**Budget Preparation 2019/20 – guidance as at May 2019**

In preparing and revising their budgets for the year, schools are advised as follows from the information currently available with regards to Income and Expenditure Inflation Factors and other costs.

Inflation factors

Income –

state funding - 0% but Formula Funding as per Budget Shares etc; other state funding – no known increase in rate per pupil, e.g. Pupil Premium, PE grant, DFC.

Expenditure - Salaries -

Teachers pay award Sept 19, 1% assumption; future years 1% per annum assumption; Teachers increments as applicable. (basis of assumption – no information available but Government has funded by grant pay award above 1%)

Non-teacher pay awards agreed in 18/19 also covers 19/20 –

* NJC see specific scp’s for increase; future years’ 2% (based on inflation forecast)
* UR allow for 2% increase over 18/19 cost to allow for pay award and performance related increase. *Details of Barnet’s approved UR pay scales and scheme supplied by HR are included in Salaries Update April 19.* ***Note*** *variable increases year on year.*

Expenditure Non-salaries -

General price inflation 2019/20 = 2%; future years = 2% (OBR CPI)

National Insurance Contribution rates

18/19 existing rate 13.8% - for 2019/20 no information about any change.

Pension contribution rates

* Teachers – the employers’ contribution rate
	+ 2018/19 – 16.48%
	+ 2019/20 – 23.6% but DfE to fund increase.
	+ 2020/21 - tba

***Details of how the DfE is funding Pension contribution rates are given in link below –***

https://www.gov.uk/government/publications/teachers-pension-employer-contribution-grant-tpecg/pension-grant-methodology#rates

* Non teachers – LB Barnet LGPS the employers’ contribution rate
	+ 18/19 26.8%
	+ 19/20 27.9%
	+ 20/21 28.9%
	+ 21/22 29.9%

The rate for the years from April 2020 will be determined in the next 12 months and the amounts above are the maximum that could be charged.  Rates could be lower. (source Treasury Management 17 1 19)

Apprenticeship Levy

Community schools (as part of the Council) as for 2018/19 all Community schools are required to pay the Levy at the rate of 0.5% of their “NIable” pay bill (without £15,000 allowance). VA schools with pay bills in excess of £3m per annum will continue to pay the levy. Levy payments to be coded to E08 Indirect Employee Expenses.

Capital levels

You are reminded that a change was made to the Scheme for Financing Schools with effect from 1 April 2017 - the level at which expenditure is treated as capital expenditure is £6,000 (ICT equipment and Building works)