



Breaking Point 2017/18

A snapshot of the continuing crisis in school and academy funding

NAHT Snapshot Survey of School and Academy Funding 2017/18

Introduction

Following on from NAHT's two previous Breaking Point surveys, the Association carried out a further survey of NAHT members, to provide an essential update on funding in schools and academies across the country.

We asked members to complete our survey between the end of 2017/18 autumn term and the very beginning of the spring term. 589 Head Teachers and School Business Leaders responded to the survey from England and Wales. The majority of these were from Primary Schools (78%) and of the total number that responded 53% were from community schools, 22% from voluntary aided or voluntary controlled schools and 19% from Academies or Free Schools.

Key Findings

- **More than a fifth** (21%) of respondents said that their budget for 2017/18 was in deficit; a 13 percentage point increase since 2015.
- **Only 8%** of respondents said that they did not foresee a year where they would have an untenable deficit.
- When asked which one factor was causing the greatest financial pressure on schools, '**additional needs of some children**' was the key factor cited by 28% of respondents
- **Driven by the three “R’s” - Reduction, reducing and redundancies** these were three of the most common words used by respondents when describing the most difficult budgetary decision they have had to make over the last year.
- **More than four fifths** (86%) of respondents have reduced the hours or numbers of teaching assistants to make their 2017/18 budget balance. This figure was 49% in 2015.
- **More than a third** (37%) of respondents said they have had to reduce the number or hours of teaching staff
- **Almost three-quarters** (71%) are expecting to have to set a deficit budget in the next financial year and almost four fifths (79%) are expecting a deficit budget for the following year 2019/20.
- **Almost two thirds** (65%) of respondents said that they strongly agreed that the reductions they have had to make have resulted in a negative impact on the performance of the school.

Survey overview

Balancing the budget

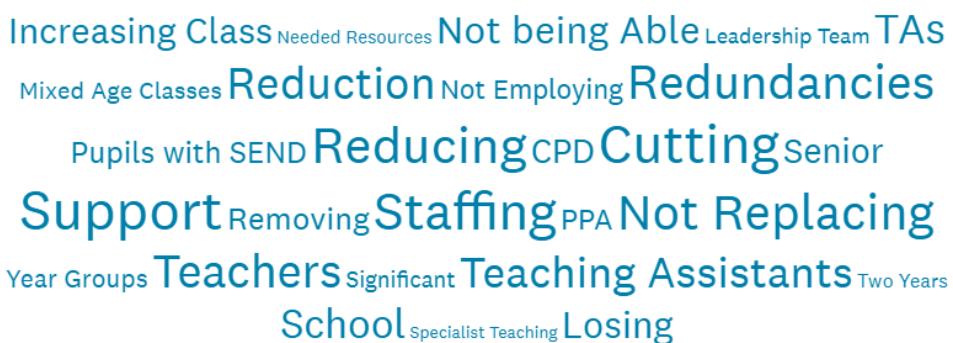
We asked school leaders if their overall proposed budget for 2017/18 was in balance, deficit or surplus (as shown in table 1). Almost 40% of respondents to the question said that they had only managed to balance the budget because they had made cuts and carried over a surplus. Over a fifth said that their budget for 2017/18 was in deficit, this is up from 8% in our 2015 Breaking Point survey. Only 6% said that they were expecting a surplus.

Table 1: Is your proposed overall budget for 2017/18 in balance, deficit or surplus?

Surplus	6%
Balanced	8%
Balanced, but only because we have made significant cuts	14%
Balanced, because we have brought forward a surplus	11%
Balanced, because we have made cuts and carried over a surplus	40%
Balanced, because we have centralised funds within the MAT	0.4%
Deficit	21%

Sixty five percent of respondents¹, who said they were not expecting to have a balanced budget or carry over a surplus, **strongly agreed that the reductions they have had to make have had a negative impact on the performance of the school**. A further 28% said they agreed with this statement. Almost all respondents, 98%², either agreed or strongly agreed that making budgetary decisions had increased the amount of stress they experience in their role.

Word Cloud:³ What has been the most difficult budgetary decision you have made this year



We asked what had been the most difficult budgetary decision members had to make over the last year. The word cloud, shown above, provides an overview of the most popular words that members used when responding to this question. The most common words included reducing, cutting, reduction and redundancies, reflecting the fact that members have had to cut teaching and teaching assistant posts and implement restructures. Specialist teachers and support staff have also been hit,

¹ 458 responded to this individual question

² 459 responded to this individual question

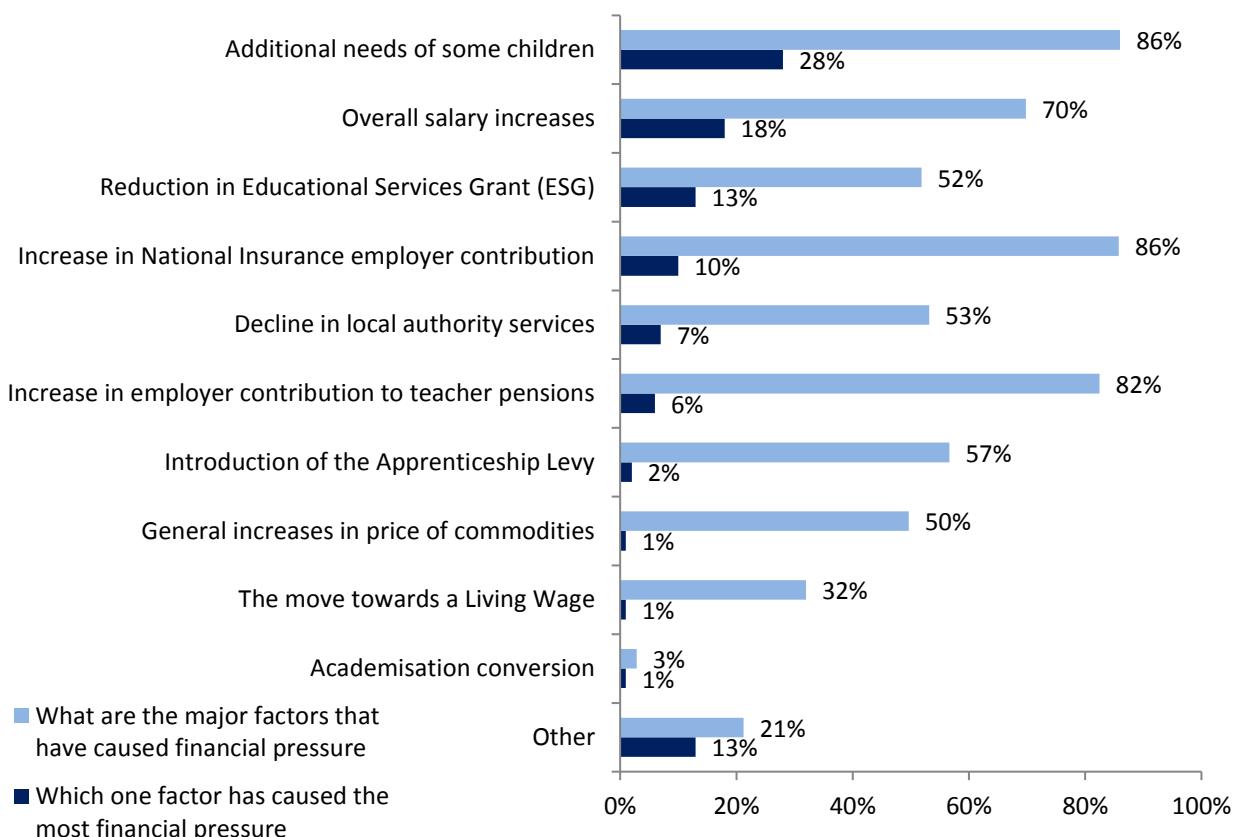
³ 452 responded to this individual question

meaning that some of the most vulnerable children are not receiving all the support they need. It has become more and more difficult to train and upskill new teachers in the profession, as respondents have indicated that they are having to cut CPD to try to make ends meet. All of which demonstrates the impact that the pressures on school funding are having on individuals and children.

Why is there pressure on funding?

We asked members which major factors had caused the financial pressure on their school and the chart below shows the key drivers in increases in costs. Striking in this year's report was that more than four fifths (86%) said that supporting children with additional needs had caused financial pressure on their budget, consistent with last year's figure of 83%. More than half (57%) cited the recent introduction of the Apprenticeship Levy and just over half (52%) said that the cut in the Education Services Grant (ESG) and local authority services had placed pressure on their school budgets.

Chart 1: What are the major factors that have caused the financial pressures for your school/ MAT? ⁴ and which one factor has caused the most pressure? ⁵



We also asked respondents to pick which one of these factors has caused the most financial pressure. Similarly to the previous question, supporting children with additional needs received the highest response, with more than a quarter (28%) choosing this factor. Schools are finding it increasingly difficult to pull together all the support that some children need to help with their learning. As budgets come under increasing pressure, some schools are having to reduce the number of teaching

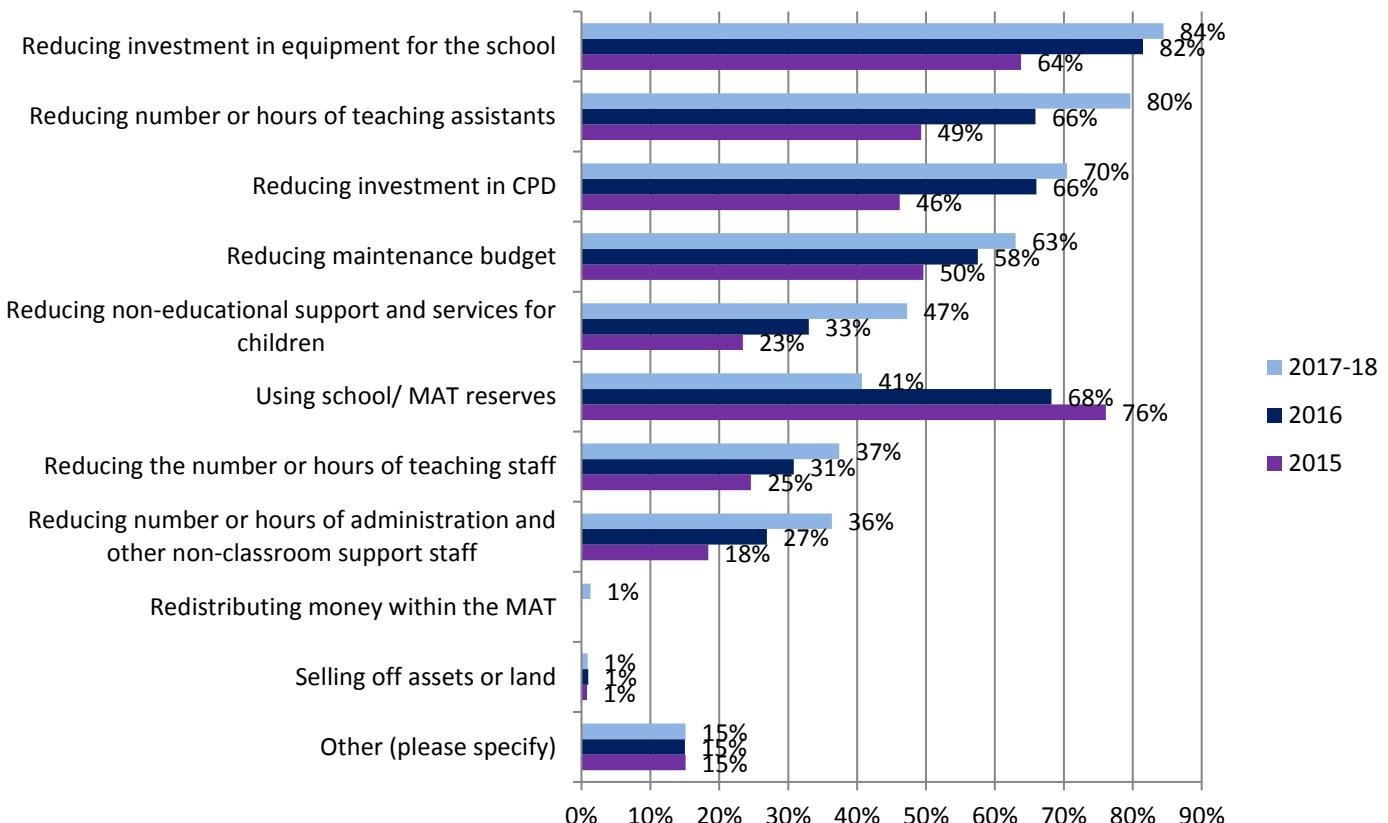
⁴ 457 responded to this individual question

⁵ 454 responded to this individual question

assistants they employ (as explained in chart 2) and are finding it more and more difficult to recruit specialist support for some children.

Trying to make ends meet

Chart 2: What actions are you taking to try and make your budget balance for 2017/18?⁶



For the second year in a row there has been an increase in the number of respondents that said they have reduced investment in equipment, the number of hours for teaching assistants, CPD and non-educational services and support.

The number of respondents indicating they have reduced the number or hours of teaching staff has increased by 12 percentage points since 2015, from 25% to 37% in this year's survey. Respondents that highlighted that they have reduced the hours or numbers of teaching assistants also increased from 49% in 2015, to 66% in 2016 and to 80% in 2017-18 an increase of 31 percentage points over this three year period. This reduction in the hours of teaching assistants is likely to be a contributor to the extra pressures schools are facing in meeting the additional needs of some pupils, as discussed earlier.

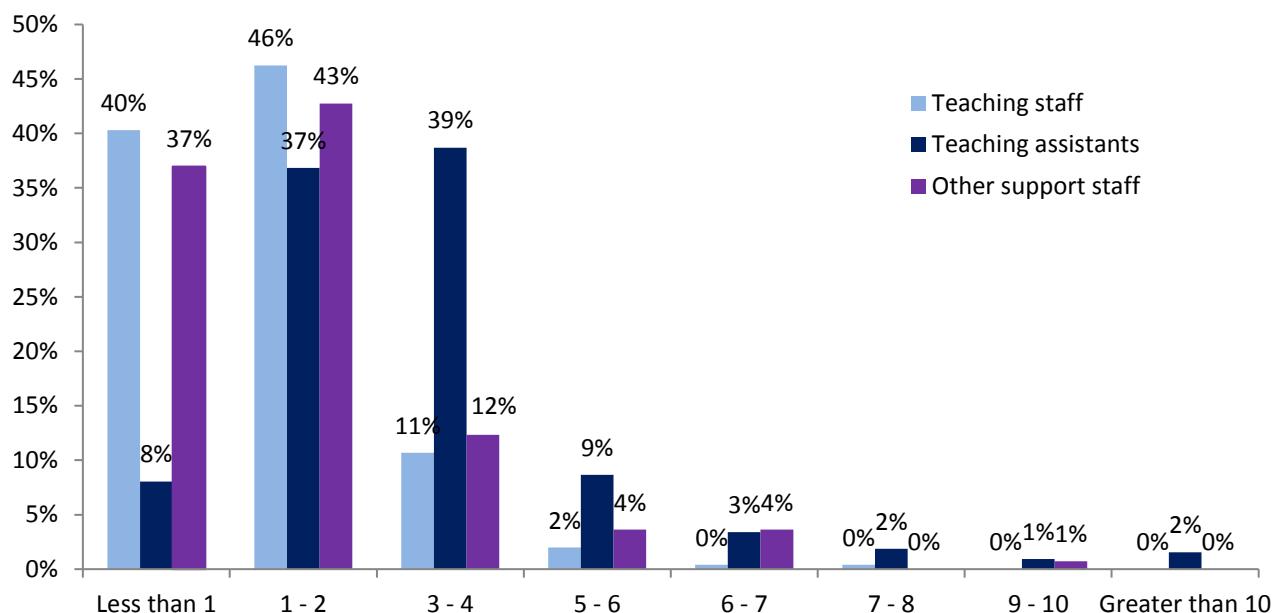
The percentage of respondents indicating that they have used school/ MAT reserves to make their budget balance has decreased since 2015, where three quarters said they had used reserves. In this year's snapshot survey this had reduced by 35 percentage points to 41% of respondents. This change suggests that some schools and MATs are running low on reserves, which has been used over a period of several years to help top up the day to day running of their school.

⁶ 457 responded to this individual question

Additionally, we asked those who indicated that they did have a surplus if this was declining and 92%⁷ of those that responded said that is was.

Almost two thirds (62%) indicated that the reason for their surplus was because it had been carried over for a number of years and 41%⁸ said this was because they had reduced staffing numbers or they had not replaced staff who had retired. This would indicate that there will be more schools in the near future having to make some tough decisions in order to make their budget balance.

Chart 3: By how many full time equivalent roles have you reduced your workforce (for instance by redundancies, reducing hours, or not replacing staff)?⁹



Ninety six percent of school leaders surveyed¹⁰ said that they had reviewed the deployment of their teaching assistants and as shown in chart 3 above, we asked respondents, by how many full time equivalent roles they had decreased their workforce. Three quarters (76%) of those who answered this question said that they had reduced their teaching assistants by between 1 and 4 full time equivalent roles and almost half (46%) said that they had reduced between 1 and 2 teaching staff roles. This reflects the largely primary set of respondents with smaller staff teams.

Future budget predictions

Only 8% of respondents said that they did not foresee a year where they would have an untenable deficit.

Chart 4: Are you forecasting deficit budgets in the following years?¹¹

⁷ 37 responded to this question

⁸ 37 responded to this question

⁹ 389 responded to this question

¹⁰ 451 responded to this question

¹¹ 527 responded to this question

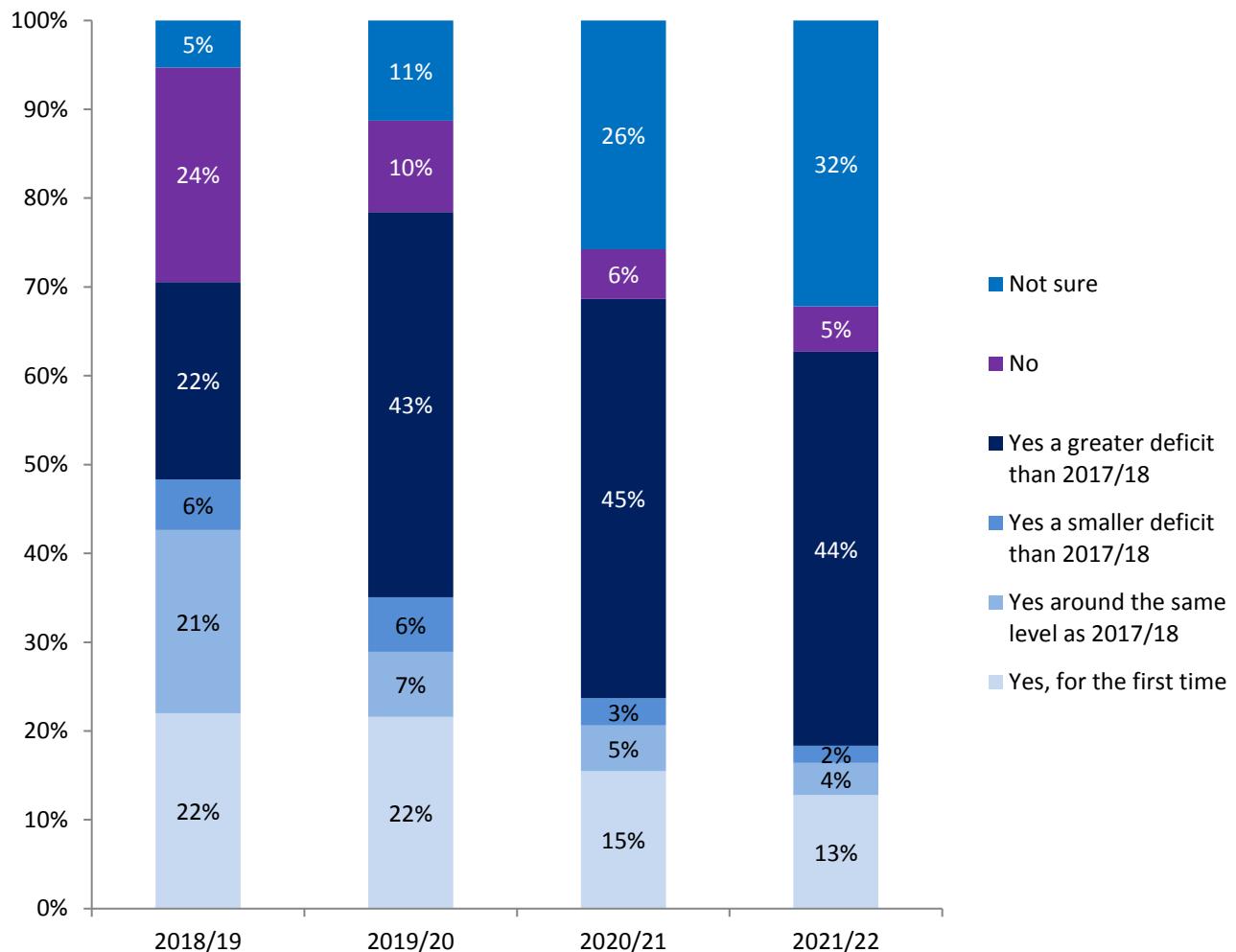


Chart 4, above, shows how members responded when asked if they were forecasting deficit budgets. In the next financial year 71% are expecting a deficit budget and almost four fifths (79%) are expecting a deficit budget for the following year 2019/20. Only 5% said that in 2021/22 they were not expecting a deficit budget and almost a third (32%) were not sure. **The majority of schools cannot now imagine how they will achieve a balanced budget, demonstrating the scale of the crisis in school funding.**

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