

The background features a collage of financial data visualizations. At the top left, a bar chart shows monthly data for September, October, November, and December. Below it is a pie chart divided into approximately 12 segments of various colors. At the bottom left, a table of numbers is visible, with values ranging from 154,568 down to 45,000 in the first column, and 95,054 down to 102,747 in the second column.

# Getting your head round school finances

What are you budgeting for?  
Basic and more advanced skills for  
planning and monitoring  
31<sup>st</sup> January 2024

Rory McCormack



*“Annual income twenty pounds,  
annual expenditure nineteen pounds,  
nineteen and sixpence, result  
happiness.*

*Annual income twenty pounds,  
annual expenditure twenty pounds,  
ought and sixpence, result  
misery.”*

***Mr Micawber in Charles Dickens’***

***‘David Copperfield’***

# Session Objectives



1. Understand your duties as a Governor re. funding
2. Understand why schools are financed in the way they are
3. Understand how school finances are generated
4. The key points to be aware of relating to school budgets and funding.
5. Basic understanding of budget plans and what they contain
6. What to look for in budget plans
7. Understand what the budget is for and if we're getting value for money
8. Areas to be aware of/investigate/question/understand re. the "Covid related" situation and how it might be still impacting school budgets.

## Structure of this training

- Role of Governors (particularly in terms of school finances.)
- Key Financial tasks and roles
- Financial Skills
- Delivery of school finances - national funding formula update...
- Who and how sets the annual budget
- Timetable of tasks for Governors
- Financial processes
- Strategic role including balances and liability
- Value for Money including budget content
- Statutory Obligations
- Budget monitoring
- Post Covid (hopefully for the last time!!!)
- Conclusion including “Asking the right questions,” “Top 10 planning tips” & “what you should expect from school.”
- Individual reflections going forward.

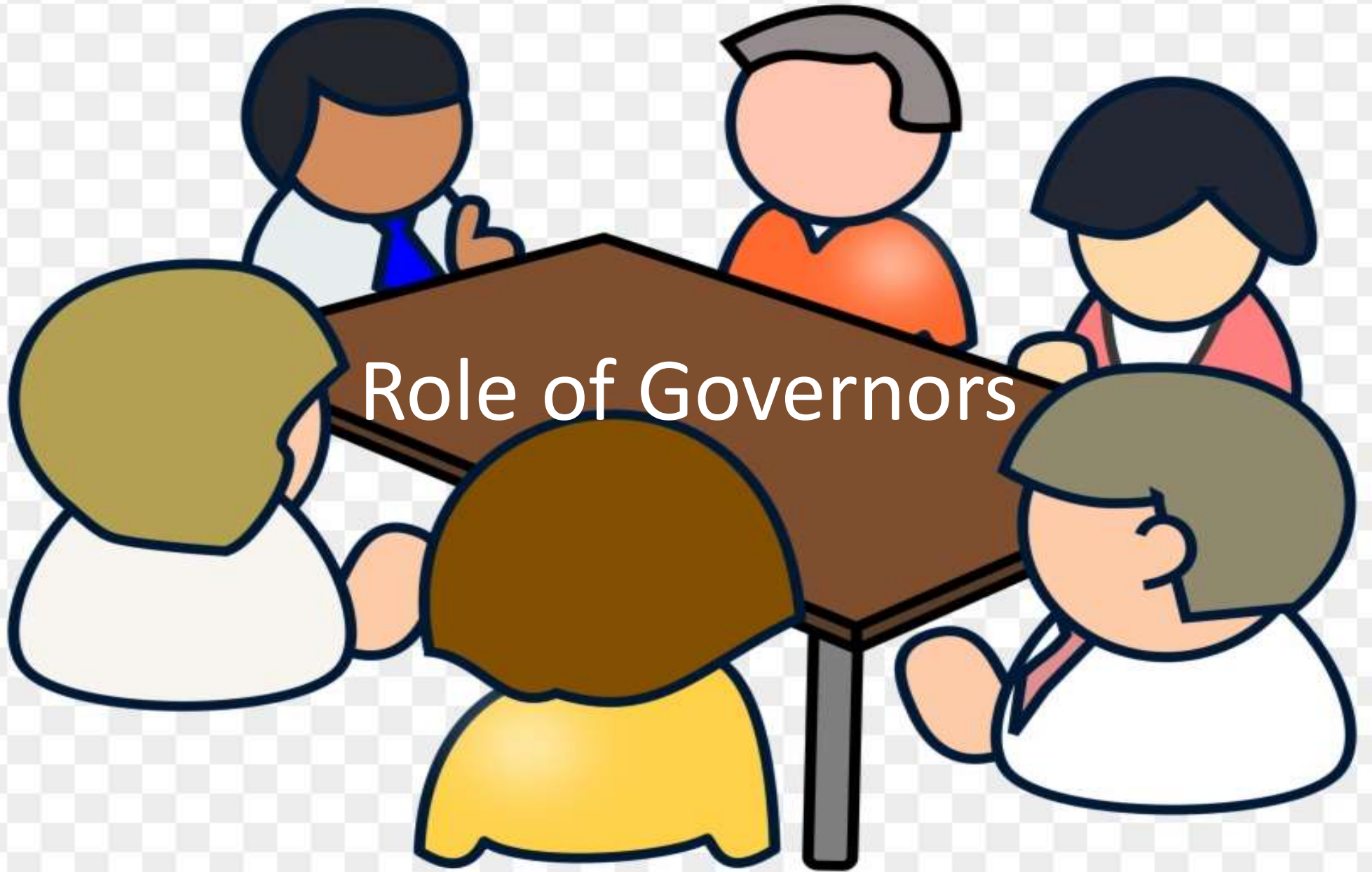
## **Big picture –School Key Aim**

**School Governors and academy trust members and trustees have an important role in ensuring high standards and achievement for children and young people in their school.**

# National picture

- National funding formula (NFF)
- High Needs funding formula (HNFF)
- Guidance from the Education Funding Agency (ESFA)
- Shrinking budgets –focus on efficiency/value for money

# Role of Governors



# Role of Governors



## **Governance handbook**

**Academy trusts and maintained  
schools**

**October 2020**



# Role of Governors

## Effective Governance

- Ensuring clarity of vision, ethos and strategic direction;
- Holding executive leaders to account for the educational performance of the organisation and its pupils, and the effective and efficient performance management of staff; and
- **Overseeing the financial performance of the organisation and making sure its money is well spent**

“Governance Handbook”; p.13

# Role of Governors

**Effective governance is based on six key features:**

- 1. Strategic** leadership that sets and champions vision, ethos and strategy.
- 2. Accountability** that drives up educational standards and financial performance.
- 3. People** with the right skills, experience, qualities and capacity.
- 4. Structures** that reinforce clearly defined roles and responsibilities.
- 5. Compliance** with statutory and contractual requirements.
- 6. Evaluation** to monitor and improve the quality and impact of governance

“Governance Handbook” p.13

An illustration of six stylized human figures sitting around a dark brown rectangular table. The figures are drawn with simple outlines and flat colors. From top-left to bottom-right, they are: a person with dark hair in a light blue shirt and blue tie; a person with grey hair in an orange shirt; a person with dark hair in a pink top; a person with grey hair in a white shirt and pink tie; a person with brown hair in a yellow top; and a person with olive hair in a white top. The text 'Key Financial tasks' is centered over the table in white. The background is a light grey and white checkerboard pattern.

# Key Financial tasks

# 3<sup>rd</sup> Key strategic role -

## Key financial roles:

- Manage the school budget-these are public funds
- Decide on how to spend the delegated school budget, depending on any conditions for maintained schools (*set out in the local authority scheme for financing schools*) or academies
- Be consulted by their local authority on funding
- Ensure accurate school accounts are kept
- Determine the number & type of staff & a pay policy in accordance with the School Teachers` Pay & Conditions
- Act as a `critical friend` to the headteacher by providing advice, challenge & support

# Strategic Financial Tasks

- Approval of the Annual budget
- Approval of the Financial Management Plan/Policy
- Setting financial priorities through the School development plan
- Determination of the staff complement and pay policy for the school
- Approval of a Best Value statement
- Internal financial procedures - authorisation of non budgeted expenditure and virements, *based on the Financial Management Policy (see above)*





Financial Skills





# Financial Skills

Guidance

## Schools financial value standard (SFVS)

The standard helps schools and local authorities meet basic standards for good financial health and resource management.

From: [Department for Education](#)  
Published: 28 February 2019  
Last updated: 8 March 2021, see all updates

Applies to: **England**

### Documents



#### [Schools financial value standard](#)

XLSM, 178KB

This file may not be suitable for users of assistive technology.

► [Request an accessible format.](#)



#### [Checklist guidance](#)

HTML



# SFVS checklist

## Introduction to the schools financial value standard (SFVS) checklist

The schools financial value standard (SFVS) helps to provide schools with assurance that they are meeting the basic standards necessary to achieve a good level of financial health and resource management.

The SFVS checklist asks a number of questions of governing bodies in six areas of resource management to provide assurance that the school is managing its resources effectively. This can be used to identify possible areas for change to ensure that resources are being used to support high-quality teaching and the best education outcomes for pupils.

The checklist was formerly part of a tool that also contained a dashboard. This is now available on the schools financial benchmarking website. It shows how a school's data compares to thresholds on a range of statistics that have been identified as indicators for good resource management and outcomes, which will help you to complete your checklist.

## Outcome of schools financial value standard (SFVS)

### Summary of agreed action and timetable for reporting back:

Summary of agreed action and timetable for reporting back:	
Signature: (Chair of governing body / management committee)	<a href="#">Click or tap here to enter text.</a>
Full name of signatory:	<a href="#">Click or tap here to enter text.</a>
Date SFVS agreed by full governing body / management committee:	<a href="#">Click or tap here to enter text.</a>
Date SFVS submitted to local authority for review:	<a href="#">Click or tap here to enter text.</a>

# SFVS Checklist

 Department  
for Education

## Guidance Checklist guidance

Updated 17 November 2023

Applies to England

Contents  
[A. Governance](#)  
[B. Strategy](#)  
[C. Setting the annual budget](#)  
[D. Staffing](#)  
[E. Value for money](#)  
[F. Protecting public money](#)

 [Print this page](#)

## A. Governance

**1. In the view of the governing body and senior staff, does the governing body have adequate and up-to-date financial skills among its members to fulfil its role of challenge and support in the field of budget management and value for money? Is there a plan in place to address any gaps?**

### What this question means

#### Why it is important for the governing body to have adequate and up-to-date financial skills

It is essential for the governing body to have access to adequate financial skills and to maintain these skills to ensure they meet their statutory responsibilities for the financial management of the school and can safeguard the large amounts of public money for which they are responsible.

Not all governors need all these skills, but collectively members of the governing body (and finance committee or equivalent) should have these skills among them. Schools should ensure they have a plan in place to fill any gaps in knowledge.

#### Why it is important for the governing body to challenge and support the headteacher or executive headteacher

The governing body has a statutory responsibility to support and challenge the headteacher. Members of the governing body do this to ensure that:

- resources are deployed appropriately in line with the school's priorities
- planned levels of financial performance are achieved
- the school avoids incurring financial loss and waste

# For Academies: FMGS

[Home](#) > [Education, training and skills](#) > [School and academy financial management and assurance](#)  
> [Academy and academy trust finance and reporting](#)

Guidance

## Academies financial management and governance self-assessment

Financial management and governance self-assessment (FMGS) for new academy trusts to submit to ESFA.

From: [Education and Skills Funding Agency](#)

Published 11 March 2014

Last updated 1 September 2023 — [See all updates](#)

Get emails about this page

### Documents



[List of questions found in the FMGS online form](#)

HTML

### Details

#### New academy trusts

Newly operational academy trusts must submit an FMGS return within 3 months of opening their first school(s).

#### Accessing the FMGS online form

From September 2023, the FMGS will be collected through DfE Sign-in. If you have not already registered for DfE Sign-in, please follow the registration instructions here: [DfE Sign-In portal](#). Please contact us through the [ESFA enquiry form](#) if you have any questions.

The document on this page lists the FMGS questions for review before using the online form.

### Related content

[Setting executive salaries: guidance for academy trusts](#)

[Academy trusts handling contractual indemnities](#)

[Academy trusts: themes arising from ESFA's assurance work](#)

Collection

[Academy trusts: governance](#)

[Academies: compliance, funding and payments](#)

# For Academies: FMGS

 Education & Skills  
Funding Agency

Guidance

## List of questions found in the FMGS online form

Updated 1 September 2023

[Contents](#)

[Introduction](#)

[Financial oversight](#)

[Financial planning and reporting](#)

[Reporting](#)

[Risk management and internal control](#)

[Internal and external assurance](#)

[Delegated authorities](#)

[Procurement, tendering and related party transactions](#)

[Executive pay and transparency](#)

 [Print this page](#)

## Introduction

This document provides a list of the questions should trusts wish to review them before accessing the online form.

The FMGS helps new academy trusts ensure compliance with the requirements of the [academy trust handbook](#). The requirements in the FMGS checklist apply from the date on which the funding agreement was signed, so new academy trusts should ideally consider an FMGS before opening their first schools.

Feedback from trusts indicates that the FMGS is a very useful tool providing helpful assurance to the board of trustees that governance arrangements meet the mandatory requirements.

## Financial oversight

1. Has the board appointed a senior executive leader? **[ATH 2023: 1.37]**
2. Has the trust permanently appointed the senior executive leader as the accounting officer? **[ATH 2023: 1.28]**
3. Does the accounting officer have appropriate oversight of financial transactions? **[ATH 2023: 1.33]**
4. Has the trust appointed a chief financial officer (CFO) with appropriate qualifications and experience? **[ATH 2023: 1.38 and 1.39]**
5. Do the trustees apply the highest standards of conduct, and ensure strong governance and effective financial management? **[ATH 2023: 1.11 and 1.12]**
6. Has the trust appointed a governance professional (clerk to the board) to assist the board of trustees? **[ATH 2023: 1.41]**
7. Does the board meet at least 3 times each year to ensure strong governance and sound financial management? **[ATH 2023: 2.3]**
8. Is the trust aware that it must not use funds to purchase alcohol for any purpose other than religious services? **[ATH 2023: 2.32]**



Delivery of school finances



# How is finance delivered - 1

- Funding Formulae – local and national
- National funding formulae

“Under a ‘soft’ system, we use the national funding formula to set notional budgets for each school. These are aggregated to give the total schools block & budget for each local authority. You can see the notional budget for each school, and the aggregated schools block funding for each local authority, published alongside this document. For the next two years, local authorities will continue to set a local formula to distribute their schools block funding, in consultation with their local schools and their schools forum.

[“The national funding formula, DfE, Sept 2017. pp 7 – 8”](#)

- Each school then sent its allocation via the funding certificate from the Local Authority.
- Governors + HT + Consultants(?) then allocate the funding as they feel it should be.

# National Funding Formula – 2023 - 24

***“ The national funding formula for schools***

*The basic structure of the schools national funding formula (NFF) is not changing in 2023-24.*

*For 2023-24, we have changed a small number of the existing features of the formula. These are outlined below.*

*A full description of the 2023-24 formula, in light of these changes, is set out in Annex A. ”*

# National Funding Formula – 2023 - 24

*2023-24 will also be our first year of transition to the direct schools NFF – with our end point being a system in which, to ensure full fairness and consistency in funding, every mainstream school in England is funded through the same national formula without adjustment through local funding formulae.....*

*.....In 2023-24, local authorities will only be allowed to use NFF factors in their local formulae, and must use all NFF factors, except any locally determined premises factors.*

*Local authorities will also be required to move their local formulae factors 10% closer to the NFF values, compared to where they were in 2022-23, unless they are already mirroring the NFF.*



# How is Finance delivered - 2



## The national funding formulae for schools and high needs

2024-25

October 2023

For those of you who are interested or Qualified – here is the National Funding document for maintained schools for 2024/25

# National Funding Formula 2024 - 25

NFF “Completing our reforms of the National Funding Formula”: NFF 2024/24: p.8

a. **Local authorities must move their local formula factor values at least a further 10% closer to the NFF, except where local formulae are already “mirroring” the NFF.** For this purpose, local factor values within 2.5% of the respective NFF values are deemed to be “mirroring” the NFF. From 2024-25, this 10% requirement will also apply to the “fringe factor” for local authorities within the London fringe.

b. **Local authorities must use the new national formulaic approach to split sites funding.** This will replace the current local authority-led approach.

c. **Local authorities must use the new NFF requirements for growth funding,** whereby additional classes (driven by basic need) must be funded by at least the minimum funding level set out in the funding calculation.

d. **Local authorities must also follow the new NFF requirements for falling rolls funding,** whereby local authorities can only provide falling rolls funding to schools where school capacity survey (SCAP) data shows that school places will be required in the subsequent three to five years. The 9 restriction that schools must be judged Good or Outstanding at their last Ofsted inspection to be eligible for funding is also being removed from 2024-25

# How is finance delivered - 3

- Mainly determined by numbers on roll
- Census taken every term but October one primarily determines funding (**maintained schools**)
- Age of children can be a factor – basically older children worth more – Early Years?
- Other factors in local formulae e.g. :
  - Condition of premises
  - Small school protections etc
- Govt want to get away from these localised factors using the national funding formula

# How is Finance delivered – summary tables

Guidance

## National funding formula tables for schools and high needs: 2023 to 2024

Tables showing provisional allocations for the schools, high needs and central school services blocks from 2023 to 2024.

From: [Department for Education](#)

Published 19 July 2022

Last updated 24 August 2022 — [See all updates](#)

 Get emails about this page

Applies to England

### Related content

[Schools supplementary grant 2022 to 2023](#)

[High needs funding arrangements: 2023 to 2024](#)

[National funding formula for schools and high needs](#)

[Dedicated schools grant \(DSG\): 2022 to 2023](#)

[High needs funding](#)

Collection

[Local authorities: pre-16 schools fundin](#)

[High needs funding](#)

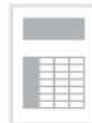
### Documents



[National funding formula: summary table, 2023 to 2024](#)

ODS, 261 KB

This file is in an [OpenDocument](#) format



[Impact of the schools NFF, 2023 to 2024](#)

ODS, 5.41 MB

This file is in an [OpenDocument](#) format



[Impact of the high needs NFF, 2023 to 2024](#)

ODS, 424 KB

This file is in an [OpenDocument](#) format




[Impact of central school services block](#)

# National Funding Formula 2023/24

The screenshot shows a Microsoft Edge browser window displaying an Excel spreadsheet. The browser's address bar shows the URL: <https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fassets.publishing.service.gov.uk%2Fgovernment%2Fuploads%2Fsystem%2Fuploads%2Fa...>. The Excel spreadsheet is titled "2023-24-NFF-summary-table - View-only". The spreadsheet content includes the following text:

**The national funding formulae: local authority (LA) dedicated schools grant (DSG) allocations under the national funding formulae**

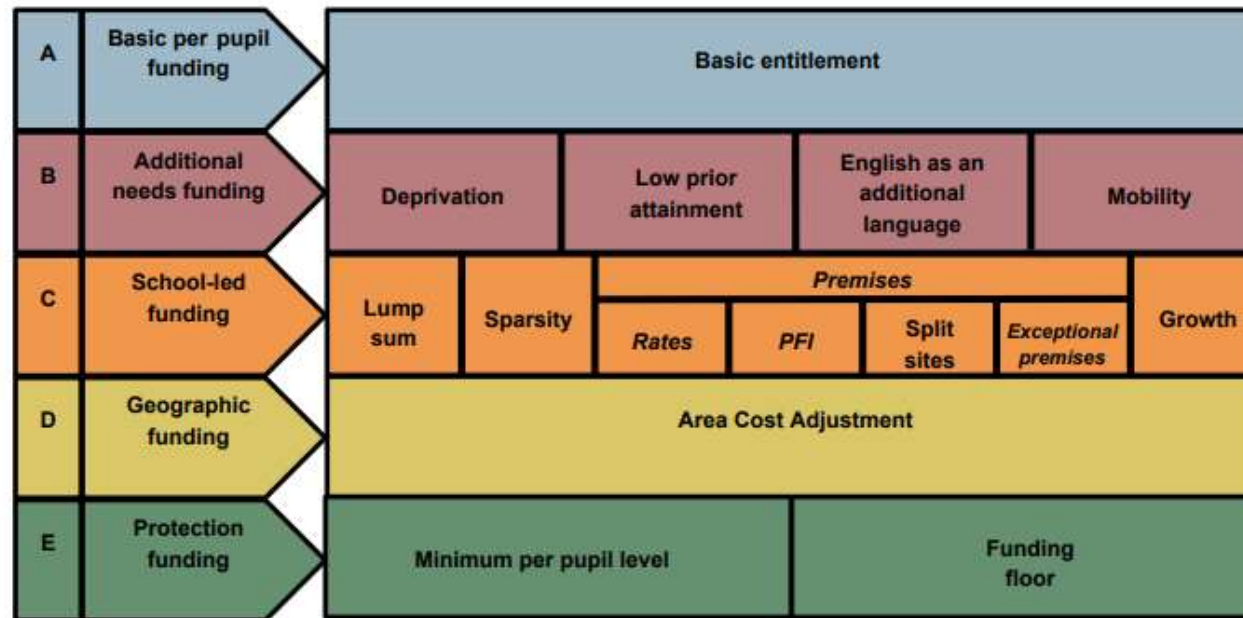
  
Department  
for  
Education

1  
2 This workbook shows national funding formulae (NFF) allocations for the schools, high needs and the central school services blocks.  
3 Documents setting out the detail of the NFF and the changes to the NFF in 2023-24 can be found here:  
4 [National funding formula for schools and high needs \(opens in web browser\)](#)  
5 This workbook is at LA level. The 2023-24 allocations tab provides an LA-level summary of provisional allocations alongside actual schools block and CSSB units of funding for 2023-24.  
6 Allocations are shown for LA geography as at 1st April 2022, subsequent changes to LA geography are not reflected.  
7 Tabs for the schools block, high needs block and central school services block (CSSB) NFF show:  
8 - The LA baselines against which NFF funding is compared.  
9 - Provisional 2023-24 LA allocations, subject to change following updated pupil numbers and other later adjustments.  
10 For further information:  
11 [an individual schools' baselines and NFF calculations, please consult the Impact of the Schools NFF table, which is published alongside this document](#)

The spreadsheet also shows a "Warning" message: "Some compatibility issues may occur if you edit this file." The browser's taskbar at the bottom shows the date and time as 13:21 on 08/02/2023, and the weather as 6°C Sunny.

# Factors in the national funding formula

Figure 2 - Current NFF Funding Factors



**Figure 2:** This illustrates the factors that are taken into account when calculating schools block DSG funding allocations through the NFF. It is not to scale. PFI and Exceptional Premises factors are allocated to local authorities on the basis of historic spend; and rates based on actual costs. Factors in italics are funded according to the previous year's allocation.

Approximately 93.5% of the schools NFF funding is allocated through 'pupil-led' factors. The 'pupil-led' factors are determined by pupil numbers and pupils' characteristics. The majority of this funding is allocated through the basic entitlement factor, which all pupils attract. The NFF allocates the rest of 'pupil-led' funding towards additional needs.



Who sets the budget?



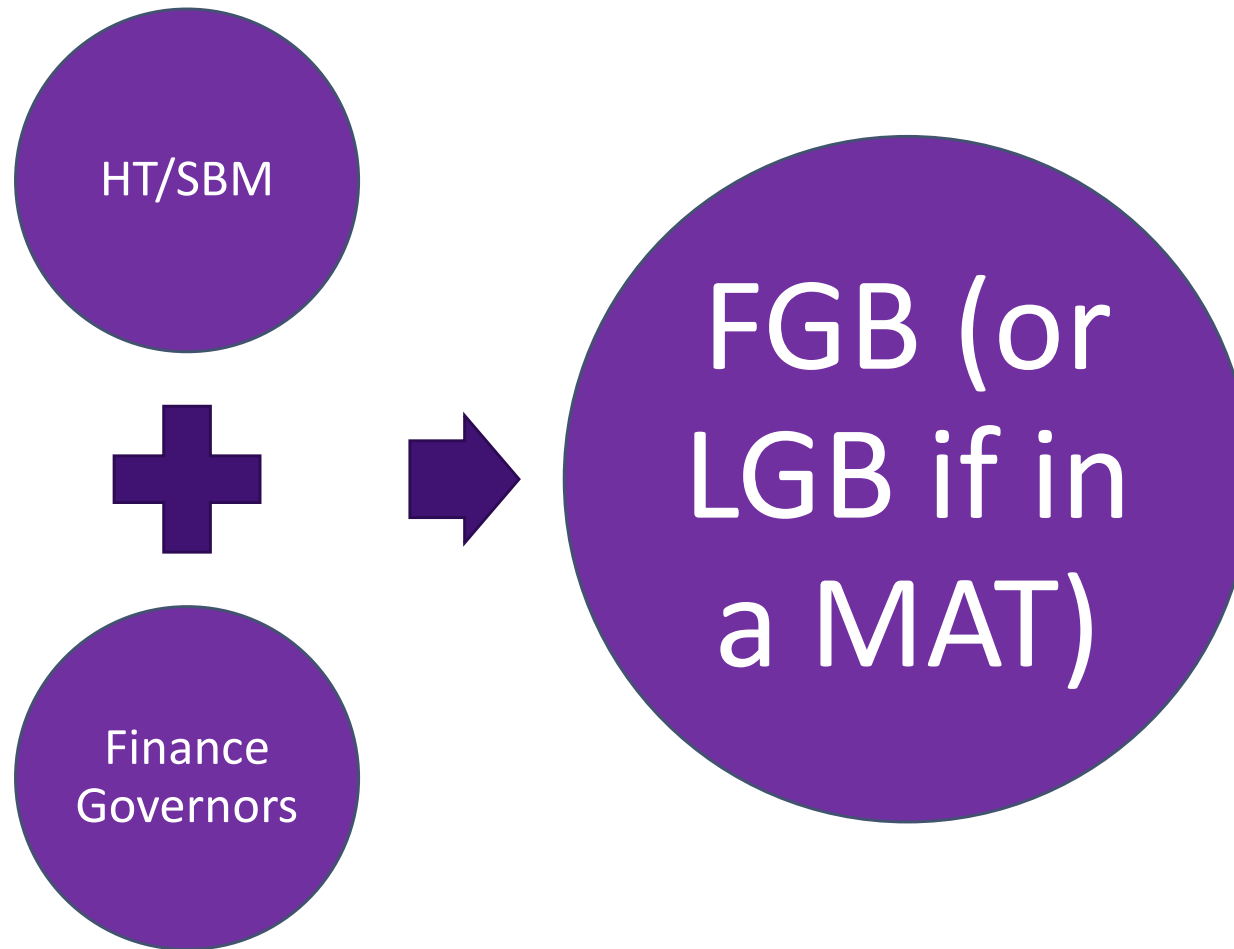
# Who sets the budget?

**Setting the budget should be done through a process of co-operation and discussion with budget-holders**

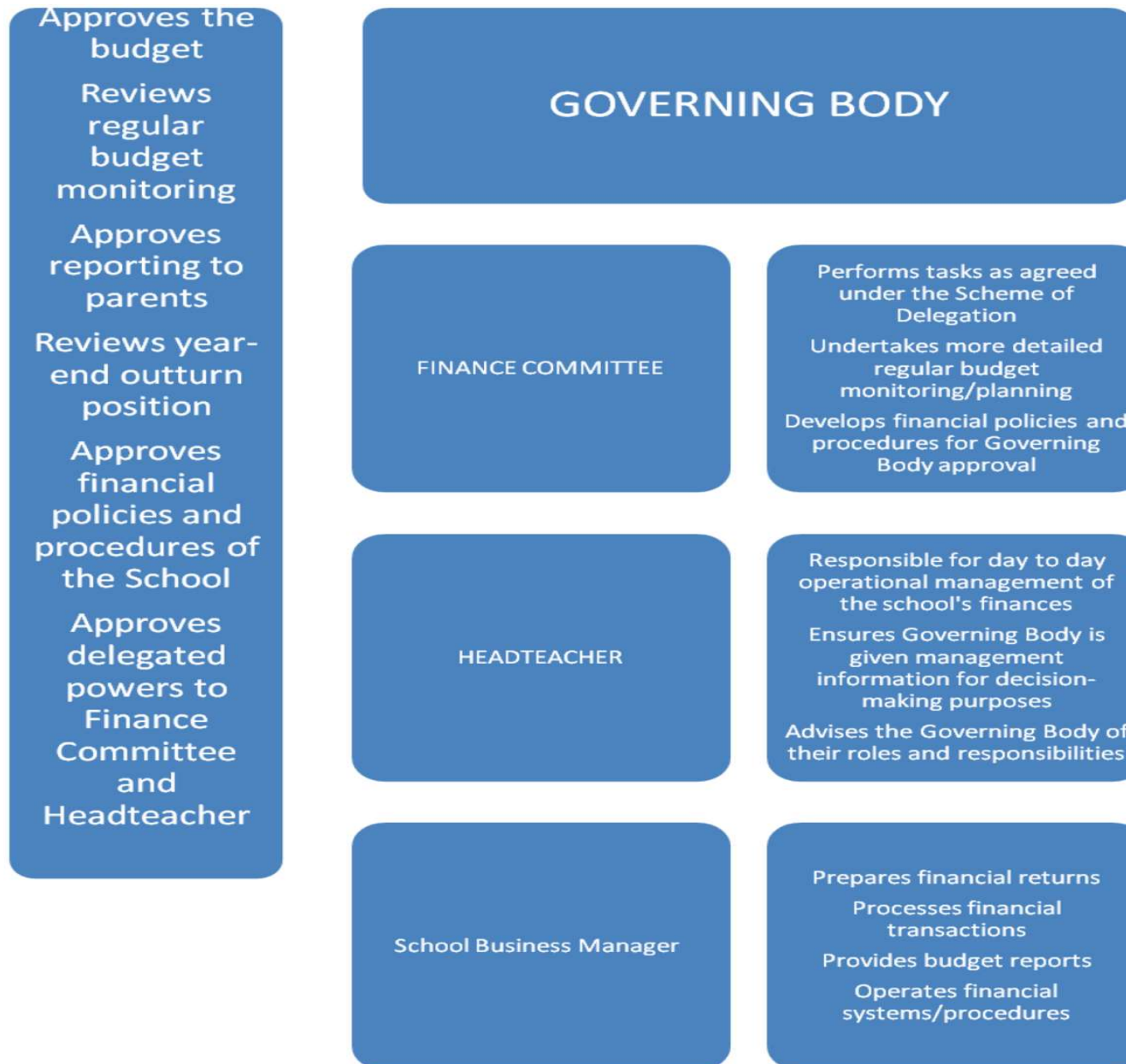
1. Led by School Business Manager/Bursar/Head teacher
2. Finance Committee(s) approves the budget plan
3. Full Governing body/Academy Trust/Local Governing Body agrees the final budget for individual schools.



# Who sets the budget?



# Who sets the budget?



Timetable of tasks



# Setting the school budget –annual cycle

The school's budget is the school's plan of how it intends to allocate resources to achieve its agreed educational objectives and priorities

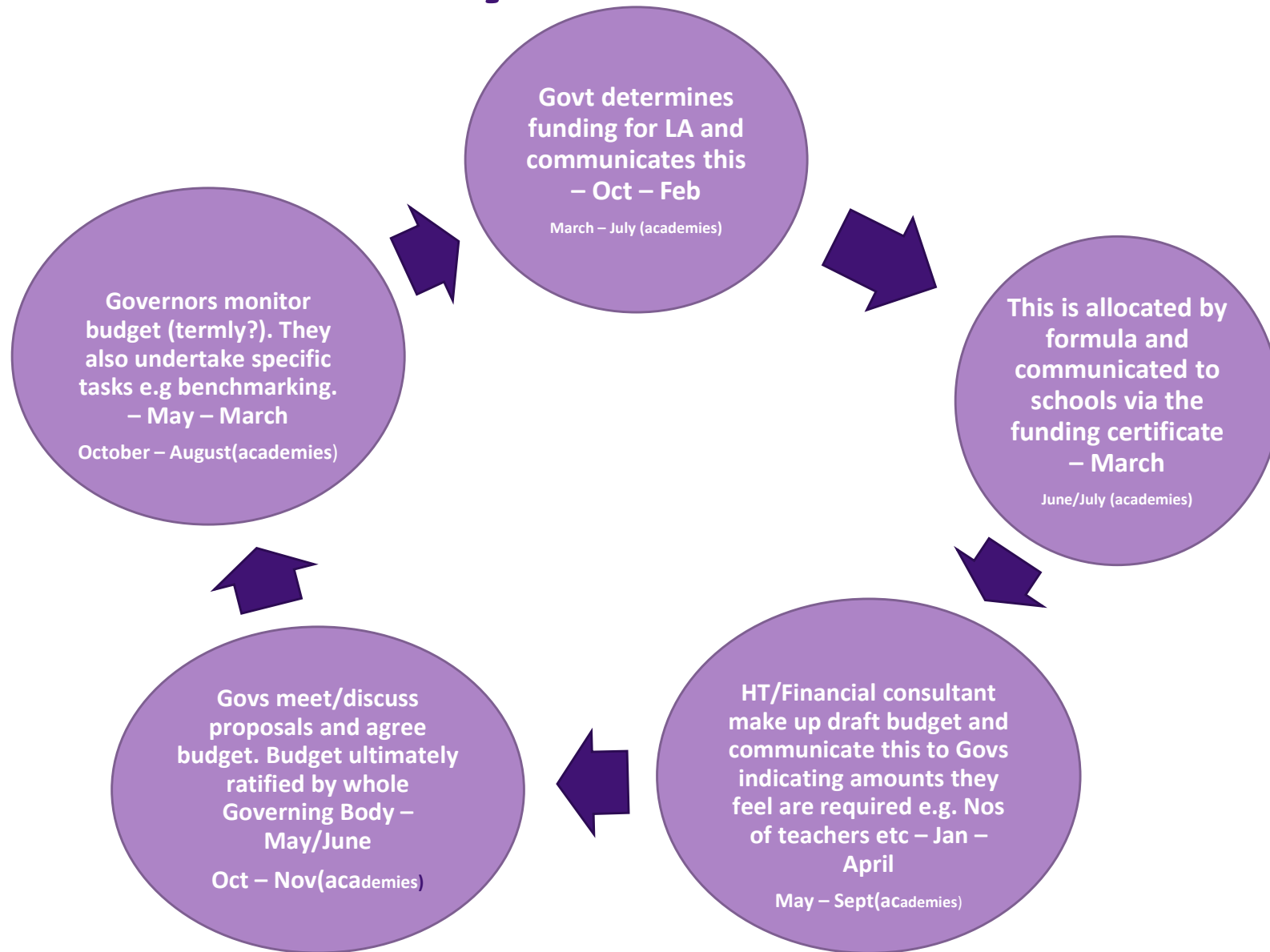
## Maintained schools

TASK	TERM
Review current year's budget	Autumn
Assess and review outline budget	Autumn/Early Spring
Receive LA funding/approve final	Spring/Early Summer

## Academies

TASK	TERM
Review current year's budget	Early spring
Assess and review outline budget	Spring /Early Summer
Receive funding/approve final	Summer/Early Autumn

# Setting the school budget – annual cycle





Financial  
processes



## Financial Processes

There is no set process for governing boards to monitor a school's finances. How governors choose to do this will depend on a range of factors, including:

- Whether it is an academy or maintained school
- The size of the school and the budget
- The structure of the governing board



# Task

With **your** financial management policy or your L.A. policy discuss:

- a) What are the variables?
- b) What tasks does the policy set out for Governors?
- c) What tasks does the policy set out for Headteachers?
- d) What tasks does the policy set out for Admin Officers/School Business managers?







Strategic role

# What are you budgeting for?

## 1. Educational Outcomes

What are we trying to achieve? Where is our school currently?

What do we know about our school standards?

*Task – discuss – do I know? If not how can I find out?*

## 2. School Development plan

*Task – discuss – what is in it? Why? What are we trying to achieve?*

*Is it costed?*



# Developing a budget

- “zero-based” budgeting, whereby governors start with a blank sheet of paper and work up costs from nothing to support the aims and policies of the school?
- “incremental budgeting”, where the individual elements of the budget are increased or decreased depending on the funding received and the pressures of cost inflation.



# Balances and reserves

**Task : What if you can't afford everything you want to do?**

**- What about balances and reserves?**

1. What is a “reasonable” balance to carry forward?
2. Planning for the use or retention of balances
3. Protecting private funds
3. Deficits

***What is worrying you? (if any of these!)***



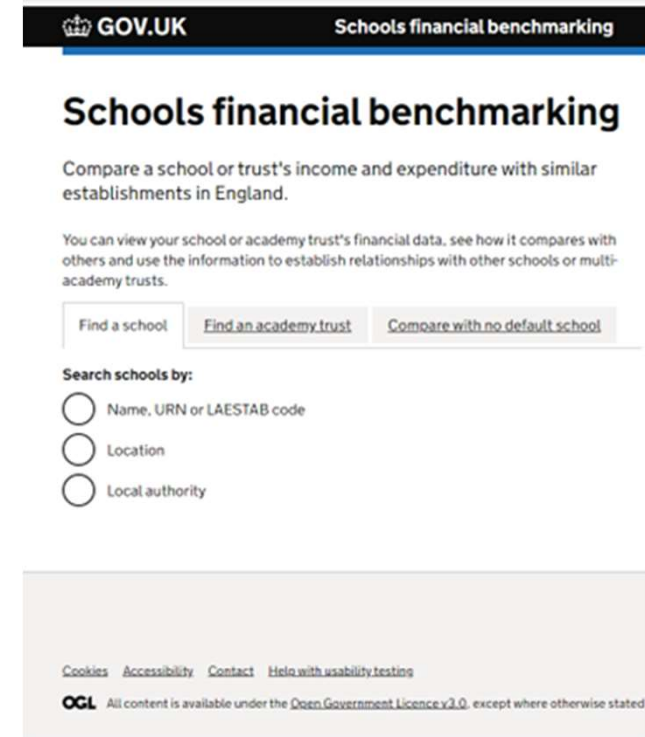


Value for money



# Value for Money

- **Benchmarking** -*The Department for Education (DfE) has created a tool to provide schools in England with an indication of how financially efficient they are. The tool analyses per-pupil income and pupil progress data, and gives an efficiency rating by comparing the results with those of similar schools.*
- **Contracts/Leasing**
- **Planned maintenance**



The screenshot shows the GOV.UK 'Schools financial benchmarking' page. At the top, there is a header with the GOV.UK logo and the title 'Schools financial benchmarking'. Below the header, the main heading is 'Schools financial benchmarking'. The text below reads: 'Compare a school or trust's income and expenditure with similar establishments in England.' A sub-heading states: 'You can view your school or academy trust's financial data, see how it compares with others and use the information to establish relationships with other schools or multi-academy trusts.' There are three buttons: 'Find a school', 'Find an academy trust', and 'Compare with no default school'. Below the buttons, there is a section titled 'Search schools by:' with three radio button options: 'Name, URN or LAESTAB code', 'Location', and 'Local authority'. At the bottom of the page, there is a footer with links for 'Cookies', 'Accessibility', 'Contact', and 'Help with usability testing', followed by the OGL logo and the text: 'All content is available under the Open Government Licence v2.0, except where otherwise stated.'



# Value for Money

## Your Financial Management Policy –

what does it say (if anything) about:-

- Purchasing procedures
- Planned maintenance
- Income
- School Private fund and its auditing (annually and to be reported to Governors)

You may have adopted the Local Authority scheme of delegation or financial regulations – worth finding out if you don't know.....

### Financial Management Policy

#### St Jude's Catholic Primary School

##### AIM

To manage the finances in an efficient, controlled and cost-effective manner which will support the school's efforts in raising pupils' achievement.

##### OBJECTIVES

- To clearly define the areas of responsibility for Governors, Head Teacher, other staff and Local Management Support Limited.
- To show how income and expenditure are controlled.
- To identify how the budget is set and how the priorities for the financial year are arrived at.
- To enable Governors to identify a clear, direct link between the financial priorities and the School's Improvement Plan.
- To identify the security procedures for cash control, computerised procedures, data storage and documentation.
- To identify the procedures for implementing the LEA's Financial Regulations.

# Value for Money

## Auditing:

1. School budget
2. Private fund (s)
3. SFVS



Statutory obligations  
including budget content  
and potential liability

# Budget Content

Always monitor and be aware of:

- Pupil Premium
- Sports Premium
- “catch up”/Recovery premium (ending March 2024)

These are ring fenced allocations and so need to be planned for and monitored accordingly.



# Budget Content

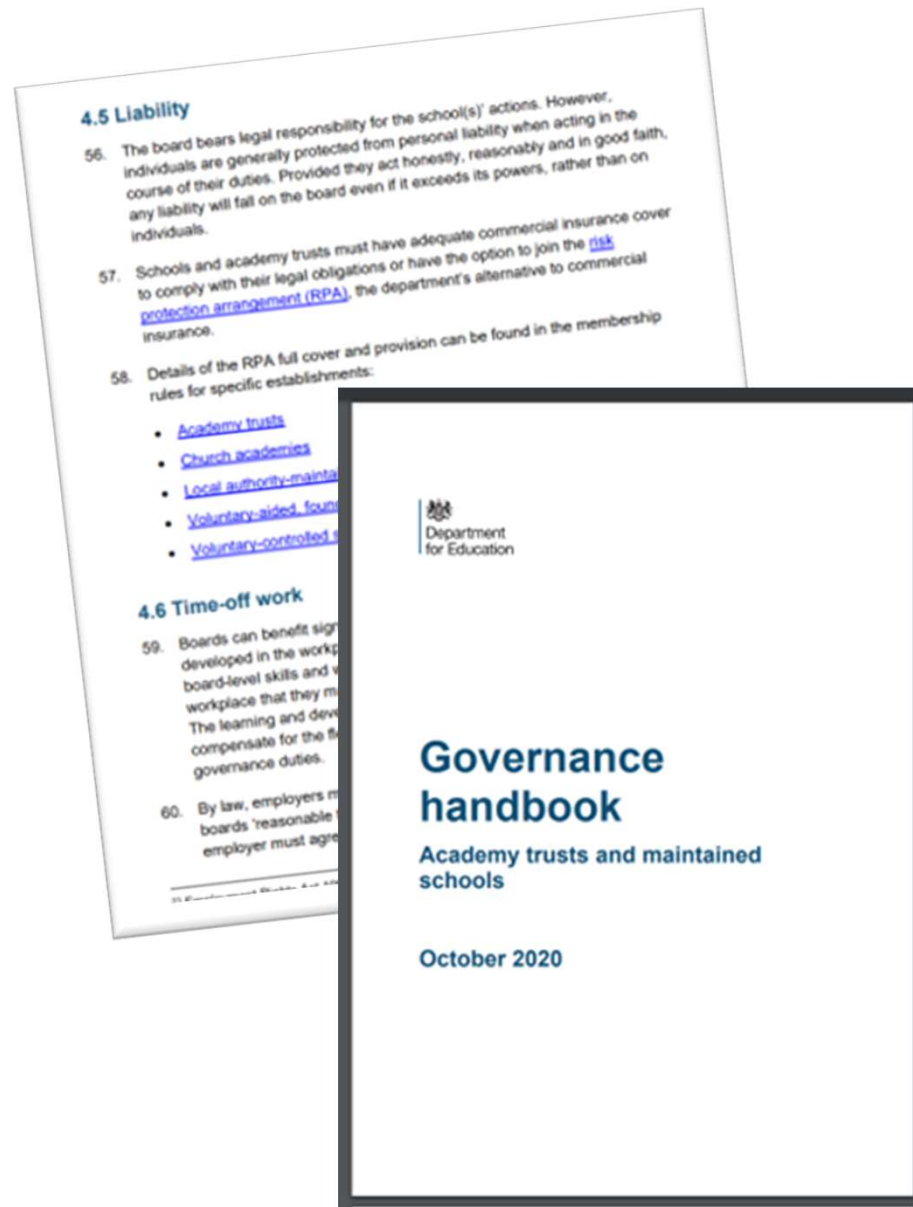
Task:

**Using your school Budget Plan (or the one provided...) -**

Create (at least) **5** questions based on what you have learned today that you would wish to ask the Headteacher (HT)/School Business Manager (SBM) regarding this plan



# Liability – maintained schools and academies



Para 56

“The board bears legal responsibility for the school(s)' actions. However, individuals are generally protected from personal liability when acting in the course of their duties. Provided they act honestly, reasonably and in good faith, any liability will fall on the board even if it exceeds its powers, rather than on individuals.”



# Liability – academy trusts

“The liability of Governors is limited as they cannot be personally held responsible for the debts of the Academy Trust that have been properly incurred. They can become personally liable if they act in breach of their duties and/or statutory/regulatory obligations. However, the circumstances in which payment would actually need to be made are very limited. This view is supported by the Department for Education which states on its website that “Personal liability will not arise if governors carry out their duty acting in good faith.”

**Wellers Law group**

# Statutory obligations and focusing on finance.....

## Guidance

*“The board’s third core function is to **oversee financial performance and make sure money is well spent**. It should do this by ensuring it has at least one individual with specific, relevant skills and experience of financial matters. **However, everyone on the board should have a basic understanding of the financial cycle and the legal requirements of the school on accountability and spend**. This is important in all schools, but particularly important in MATs or large schools or federations. Their larger budgets and greater complexity make it even more critical that the board not only **oversees delivery of the best possible education for pupils**, but also provides robust governance to ensure the viability and efficiency of the organisation through effective business and financial planning.”*

# Statutory obligations and focusing on finance.....

- Clarity of vision
- Holding the Headteacher to account
- Overseeing financial performance
- Increasing concern about financial management
- Audit, Schools Financial Value Statement (SFVS) and Financial Management and Governance Self Assessment (FMGS)





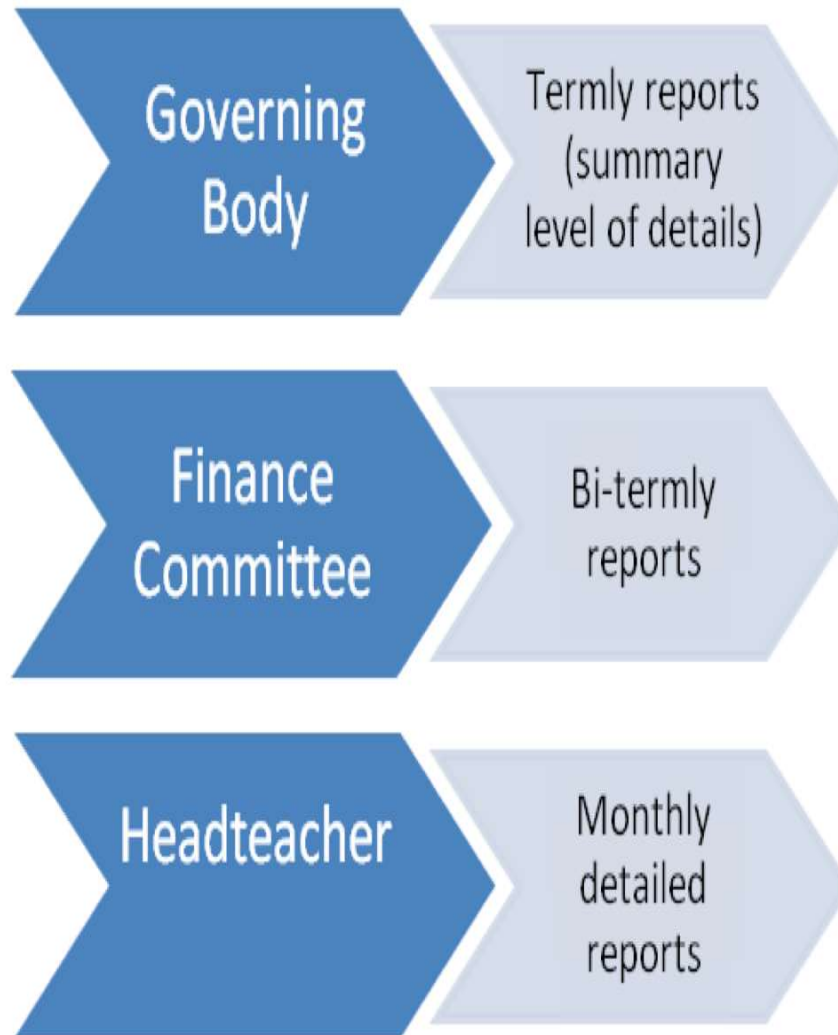
Budget  
monitoring

# Monitoring the budget

- Review expenditure against the planned budget
- Revise expenditure plans where appropriate in the light of changes
- Take corrective action to ensure planned intentions are achieved.

Clear, accurate and timely management information is required. The Governing Board and Finance Committee should be presented with budget monitoring reports on school spending against approved expenditure on a regular basis.

# Monitoring the budget



**Activity:** review monitoring information + notes and formulate questions/plans for meeting



# Monitoring the budget

## Budget Monitoring Report..

REPORT NUMBER: V1-PRIS		EAST RIDING OF YORKSHIRE COUNCIL				RUN DATE: 09/10/2015		PAGE: 0001	
EMAIL : ANYWHERE.HEAD.PRIMARY		BUDGET MONITORING REPORT							
SCHOOL COST CENTRE: 3111		FOR: ANYWHERE PRIMARY							
		FOR: PERIOD 6 SEPTEMBER 2015/16							
		BUDGET FOR YEAR A	BUDGET TO DATE B	ACTUAL TO DATE C	VARIATION TO DATE C-B	BUDGET REMAINING A-C	% OF BUDGET UTILISED C/A X 100 ?	LAST YEAR TOTAL	
REVENUE									
EMPLOYEE EXPENSES									
E01	TEACHING STAFF	740,361	361,142	362,909	1,767	377,452	49.02	682,227	
E02	SUPPLY STAFF	1,000	360	986	626	14	98.60	6,502	
E03	EDUCATION SUPPORT STAFF	251,076	125,538	127,399	1,861	123,677	50.74	262,522	
E04	PREMISES STAFF	19,480	9,738	6,711	1,827	12,769	34.45	19,389	
E05	ADMIN & CLERICAL STAFF	79,772	42,416	41,132	1,284	38,640	51.56	80,732	
E06	CATERING STAFF	19,890	9,948	10,329	381	9,561	51.93	21,234	
E07	OTHER STAFF	37,081	18,540	10,782	7,758	26,299	29.08	26,202	
		1,148,660	567,682	560,248	7,434	588,412	48.77	1,098,808	
19316	RECRUITMENT ADVERTISING	0	0	380	380	380	.00	0	
19338	CRB POLICE CHECKS COSTS	960	355	365	10	595	38.02	1,579	
	E08 INDIRECT EMPLOYEE EXPENSES	960	355	745	390	215	77.60	1,579	
19209	TRAINING EXPENSES	6,350	2,796	475	2,321	5,875	7.48	4,065	
	E09 STAFF DEV & TRAINING	6,350	2,796	475	2,321	5,875	7.48	4,065	
19360	SUPPLY TEACH COVER INSURANCE	12,076	12,076	12,076	1	1	100.00	14,832	
	E10 SUPPLY TEACHER INSURANCE	12,076	12,076	12,076	1	1	100.00	14,832	
19361	NON-TEACH ABSENCE INSURANCE	3,209	3,209	3,209	0	0	100.00	4,134	
	E11 STAFF RELATED INSURANCE	3,209	3,209	3,209	0	0	100.00	4,134	
	TOTAL EMPLOYEE EXPENSES	1,171,255	586,118	576,753	9,365	594,502	49.24	1,123,418	
PREMISES EXPENSES									

This is period 6 (September), when it would be expected that approximately 50% of the budget to have been spent

See Page 10 - provides a summary of catering income and expenditure

Will all of this budget be required? Could any excess be vired to a code which is overspending?

REPORT NUMBER: V1-PRIS		EAST RIDING OF YORKSHIRE COUNCIL				RUN DATE: 09/10/2015		PAGE: 0001	
EMAIL : ANYWHERE.HEAD.PRIMARY		BUDGET MONITORING REPORT							
SCHOOL COST CENTRE: 3111		FOR: ANYWHERE PRIMARY							
		FOR: PERIOD 6 SEPTEMBER 2015/16							
		BUDGET FOR YEAR A	BUDGET TO DATE B	ACTUAL TO DATE C	VARIATION TO DATE C-B	BUDGET REMAINING A-C	% OF BUDGET UTILISED C/A X 100 ?	LAST YEAR TOTAL	
REVENUE									
EMPLOYEE EXPENSES									
E01	TEACHING STAFF	740,361	361,142	362,909	1,767	377,452	49.02	682,227	
E02	SUPPLY STAFF	1,000	360	986	626	14	98.60	6,502	
E03	EDUCATION SUPPORT STAFF	251,076	125,538	127,399	1,861	123,677	50.74	262,522	
E04	PREMISES STAFF	19,480	9,738	6,711	1,827	12,769	34.45	19,389	
E05	ADMIN & CLERICAL STAFF	79,772	42,416	41,132	1,284	38,640	51.56	80,732	
E06	CATERING STAFF	19,890	9,948	10,329	381	9,561	51.93	21,234	
E07	OTHER STAFF	37,081	18,540	10,782	7,758	26,299	29.08	26,202	
		1,148,660	567,682	560,248	7,434	588,412	48.77	1,098,808	
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PREMISES EXPENSES									

This is period 6 (September), when it would be expected that approximately 50% of the budget to have been spent

See Page 10 - provides a summary of catering income and expenditure

Will all of this budget be required? Could any excess be vired to a code which is overspending?

# Budget Content

Two handouts :-

1. Budget Plan Summary
2. Budget Plan


Task: Using the Budget Plan Summary (or your school plan)-

- What do we learn about school('s) priorities?
- What questions could we as Governors be asking based on this summary?

BUDGET PLAN SUMMARY		Schools	PLAN	One a	2018/19
			DATE	10th May 18	
<b>REVENUE</b>			£		%
<b>EXPENDITURE</b>					% of TOTAL EXPENDITURE
STAFF RELATED COSTS			2,478,924		76.52%
PREMISES COSTS			144,617		4.46%
CURRICULUM			88,000		2.72%
OTHER SUPPLIES & SERVICES			156,235		4.82%
IN & OUT BUDGETS			3,000		0.09%
CATERING COSTS			231,943		7.16%
DIRECT REVENUE FINANCING (CONTRIBUTIONS TO CAPITAL)			0		0.00%
OTHER EXPENDITURE			137,053		4.29%
<b>EXPENDITURE TOTAL</b>			<b>3,239,772</b>		<b>100.00%</b>
<b>INCOME</b>					
SCHOOLS & EARLY YRS BLOCKS less de-delegation & EAL (TED4)			-2,716,779		
HIGH NEEDS SEN income			-6,643		
PREMIUM income (Pupil / Early Years / LAC / Services / Sports)			-116,275		
OTHER income			-240,940		
<b>INCOME TOTAL</b>			<b>-3,080,636</b>		
<b>INCOME minus EXPENDITURE</b>			<b>151,136</b>		
<b>BALANCES FROM LAST YEAR - Revenue</b>					
BALANCE B/F - Committed			-152,490		
BALANCE B/F - Uncommitted			0		
<b>BALANCES TOTAL</b>			<b>-152,490</b>		
<b>REVENUE - TOTAL FUNDS REMAINING</b>			<b>-1,355</b>		% of FUNDING
<b>COMMITTED FUNDS IN REVENUE BALANCE</b>			<b>0</b>		
<b>PLANNED UNCOMMITTED REVENUE BALANCE at YEAR END</b>			<b>-1,355</b>		CERTIFICATE 400%
<b>CAPITAL</b>					
EXPENDITURE			602		
REVENUE FINANCING OF CAPITAL			0		
<b>INCOME</b>			<b>0</b>		
<b>INCOME minus EXPENDITURE</b>			<b>OVER 602</b>		
<b>BALANCES FROM LAST YEAR</b>					
BALANCE B/F - Devolved Formula Capital			-602		
BALANCE B/F - Other Capital			0		
<b>BALANCES TOTAL</b>			<b>-602</b>		
<b>PLANNED CAPITAL BALANCE AT YR END</b>			<b>0</b>		
<b>COMMUNITY FOCUSED</b>					
EXPENDITURE			194,949		
<b>INCOME</b>			<b>-137,824</b>		
<b>INCOME minus EXPENDITURE</b>			<b>OVER 57,125</b>		
<b>BALANCES FROM LAST YEAR</b>			<b>-60,055</b>		
<b>PLANNED COMMUNITY FOCUSED BALANCE AT YR END</b>			<b>-2,930</b>		

BUDGET PLAN SUMMARY		Schools	PLAN	One a	2018/19
			DATE	10th May 18	
<b>REVENUE</b>			£		%
<b>EXPENDITURE</b>					% of TOTAL EXPENDITURE
STAFF RELATED COSTS			2,478,924		76.52%
PREMISES COSTS			144,617		4.44%
CURRICULUM			88,000		2.72%
OTHER SUPPLIES & SERVICES			156,235		4.82%
IN & OUT BUDGETS			3,000		0.09%
CATERING COSTS			231,943		7.18%
DIRECT REVENUE FINANCING (CONTRIBUTIONS TO CAPITAL)			0		0.00%
OTHER EXPENDITURE			137,053		4.23%
<b>EXPENDITURE TOTAL</b>			<b>3,239,772</b>		<b>100.00%</b>
<b>INCOME</b>					
SCHOOLS & EARLY YRS BLOCKS less de-delegation & EAL (TE04)			-2,716,779		
HIGH NEEDS SEN income			-6,643		
PREMIUM income (Pupil / Early Years / LAC / Services / Sports)			-116,275		
OTHER income			-248,940		
<b>INCOME TOTAL</b>			<b>-3,088,636</b>		
<b>INCOME minus EXPENDITURE</b>			<b>151,135</b>		
<b>BALANCES FROM LAST YEAR - Revenue</b>					
BALANCE B/F - Committed			-152,490		
BALANCE B/F - Uncommitted			0		
<b>BALANCES TOTAL</b>			<b>-152,490</b>		
<b>REVENUE - TOTAL FUNDS REMAINING</b>			<b>-1,355</b>		% of FUNDING
<b>COMMITTED FUNDS IN REVENUE BALANCE</b>			<b>0</b>		
<b>PLANNED UNCOMMITTED REVENUE BALANCE at YEAR END</b>			<b>-1,355</b>		CERTIFICATE
			UNDER		-0.05%

What actions might need to be planned from this balance?

An illustration of five stylized human figures sitting around a dark brown table. The figures are drawn with simple outlines and flat colors. One figure on the left has dark hair and is wearing a blue shirt and tie. Another figure at the top has grey hair and is wearing an orange shirt. A figure on the right has dark hair and is wearing a pink shirt. In the foreground, two figures have their backs to the viewer; one has olive green hair and is wearing a white shirt, while the other has brown hair and is wearing a yellow shirt. The text "Post Covid – are there any 'hidden costs' we are still paying?" is overlaid in white on the table.

Post Covid – are there any “hidden costs” we are still paying?

# Post Covid



- The same skills and questions as during the pandemic still apply. The “**Covid Recovery Premium**” ends in March 2024

- The pandemic/school shutdowns lasted almost exactly 1 financial year for maintained schools and 2 for academies.

However, what specifically was affected during the various lockdowns?

- Did we as a school incurred extra costs e.g extra cleaning, equipment such as laptops, staffing costs
- Did we as a school received any additional funding?
- What was the net impact of both of the above on our overall balance?
- What’s the situation going into the new financial year?
- Will we continue to incur extra costs? If so for how long
  - have we budgeted for this?



# Covid related issues: example of a large budget line e.g. staffing

REVENUE	£	% of TOTAL
<b>EXPENDITURE</b>		<b>EXPENDITURE</b>
STAFF RELATED COSTS	2,478,924	76.52%
PREMISES COSTS	144,617	4.46%
CURRICULUM	88,000	2.72%
OTHER SUPPLIES & SERVICES	156,235	4.82%
IN & OUT BUDGETS	3,000	0.09%
CATERING COSTS	231,943	7.16%
DIRECT REVENUE FINANCING (CONTRIBUTIONS TO CAPITAL)	0	0.00%
OTHER EXPENDITURE	137,053	4.23%
<b>EXPENDITURE TOTAL</b>	<b>3,239,772</b>	<b>100.00%</b>

This is from the Budget summary which is included with your handouts...

- You can see that in this example the budget is expressed both as “actuals” and as a percentage.
- Staffing is the vast majority of your budget (£2,478,924/76.52%). Therefore any variation in terms of staffing will have a disproportionate impact
- In reality most schools staffing is around 80%



# Covid related issues: example of a large budget line e.g. staffing

<b>EXPENDITURE</b>		
STAFF RELATED COSTS	<b>2,478,924</b>	EXPENDITURE 76.52%

**It's worth running through a hypothetical example just to illustrate the point:**

1. We are monitoring the budget this term with information up to December 2020
2. In a maintained school this is Month 9 (75% of the financial year) – Academies month 4 (33.3% of the financial year)
3. Staffing if on plan should be at 75% of £2,478,924 = £1,859,193
4. If staffing is on 77% appears to be virtually on target however 77% of £2,478,924 = £1,908,771 a difference of **£49,578 (£1,908,771 - £1,859,193)**

**The impact of changes in staffing is potentially enormous, even if the percentage change is very small**

**Our questions would/could be:**

- a) Why is this?
- b) Is this change specifically related to Covid?
- c) Have we any extra funding we can apply for/receive to offset this?
- d) Is this going to continue for the rest of the financial year. If yes, what will be the “actual” impact on the end of year?
- d) Can we vire funding from other areas to offset this?
- e) What other budgets have been directly affected by Covid? – e.g. Cleaning, Resources (go through same process)
- f) What is the overall impact on our “bottom line?”



Conclusion including  
"asking the right  
questions."

# What to expect from your school....

- Your role
- The financial calendar
- Rules/policy
- The budget- summary, plan
- Reports – termly – how do we receive them in our school?
- Benchmarking information.....
- The opportunity to ask questions, and obtain answers from the right people

# Best practice

- *Asking probing questions*
- *Appoint link governors* with a financial focus to monitor areas of school finance e.g. pupil premium, internal controls, SEND and its budget
- *Undertake finance training*



# Governors' handbook: asking the right questions....

46. Asking the right questions is equally important in relation to money as it is to educational performance. Appropriate questions might include:

- Are resources allocated in line with the organisation's strategic priorities?
- Does the organisation have a clear budget forecast, ideally for the next three years, which identifies spending opportunities and risks and sets how these will be mitigated?
- Does the organisation have sufficient reserves to cover major changes such as re-structuring, and any risks identified in the budget forecast?
- Is the organisation making best use of its budget (e.g. by integrating its curriculum planning with its financial planning and using efficiency data to inform decision making)?
- Does the organisation plan its budgets on a bottom up basis driven by curriculum planning (i.e. is the school spending its money in accordance with its priorities) or is the budget set by simply making minor adjustments to last year's budget to ensure there is a surplus?

# Governors' handbook: asking the right questions....

- What sources of financial data and tools are used to ensure the assets and financial resources are being used efficiently?
- How can better value for money be achieved from the budget?
- Is the organisation complying with basic procurement rules and ensuring it gets the best deal available when buying goods and services in order to reinvest savings into teaching and learning priorities?
- Is the organisation taking advantage of opportunities to collaborate with other schools to generate efficiencies through pooling funding where permitted, purchasing services jointly and sharing staff, functions, facilities and technology across sites?



# Education & Skills Funding Agency

## Top 10 planning check for Governors

1. Staff pay as percentage of total expenditure
2. Average teacher cost
3. Pupil to teacher ratio (PTR)
4. Class sizes
5. Teacher contact ratio
6. Proportion of budget spent on the leadership team
7. 3 to 5 year budget projections
8. Spend per pupil for non-pay expenditure lines compared to similar schools
9. School improvement plan priorities and the relative cost of options
10. List of contracts with costs and renewal dates

# Next steps

- So what are you going to do when you get back to school?
  - Activity/Task: Based on what you have thought about today, prioritise 5 key tasks/actions



# Questions to ask

- Do ask them!
- How is it going?
- Questions to ask about the budget
- Questions to ask about monitoring reports
- Questions to ask about audit , SFVS and FMGS



**Questions to ask me!!!**

**Thoughts or questions...?**





**Governor Support Service**  
**Based in Hillingdon and**  
**supporting governors and clerks**  
**throughout the borough and beyond**

**Email:** [office@governor.support](mailto:office@governor.support)

**Phone:** 01895 717321

**Website:** [www.governor.support](http://www.governor.support)

