

School Budgets

2023-2024

Presentation to Chairs and Vice-Chairs of Governors
– February 2023

School Balances at the end of 2021-2022

The cumulative net surplus for all maintained schools after accruals was **£12,237,337**

- There were 65 schools with surplus balances totalling £14,260,561 (20 schools had over 10% and 4 schools had over 20% of total budget still in reserves at end of year)
- There were 22 schools with deficit balances totalling -£2,023,224 (5 schools with over 10% deficit)

School Projections (after Q2) for the end of 2022-2023

- 35 schools are expecting to go into deficit by the end of the year
- 49 schools are expecting to stay in surplus by the end of the year
- 1 school is expecting to break-even having been in a surplus position
- 2 schools did not post a forecast

Quarter 2 monitoring suggests that the net surplus for 2022-23 will reduce from £12,237,337 to **£2,494,500**

- There are 35 schools with projected surplus totalling £ 6,741,566
- There are 49 schools with projected deficit balances totalling -£ -4,247,066

School Funding 2023-24

December 2022

- **DFE announce Dedicated Schools Grant for 2023-24**
 - **Schools Block - £317m**
 - **CSSB - £2m**
 - **High Needs - £75m**
 - **Early Years - £33m**
 - **Additional Income - £28m**
- **DFE release the Authority Proforma Tool (APT)**
 - **Based on October census – The data drives the 2023-24 individual school budgets**
 - **Barnet use National Formula Funding Values**

School Funding 2023-24 (Cont.)

- DSG of £317m is applied to the formula
- Adjustments made:
 - Growth Funding
 - NNDR
 - De-Delegation
 - Contingency / School Improvement / BSS / NTG / Union
 - Services previously funded by ESG
 - Asset Management / Statutory and Regulatory Duties
- APT ready for submission
- Schools Forum agree submission
 - [Barnet Schools Forum 12 January 2023](#)

School Funding 2023-24 (Cont.)

- Budget Proposal Report (Highlights)
- AWPUP KS1/2 - £3,750.13 (£3,540.05)
- AWPUP KS3 - £5,287.09 (£4,991.51)
- AWPUP KS4 - £5,958.89 (£5,625.35)
- Lump Sum - £141,039 (£133,480.95)
- Schools funding has increased £6.5% on average
- Autumn statement – Additional funding of £2b not included in 2023-24 DSG
- Schools will receive a supplementary grant from April 2023
- MSAG 2023-24
- Final Budget Shares issued in February 2023

School Funding 2023-24 (Cont.)

Early Years

- The LA has to passport 95% of the funding for 3-and 4-years onto settings
 - PVI's / Schools / MNS / SENIF / Contingency
- The LA can retain 5% for Central Costs
- Funding for 2-Year-Old's / Pupil Premium / DAF - Ringfenced
- New Supplementary Grant for Maintained Nursery Schools
- Funding rate for 3-and 4-Year-olds - £5.87 (£5.45)
- Funding rate for 2-Year-Old's - £6.92 (£6.27)
- IDACCI Supplement - £0.30 (£0.29)

Budget Pressures 2023-24

Pay Awards 2022-23

- **Teachers 5%**
- **Support Staff 10%**

Energy 50%

Inflation 10%

Covid

SEN

Falling / Increasing Rolls

Supplementary Grant in 2022-23

- **Covered increased NI contributions**
- **Other cost pressures not covered**

Schools left with shortfall – potential deficits!

Budget Preparation 2023-24

- **October census drives the budget in the following financial year – Lagged Funding**
- **(Traditionally) Schools receive budget allocation, start budget process in March and submit to the LA in May**
- **Do pupil numbers have an impact on the following academic year?**
- **Do you need to restructure for the following academic year?**
- **Do you need to review contracts or subscriptions?**

Budget Preparation 2023-24

- **Fine Balancing Act**
- **Revenue and Capital Expenditure**
- **Teacher Recruitment**
- **Safeguarding**
- **Standards**
- **School Development Plans**
- **Achievement of groups, diminishing differences**
- **Diversity and Choice**
- **Accountability**

Budget Preparation 2023-24

Budget Strategy – a suggestion

- a) A ‘Blank Page’ approach to budget setting – Zero Base**
- b) Annual review of staffing**
- c) Annual review of contracts, traded services and other budgets**
- d) Annual review of assets and other considerations**
- e) Long Term Financial Plan**
- f) Use of Reserves**

Budget Preparation 2023-24

A 'Blank Page' approach to budget setting

- The previous year's budget should not be rolled forward with an amount added for inflation.
- First Call on Budget – Existing Commitments
 - Staff / contracts / fixed costs
- Ofsted assessments should help identify the priorities in conjunction with the school development plan to help build a budget from scratch.
- Take into account medium term pupil forecasts as this will inform the decision making process for the budget.
- Protected budgets should be avoided wherever possible.
- There should be a costed bidding process for resources
- Should be aiming for a balanced budget where possible

Budget Preparation 2023-24

Annual review of staffing

- **Benchmark spend on staff = was originally 75%, now more likely to be 80-85%**
- **Contact time = 79% Benchmark (including DHT and AHT)**
- **Is SLT appropriate for the size of the school?**
- **Pupil:Teacher ratios - are they appropriate?**
- **Options for managing supply cover / PPA**
- **Are support staff working to the maximum efficiency?**
- **Are support staff suitably qualified? Investment in training could pay dividends in attainment.**
- **Integrated Curriculum Financial Planning**

Budget Preparation 2023-24

Annual review of contracts, traded services and other budgets

- **Benchmark spend on other budgets = 25%**
- **Are schools accessing the best deals?**
- **Work collaboratively with other schools and make best use of buying consortiums and framework agreements**
- **Ensuring energy costs are reviewed on a regular basis as they can be volatile**
- **Council Contracts**
- **Traded Services**

Budget Preparation 2023-24

Annual review of assets and other considerations

- Make the best use of the physical assets and where possible maximise income from lettings
- Make the best use of human resources and where possible make the best use of a sold service / share staff with other schools
- Make the best use of benchmarking information
- Action recommendations arising from audit reports.

Budget Preparation 2023-24

Long Term Financial Plan – not an exact science but can be helpful

- **Five year rolling financial planning model**
- **Review commitments on an annual basis**
- **Curriculum developments - costed business case**
 - **Building improvements**
 - **Upgrade ICT**
- **Expenditure reductions**
 - **Staffing restructures**
 - **Review of contracts**
- **Identify pressure points – Plan ahead**

Budget Preparation 2023-24

Use of Reserves

Barnet Scheme for Financing Schools – Section 4.2

4.2. CONTROLS ON SURPLUS BALANCES

- 4.2.1. Schools should earmark budget surpluses for specific future needs. This is to ensure that pupils benefit from a planned approach to spending that is fully resourced each year. These earmarked surpluses should be clearly linked to the school development plan in the same way as the annual budget. GBs must report to the LA on the use to which schools intend to use surplus balances.

ESFA Guideline on levels of reserves = between 4% and 8% of income

23 schools had over 8% of total budget still in reserves at end of 21/22 year

44 schools had less than 4% of total budget still in reserves at end of 21/22 year (or were in deficit)

Budget Preparation 2023-24

Online Resources

[School Resource Management Advisor Programme](#)

[Integrated Curriculum Financial Planning](#)

[Schools Financial Benchmarking \(DFE\)](#)

[Schools Financial Benchmarking \(Barnet\)](#)

[Maintained Schools Additional Grant 2023-24](#)

[Investment to shield schools from high energy bills and boost to budgets](#) - ravena.smith@barnet.gov.uk

[Schools Financial Value Standard \(SFVS\)](#)

[Barnet School Funding and Finance](#)

Schools Financial Value Standard

- **LA Maintained Schools must submit the SFVS to the LA annually**
- **LA uses the information to inform its program of Internal Audit and regularity**
- **Schools must submit the SFVS to the LA no later than 31 March 2023**
- **LA must submit the assurance statement to the DFE no later than 31 May 2023**

Schools Financial Value Standard

Guidance


Schools financial value standard (SFVS) and assurance statement

This guidance helps schools and local authorities meet basic standards for good financial health and resource management.

From: [Department for Education](#)

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Applies to England

Documents



[Schools financial value standard checklist](#)

MS Word Document, 48.6 KB

Related content

[School resource management: top 10 planning checks for governors](#)

[School resource management self-assessment checklist](#)

[Integrated curriculum and financial planning \(ICFP\)](#)

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[Schools financial efficiency metric: methodology](#)