

## **Financial Responsibilities of the Governing Body of St Adrian's School**

The Financial position of the school is another one of the three main responsibilities of the Governing body as described in the first of these documents: 'Overseeing the financial performance of the school and making sure its money is well spent.'

### **Funding Streams for Provision of Education & School Facilities at St Adrian's:**

There are broadly two funding methods for state funded schools. The majority of schools are either part of Academy chains or are Community Schools owned by the Local Authority (LA). Since 2010 there are also some Free Schools. All these types of schools are totally funded by the government via various funding streams.

However, a Voluntary Aided (VA) school may be defined as '*a state-funded school in England and Wales in which a foundation or trust (usually a religious organisation), contributes to building costs and **has a substantial influence in the running of the school.** In most cases the foundation or trust owns the buildings. The responsibility for work to VA school premises is shared between **the school's governing body and the LA**'. Therefore, as stated in Part 1 of these information sheets, as a VA school St Adrian's has two masters- The Diocese of Westminster and the DfE on behalf of the Government.*

There are therefore, two streams of funding to St Adrian's School. This means that the school building belongs to the Westminster Diocese. Any **Capital** funding for new buildings, or maintenance of existing buildings, is provided by the government, through the Diocese or via Devolved Formula Capital (DfC) and requires the school's governing body to provide 10% of the total cost of the work. While finance for salaries, provision of the furniture and equipment and learning resources for the statutory curriculum is provided by the LA through **Revenue** funding.

The school receives revenue funding for the tax year from Hertfordshire Local Authority. This is government funding that is allocated according to a formula known as the National Funding Formula (NFR). The NFR exists to make sure that a school's per-pupil funding reflects a number of factors including the characteristics of their pupils, such as how many pupils have fallen behind/need support in their learning, how many pupils receive free school meals, the geographic location of the school (to reflect different salary costs) to all local authorities in the UK. Each local authority has a little flexibility about how it shares the revenue funding to schools. The bulk of a school's revenue funding is based upon the number of pupils in the school and varies dependent upon the age of the pupils.

### **The Finance Committee**

The Finance Committee of the Governing Body is one of two committees normally required in a VA school. St Adrian's Governing Body has a committee that meets regularly (normally at least once each half term) which has responsibility for setting and monitoring a budget, using the revenue funding provided by the Local Authority, with the assistance of the School Business Manager (SBM). At present the school also employs the services of Herts Financial Services who make regular visits to keep all records up to date with the assistance of the SBM.

The Finance Committee has terms of reference approved by the full governing body. At present there are 4 members of the Finance Committee who receive reports from the SBM and approve spending in line with the school's Schedule of Financial Regulations. The Finance Committee has to refer any spending over specified

limits for approval of the full governing body as all governors are jointly and severally liable for the financial state of the school.

The Finance Committee also reviews and monitor the school's pay policy every year and nominates members of the Finance committee to act as a Pay committee. This sub-committee ensures all staff salaries are reviewed, as required by the regulations contained in the School Teachers Pay and Conditions document, and approves recommendations made by the appropriate person/body. The sub-committee provides an anonymised annual report on staff pay and performance for approval to the Finance committee before final presentation to the whole Governing Body. The Finance Committee would consider the financial impact of new appointments/redundancies following a review of the staffing structure by the Strategy and Personnel committee. It also monitors expenditure and income and takes action to revise the budget plan if the budget position is not in line with the set budget plan. The Committee is expected to plan ahead (usually for three years) by reviewing the priorities in the School Improvement Plan and factors such as pupil projections, condition of the school and realistic lifespan of equipment/resources to determine potential pressures on the budget.

Ofsted Inspectors are required to establish the governing board's application of Best Value principles as part of their inspection. The Schools Financial Value Standard (SFVS) began in September 2011. It was designed in conjunction with schools to assist them in managing their finances and to give assurance that they have secure financial management in place. Governing boards have formal responsibility for the financial management of their schools, and so the standard is primarily aimed at governors. Maintained schools are required to complete the SFVS once a year. SFVS is not externally assessed but Local Authorities may use schools' SFVS returns to inform their programme of financial assessment and audit.

### **Current Economic Climate in Education**

You will be aware from the media that school funding has faced real terms cuts for some years now and schools have had to make very difficult decisions to provide education for all their children. St Adrian's was fortunate to have built up funds over a number of years thanks to the generosity of parents, parishioners of St Bartholomew's and parents of former pupils. Some of these funds have been used during the 'lean' revenue funding years to boost the budget allocated by the LA. However, the last two difficult years of the pandemic and the amount of support that has had to be provided for the large capital projects we have been allocated by the Diocese, during the last 18 months, have drained most of our funds. The projects are for the upkeep of the school building and to maintain a safe school environment. Further projects have been approved to help maintain the school building and bring it up to current health & safety regulations. Whilst maintaining the school building isn't the most exciting project, it is important as without a safe and secure building our school cannot operate. The school has or will have to pay 10% of each project cost.

Many parents already make a regular payment to the School Building Development Fund that provides the 10% for Capital works. Some parents may never have understood the importance of this fund, but may begin to commit to a regular donation at any time, if their circumstances allow them to do so. It is our priority and responsibility as governors to raise such funds because projects approved by the Diocese, such as the latest de-carbonisation work on the heating system that will occur during the next 9 months, will require a contribution of 10% of the cost, which in this case will be £50,000, to be made from existing funds, at some point in late 2023. Such a contribution will use up virtually all the funds currently available to the governors for such building projects. It is essential to be able to maintain our building safely in order to keep the school open at all times. The governing body is extremely grateful to the PTA for all the fund raising work that it does to enhance the provision of resources for our children and the generosity of many families/parents in the community

