

SCHOOL FUNDING: FAQ SHEET

The purpose of this FAQ is to set out a brief overview of school finances, the role of governors in school finances, and the financial issues which The Queen's School faces.

What role do governors play, and what is the Finance Committee?

One of the most important responsibilities the Governing Board has is to oversee the financial performance of the school and to ensure that the funding we receive is well spent. Most of this work is done by our Finance Committee, although the full Governing Board has financial responsibility. We have 5 governors on the committee plus the Headteacher and Business Manager. Two of us are Chartered Accountants and all of us have had governor finance training. We help the school's leadership team and Business Manager to set the annual budget and we monitor it with them throughout the year. We check that we have policies that ensure spend is properly approved, and that it is value for money. We do a large, annual benchmarking exercise to compare ourselves to other similar schools.

How is the school funded?

The government funding, via the local authority is basically on a per pupil basis – this is called the Dedicated Schools Grant. So the fuller the school is, the better this is for us financially. The per pupil amount gets adjusted for various factors such as Special Educational Needs (SEN), English as a Foreign Language (EFL), Free School Meals (FSM) for which we receive additional funding which helps us.

Our pupil population is by far the most important factor in the financial health of our school. This number is measured on two census days during the year (usually in October and January) and averaged to determine the following year's funding level.

And what is that money used for?

That money is used for what is called our revenue spending. That's to say, the ongoing, operational costs of running the school. Around 90% of that is on salaries and associated costs, which is very normal for a school like ours, and the rest is for energy, water etc, training, office and classroom equipment and so on.

What are the other sources of income?

We're lucky that we can do a lot better than many schools in the area with the renting out of our facilities - the hall and the pitch in particular.

And we are particularly lucky to have a very generous parent and staff association (PSA), and a good annual response to the governor's appeal and some other charitable donors, such as the Richmond National Schools Trust (RNST).

The money from these sources has mainly been used for specific 'capital' (as opposed to revenue) spending. Recent examples obviously include the 3G pitch, the canopy at the back and all the playground development that's been springing up.

What about other things like clubs and trips?

Clubs and trips are funded by voluntary contributions. We are not trying to make a profit on those things, so the school tries to match the amounts requested to the costs very closely, whilst making sure we cover our overheads such as depreciation of equipment, the need to have the office open and/or caretaker present etc.

What is the Governors' Appeal for?

As a Voluntary Aided Church School, we are required to cover from our own funds 10% of the cost of any capital works – improvement or major maintenance – for which we receive government funding. In 2021, for example, we have been awarded funding for £70,000 of work to improve the external lighting and to motorise the emergency gate, which means that a £7,000 contribution from Governors' funds is required.

The governors' fund covers (a) our subscription to a Diocesan scheme that covers the 10% contribution for major **maintenance** works; and (b) our 10% contribution for **improvement** works not eligible for the Diocesan scheme

How worried should we be about the sort of headlines we are regularly seeing about school funding being in crisis?

Our financial position is OK, but it is fragile. Our annual results do swing quite a bit due to the accounting rules, but overall we want to, and do, spend the money we get in for the good of the children at the school now. The governors are neither interested in stashing for the future, nor in overspending now.

The amounts we are lucky to receive from donation (the PSA, RNST etc) are generally linked to particular capital projects - like the 3G pitch, the canopy, the playground developments or pieces of spend such as new musical instruments or other equipment. That's a completely different pot of money than that which pays for the staff and every operational cost of the school, and if there's to be a crisis it will be on the operational side.

We are in a good position right now because we are full but if we were to drop by, for example, 2 pupils per class across the school, we would suddenly have a six figure drop in our income but little or no move in the costs of running the school. That risk, coupled with the fact that typically the funding levels do not rise at the same rate as the salary agreements (90% of our cost base) is why it can feel fragile and why so many schools are now asking for more 'operational' help from parents or parent associations.

Will we be asking parents to make a financial contribution to the school?

It's impossible to predict the future but ideally not, although donations of any kind are always welcome, whether to the school directly, to the PSA or to the Governors' fund. And if they can be unrestricted in purpose, that's very helpful. We had a one-off PSA donation earlier this year to help us pay for some more classroom support, and that was very welcome and is a model that's happening quite widely.

Mark Ollard, Chair of Finance Committee