

Alan Patient & Co

Budget Setting Tips and Tricks

28 May 2020

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2020/21 Budget Setting Process

- ◆ Already set for maintained schools (April to March)
- ◆ Academy and Academy Trust budgets to be set for 1 September 2020 to 31 August 2021
- ◆ Academy budgets are due for submission to ESFA in BFR3Y by 31 July
- ◆ Open for submission on 23 June
- ◆ Must be approved by Board of Trustees

Challenging the assumptions

- ◆ Trustees must challenge key assumptions made by the Academy or Trust
- ◆ As Finance professionals we are required to ensure that we have reasonable explanations for those assumptions
- ◆ Must provide evidence where possible to back up your judgment

Time for a quick poll

What rate have you assumed that the cost of living increase for Teaching staff will be from 1 September 2020?

- a. 2%
- b. 3%
- c. More than 3%
- d. Less than 2%

Using scenarios

- ◆ Use a budgeting tool
- ◆ Have a master or template scenario
- ◆ Change for differing underlying assumptions
- ◆ Keep track of changes made
- ◆ Compare scenarios side by side

Time for another quick poll

How have you changed the current year budget in respect of school closure and plans for re-opening?

- a. Not changed
- b. Increased expenditure
- c. Reduced income
- d. Reduced expenditure
- e. Increased income

Pitfalls to avoid

- ◆ Have a timetable
- ◆ Check your funding allocations
- ◆ Have the estates management plan in mind
- ◆ Agree the establishment list with SLT

Pitfalls to avoid

- ◆ Have a contracts list
- ◆ Have a lot of conversations with the budget holders and/or subject leads
- ◆ Have agreed the Trust recharge agreed and known
- ◆ Know what is being paid for by the Trust

Time for the last poll

Compared to your annual budget how do your month 12 actuals compare?

- a. Don't know or not compared
- b. Always under budget
- c. Always over budget
- d. Sometimes under sometimes over
- e. Always on budget

Pitfalls to avoid

- ◆ Don't just add an arbitrary figure to last years budget
- ◆ Don't set the budget in stone
- ◆ Use your reserves or carry forward
- ◆ Don't forget about maternity leave

Questions?

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Thank you

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