror the NFF as a local formula in 2018/19.

Early years and Post-16

There are separate national funding formulae for early years funding and post-16 funding. A school with a nursery class or a sixth form will therefore attract funding through both the schools NFF and the early years or post-16 formula.

High Needs

There is also a separate high needs national funding formula used to calculate the high needs budget local authorities receive. Local authorities use this budget to provide for pupils with special educational needs and disabilities (SEND) in special and independent settings, as well as to top up funding for pupils with SEND who attend mainstream schools.

Other funding

Additional funding that schools may receive, such as the Pupil Premium or PE and Sport Premium, are distributed separately to the schools NFF.

2. Sufficiency of funding

Funding should be sufficient to ensure effective and enriched learning for all pupils; address historic shortfalls, where budgets have not matched inflation and reflect rising demands on schools, such as policy changes and Covid.

In 22/23 Trafford schools received an extra £7.224m in their allocation plus supplementary funding of £5.437m which equates to an overall increase from 21/22 of 12.7%.

Despite these increases there are constantly evolving pressures and demands. Extra costs include :

- Teachers' starting salaries increasing to minimum £30k;
- Rise in general costs, such as utility and fuel charges;
- Immediate Covid costs (extra heating/ventilation and staffing);
- Long-term Covid costs (mental/emotional/physical/health impacts and catch-up).

3. Financial support from Trafford

Background

Each year schools must submit their approved budget plan by 30th June to the Local Authority showing its intentions for expenditure in the current financial year and the assumptions underpinning the budget plan. Details of the proposed use of estimated surplus balances are also included. The budget plan must be signed by the Chair of the Board of Governors (or Chair of the relevant Committee if a Committee of the Board of Governors has delegated powers to approve the budget) and the amount approved recorded in the minutes of the meeting where the budget was approved.

The Board of Governors should not plan a deficit budget, after taking into account carried forward balances. In the event of an unplanned deficit arising during a financial year, schools will be required to make good such a deficit in the following financial year and should allow for that in their budget plans. This is known as a balanced budget.

Exceptionally, where schools demonstrate that a balanced budget within the next financial year can only be achieved to the severe detriment of the functions of the school, the Local Authority may approve plans to achieve a balanced budget over a

short period of time and request a deficit recovery plan. There are 2 schools within Trafford which currently have a licenced deficit and 4 who have highlighted that they may not be able to set a balanced budget in 2022/23 (this could increase once budget plans are received at the end of June).

Support

The schools finance team provide a wide range of support from operational guidance relating to budget allocations to more strategic areas around potential staffing reviews and budget plans. However, the challenge has to be put back to schools to remain in a strong financial position as they have responsibility for managing their delegated budget.

What we offer :

- Information regarding school budget, Pupil Premium and Devolved Formula Capital allocations;
- Advice on Local Funding formula changes for instance Nursery Funding;
- Advice on various policies, such as Scheme for Financing Schools;
- Support for schools in financial difficulty and for those schools undertaking whole school staffing reviews by attending meetings at the school with HR & School Improvement to agree a plan which is then monitored termly.
- Advice and co-ordination of the Consistent Financial Reporting (CFR) annual returns;
- Collation & submission of Schools Financial Value Standard (SFVS). Local Authorities use this information to inform their programme of financial assessment and audit. Local authorities submit an assurance statement every year to cover all the maintained schools in their area;
- Support for newly opened schools and supporting governing body and staff of closing schools;
- Financial training for Head-teachers, Governors, School Business Managers and Administrators;
- Financial advice and support to School Business Managers and Administrators through their network meetings (upon invitation);
- Attend and participate in the f40 group, which Trafford is a member of. The group campaigns for fairness in education funding;
- Service, participate and present items as outlined above to the schools funding forum and sub groups – see below

Schools Forum

The Trafford Schools Funding Forum are public meetings that play an important role in school funding. Schools' forums were established to give schools greater involvement in the distribution of funding within their local authority and to act as a consultative and advisory funding body. The Trafford Schools Forum includes representatives from maintained schools, academies, early years providers, dioceses, trade unions and post-16 providers. Meetings are held 4 times a year.

In addition to this there are 3 working groups to discuss specific issues and their impact on individual schools before producing draft proposals for forum:

- Mainstream Funding
- Early Years
- High Needs Block