

Finance

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February 2023

Dear Colleague

School Budget Setting 2023/24

School budget plans must be submitted to the Local Authority (LA) by **1 May 2023**, following approval by your governing body or a committee authorised to approve the budget. To assist with the budget setting process a checklist has been provided below. This is a guide to the areas that should be reviewed; this is not an exhaustive list and consideration should also be given to any other factors that are likely to have an impact on your school's financial position. **Please bear in mind that inflation remains high and whilst we have provided a guide to inflation factors based on current prediction these may change and any increase which will need to be covered by the school budget.**

If you have an in-year deficit for 2023/24 (even if you have an overall surplus balance), please provide an explanation of why this has occurred on the workings and notes 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.

Schools are not permitted to plan for a deficit budget in normal circumstances so if you are having difficulty setting a balanced budget for 2023/24 please contact schoolsfinance@milton-keynes.gov.uk **as soon as possible**. A reminder on the rules for deficit balances is outlined in the [Scheme for Financing Schools](#).

Yours sincerely

Jordan McDougall

Jordan McDougall
Education Finance Manager

School Budget Setting – Checklist

Issues to consider	Complete
General	
The level of balances anticipated at 31 March 2023 and the level of balances the school needs at 31 March 2024.	
Actual income and expenditure for the 2022/23 financial year compared to the budget set for 2023/24, including the movement of balances.	
Brought forward balances should only be used for one off spend. If these are being used to fund additional staff, you should clearly state how these costs will be sustained in the future when the balances have diminished.	
Inflation changes in respect of utilities and other goods/services.	
Has all expenditure for items on your contract list been budgeted for, including any changes from the previous financial year?	
Have costs for statutory health and safety checks and any associated work resulting from the checks been included?	
Do you have a rolling asset management plan and has expenditure relating to this programme of work been included?	
If your budget share is protected by the minimum funding guarantee, you should plan in anticipation of possible reductions of funding in subsequent years.	
Staffing	
Have you considered changes in pupil numbers and the level of staff resources required?	
Does the staffing budget reflect your curriculum plan and your staffing structure? Have leavers, starters and vacancies all been accounted for, including adjustments for maternity leave, long term sickness and supply cover?	
Have the implications of Job Evaluation been included in respect of any protected salaries?	
Have all inflation and increment increases (subject to performance appraisals) been included and profiled in the relevant months?	
The employer contribution rate of the Teachers Pension Scheme (TPS) remains at 23.68% (including the 0.08% administration levy) until further guidance is received	
The primary employer contribution rate to the Local Government Pension Scheme will increase to 20.1% from 1 April 2023, this was part of a triennial actuarial valuation, however there is no longer a secondary (deficit recovery) rate so this is an overall decrease from the April 2020 total employers rate.	
Income	
School-level allocations of the mainstream schools additional grant for the 2023/24 financial year will be published in May 2023. This funding is in addition to schools' allocations through the school national funding formula. Details can be found here , including a calculator for the 2023/24 funding allocation. This income should be budgeted in I01 as it is expected that from 2024/25 this will be added into the national funding formula school budget	

share in a similar way the teacher's pension, teacher's pay grants and school supplementary funding grants were.	
Have you included any income likely to be received in respect of top up funding for high needs pupils both from Milton Keynes and other local authorities? Remember to adjust for starters and leavers where this is known.	
The Primary PE and Sports Premium grant is allocated per academic year with the current funding being agreed until August 2023. Further announcements on this grant funding are expected in the Spring. More information can be found here but schools should continue to budget for the next academic year using the same rates.	
Universal Infant Free School Meals - please estimate income using the UIFSM calculator on the LMS website. The new rate per meal per day is £2.41.	
The Devolved Formula Capital methodology and calculation is estimated to be the same for 2023/24 although the final allocation won't be published by the ESFA until after the Spring 2023 census. It will continue to be paid in one instalment in July.	
Recovery premium grant is allocated on an academic year with funding being agreed for the 2022/23 academic year. The funding rates and further information can be found here .	
Pupil premium will continue and will use the October 2022 census date, further information on rates and eligibility can be found here .	
Expenditure	
In 2023/24 primary schools should include all income and costs associated with the de-delegated budget. Amounts and journal entries are included on a tab on the budget template.	
From 2022/23 schools no longer need to pay their own NNDR, as this will be paid to the billing authority directly from the Education and Skills Funding Agency (ESFA) on the schools behalf. The expected cost of NNDR for maintained schools has been deducted from the school budget share allocations, as per the funding notification published in February 2023. Schools will still receive a rates bill from the billing authority, but this is for information only and should NOT be paid. However notional NNDR entries will need to be included in the school's expenditure and income based on the values on the rates bill.	