

Reply to Michelle Hibbert
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October 2021

Dear Colleague

School Revised Budget Setting 2021/22

School revised budget plans must be submitted to the Local Authority (LA) by **1 November 2021**, following approval by your governing body or a committee authorised to approve the budget. The [original budget guidance](#) is still appropriate for the revised budget but there is some additional information at the bottom of this letter that should be read in conjunction with the original budget guidance.

If you have an in-year deficit for 2021/22 (even if you have an overall surplus balance), please provide an explanation of why this has occurred on the revised budget workings page of the budget plan spreadsheet as this will assist us in our checks and will avoid the need to contact you later. If the reason for this is ongoing expenditure such as pay costs rather than one off spend, please also include a summary of the actions you are taking to mitigate this position.

Regardless of balances, schools will also need to complete the variance analysis tab which explains the movement between the original and revised budget.

Schools are not permitted to plan for a deficit budget in normal circumstances so if you are having difficulty setting a balanced revised budget for 2021/22 please contact Michelle Hibbert – Schools Funding Accountant - **as soon as possible**. A reminder on the rules for deficit balances is outlined in the [Scheme for Financing Schools](#).

Yours sincerely

Sonia Hattle
Senior Finance Manager, Children's Services

Additional Points for the Revised Budget

The [Covid Recovery Premium](#) is a one off grant to support education recovery. It will be allocated using the same data as used for pupil premium. Mainstream schools will receive £145 per eligible pupil in a mainstream unit and £290 per eligible pupil in a special unit. Other eligible schools will receive £290 per eligible pupil.

Payment will be made over 4 quarters with the first payment made to schools in the October cash advance. Therefore, eligible schools should include this grant in October and January within the revised budget. Further information can be found using the link above and the allocations and conditions of grant will be published on the Gov website later in the month.

The [PE and Sports Premium](#) has been confirmed for the academic year Sep 2021 to Aug 2022. Funding rates have not changed and 7/12 of the funding should be included in November within the revised budget.

It has also been confirmed that any unspent grant can be carried forward until August 2022.

Updated Revised Budget Guidance - Energy Prices

You may have seen news reports of the unprecedented price rises on the current markets for electricity and gas and as a consequence prices from Laser (the Milton Keynes Council energy supplier) will rise from 1st October 2021.

Currently the increase is estimated to be 15-18% for electricity & 25% for gas. This should be seen against the backdrop of a price drop last year of greater than 30% for gas and 5-10% for electricity, so in theory this takes us back to pre-covid prices for gas with likely slightly higher prices for electricity.

If you purchase energy and gas through the MKC contract you should consider any amendments that may be needed to your revised budget calculations, alternatively you should update your revised budget based on guidance from your provider.

Updated Revised Budget Guidance – School led tutoring grant

School-Led Tutoring is being introduced as part of the National Tutoring Programme in 2021/22. Eligible state-funded schools and academy trusts will receive a ring-fenced grant to source their own tutoring provision for disadvantaged and vulnerable pupils who have missed the most education due to COVID-19.

State-funded schools and academy trusts in England will receive £202.50 per pupil for 60% of their pupils that are eligible for pupil premium, from year 1 to year 11. In recognition of higher costs, non-mainstream schools, including special schools and units, will receive £529 per pupil for 60% of pupil premium pupils.

The funding will be paid as 3.5/12ths in October 2021, with the remaining payments in January (3.5/12ths) and May 2022 (5/12ths), for schools that have pupil premium eligibility this income should be added to your revised budget.

Further information can be found here [School-led Tutoring](#)