

A Guide to the Tools That Can Aid Financial Management in Schools

It is not expected that all governors will have detailed knowledge of all these reports, how they work and how they are populated. However, by knowing the tools and information available it may aid you to work with your schools to ensure you have the information you need to aid strategic decision making and ensure that the tools are used to their full potential.

1. The Staffing Spreadsheet

For the annual budget setting process the Schools Finance team supply a staffing spreadsheet to allow schools to accurately forecast staffing costs by individual member of staff. The sheet gives a good opportunity to review staffing structures every year and to discuss if the structure still reflects what the school requires, given pupil numbers and financial circumstances.

In addition to sheets detailing out individual staff members and roles, there are some useful summary sheets. The 'Budget Summary' report allows you to see how costs and FTEs change over the budget setting period (3 to 5 years).

BUDGET TOTALS							FTE TOTALS									
Teachers	Role	Ledger Code	Annual Totals					2017/18			2018/19			2019/20		
			2017/18	2018/19	2019/20	2020/21	2021/22	Apr	Sep	Jan	Apr	Sep	Jan	Apr	Sep	Jan
			Teachers	10000	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Leadership	10010	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Head Teacher	10020	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Teaching Supply (Central Staff)	10030	0	0	0	0	0	-	-	-	-	-	-	-	-	-	-
Teaching Supply (Agency Staff)	13010	0	0	0	0	0	-	-	-	-	-	-	-	-	-	-
			0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Support Staff	Role	Ledger Code	Annual Totals					2017/18			2018/19			2019/20		
			2017/18	2018/19	2019/20	2020/21	2021/22	Apr	Sep	Jan	Apr	Sep	Jan	Apr	Sep	Jan
			Education Support Staff (TA1,TA2,TA3,HLTA)	10110	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Nursery Staff (LEA funded)	10130	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
General Assistants (TA4)	10140	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Technicians / Librarians	10150	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Education Support Supply	10160	0	0	0	0	0	-	-	-	-	-	-	-	-	-	-
Premises Staff	10180	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cleaners	10190	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Admin & Clerical Staff	10200	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Clerk To Governors	10210	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Admin & Clerical Supply	10220	0	0	0	0	0	-	-	-	-	-	-	-	-	-	-
Midday Supervisory Assistants	10240	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

In addition there is a 'role summary' report. By allocating a 'role' to each member of staff you are able to analyse and compare staff working in different areas of the school. This may raise questions about staffing levels in different areas, it may help identify staff attached to specific children or funding and staff funded from the main budget share.

ROLE SUMMARY		The list of roles available can be customised in the section									
		Teachers, Support Staff and Supply					Teachers and Supply				
		Budget									
Role	Role Description	2017/18	2018/19	2019/20	2020/21	2021/22	2017/18	2018/19	2019/20	2020/21	2021/22
LEAD	Leadership	-	-	-	-	-	-	-	-	-	-
RECP	Reception	-	-	-	-	-	-	-	-	-	-
YEAR 1	Year 1	-	-	-	-	-	-	-	-	-	-
YEAR 2	Year 2	-	-	-	-	-	-	-	-	-	-
YEAR 3	Year 3	-	-	-	-	-	-	-	-	-	-
YEAR 4	Year 4	-	-	-	-	-	-	-	-	-	-
YEAR 5	Year 5	-	-	-	-	-	-	-	-	-	-
YEAR 6	Year 6	-	-	-	-	-	-	-	-	-	-
INA	Individual Needs Assistant	-	-	-	-	-	-	-	-	-	-
PPG	Pupil Premium Funded	-	-	-	-	-	-	-	-	-	-
OTHER	Other	-	-	-	-	-	-	-	-	-	-
SUB TOTAL		-	-	-	-	-	-	-	-	-	-
Unassigned		-	-	-	-	-	-	-	-	-	-
GRAND TOTAL		-	-	-	-	-	-	-	-	-	-

The role descriptions can be fully customised to your school so you may wish to view by year group, subject area or another set of groupings that reflects the structure of your school.

2. The Budget Planner

Another key tool is the budget planner. The planner allows you to see a comparison between historic costs and forecast costs over the next 3 to 5 years, giving a forecast year end position for each year. You can view the budget by individual cost code as below:

return to menu	DfE Number	These columns MUST be completed			Enter DfE Number on Menu		
Enter DfE Number on Menu Tab	----	Actuals 2014/2015	Actuals 2015/2016	Actuals 2016/2017	Budget 2017/2018	Estimate 2018/2019	Estimate 2019/2020
Formula Budget Share							
Carry forward						0	0
Available budget		0	0	0	0	0	0
					2017/2018 SDP		2018/2019 SDP
0000 Teaching Staff						0	0
0010 Leadership Staff						0	0
0020 Head Teacher						0	0
0030 Supply Staff - Teaching						0	0
0110 Education Support Staff						0	0
0120 Residential Dom Staff						0	0
0130 LEA Nursery & Nursing staff						0	0
0140 General Assistants						0	0
0150 Technicians/Librarians						0	0
0160 Support Staff - Supply Cover						0	0
0180 Premises Staff						0	0
0190 Cleaning Staff						0	0
0200 Admin & Clerical Staff						0	0
0210 Clerk to Governors						0	0
0220 Admin Support Staff - Supply Cover						0	0
0230 Catering/Kitchen Staff						0	0
0240 Midday Supervisory Assistants						0	0
0250 Support Staff - (Non-LEA Nurseries etc)						0	0
0260 Local Agreements - Principal MSA						0	0
0700 Caretakers Overtime on Lettings						0	0
0780 Comm.Ed. - O/T on Lettings						0	0

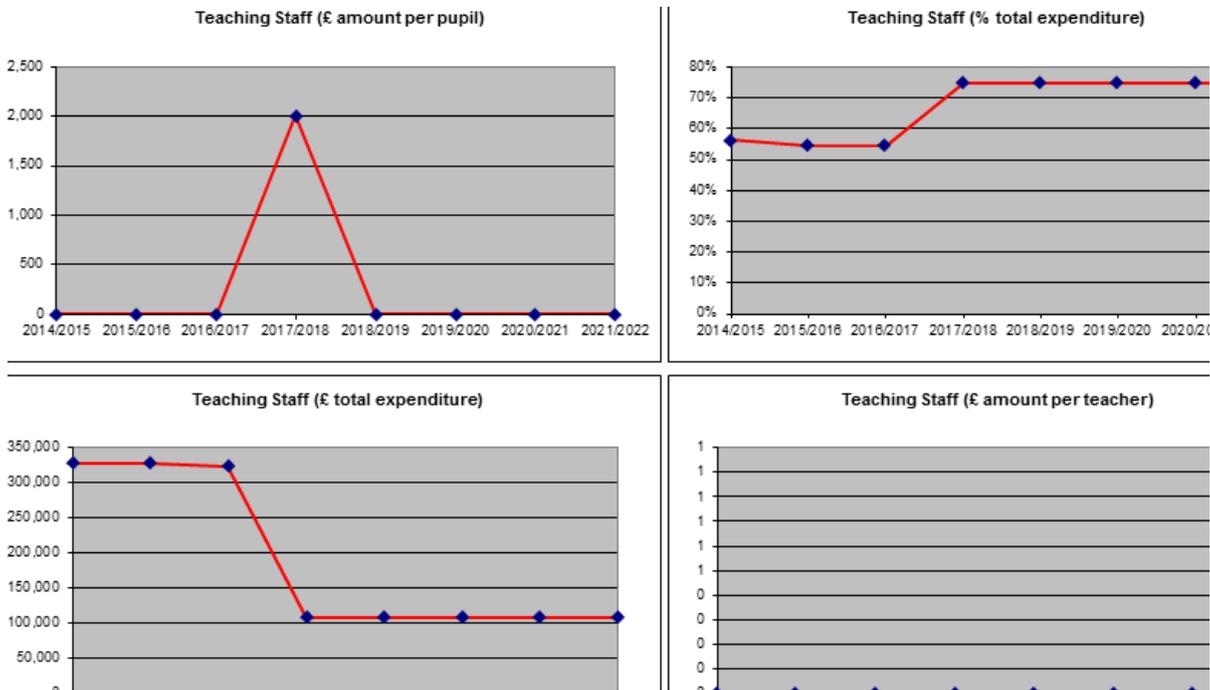
You can also view the budget at a summary level:

Budget Summary 2017/18

DfE Number **Enter DfE Number on Menu Tab**
 School Name **Enter DfE Number on Menu Tab**

	Enter DfE Number on Menu Tab					
	14/15	15/16	16/17	17/18	18/19	19/20
Budget Share	0	0	0			
Carry Forward	0	0	0	0	0	0
Available Budget	0	0	0	0	0	0
Other Income	0	0	0	0	0	0
TOTAL REVENUE	0	0	0	0	0	0
Staffing	0	0	0	0	0	0
% of budget share (exc. carry forward)	0%	0%	0%	0%	0%	0%
% of budget share (inc. carry forward)	0%	0%	0%	0%	0%	0%
% of total revenue	0%	0%	0%	0%	0%	0%
Premises	0	0	0	0	0	0
% of budget share (exc. carry forward)	0%	0%	0%	0%	0%	0%
% of budget share (inc. carry forward)	0%	0%	0%	0%	0%	0%
% of total revenue	0%	0%	0%	0%	0%	0%
Supplies & Services	0	0	0	0	0	0
% of budget share (exc. carry forward)	0%	0%	0%	0%	0%	0%

There are also charts available within the planner which may make it easier to identify trends over time and allow you to question variations:



The budget planner incorporates forecasts of pupil numbers. Movement in pupil numbers is an important indication for future funding, so it is important that you are clear what numbers the budget forecasts have been based on and that these are realistic.

School Name [return to menu](#)
 DfE Number [go to MFG calculator](#)

Age at start of school year	Year Group	Actual Numbers			Estimated Numbers				
		Oct 2014	Oct 2015	Oct 2016	Oct 2017	Oct 2018	Oct 2019	Oct 2020	Oct 2021
4	Recep				0	0	0	0	0
5	Year 1				0	0	0	0	0
6	Year 2				0	0	0	0	0
7	Year 3				0	0	0	0	0
8	Year 4				0	0	0	0	0
9	Year 5				0	0	0	0	0
10	Year 6				0	0	0	0	0
Total		0	0	0	0	0	0	0	0

In whatever form the budget plan is communicated to governors, it should be in sufficient detail to enable analysis and challenge and it should be accompanied by clear commentary or annotation highlighting:

- the assumptions that have been made in setting the budget;
- what is known with certainty and what is not;
- quantify potential costs that have not been built in and why;
- the basis used for of calculating the budget.

Understanding how the budget has been put together will enable you to understand and challenge any underlying assumptions.

Your school development plan must include the cost implications of actions identified and this must directly link to resources available. The budget planner incorporates an area where you can identify specific costs in the school development plan and highlight where these are incorporated in the budget. The success of school development plan depends on adequate resources being allocated to targeted areas. Completing this area ensures your budget is fully informed by your school priorities.

return to menu		2017/2018		2018/2019		2019/2020	
DfE Number		£	Comments	£	Comments	£	Comments
10000	Teaching Staff						
10010	Leadership Staff						
10020	Head Teacher						
10030	Supply Staff - Teaching						
10110	Education Support Staff						
10120	Residential Dom Staff						
10130	LEA Nursery & Nursing staff						
10140	General Assistants						
10150	Technicians/Librarians						
10160	Support Staff - Supply Cover						
10180	Premises Staff						
10190	Cleaning Staff						
10200	Admin & Clerical Staff						
10210	Clerk to Governors						
10220	Admin Support Staff - Supply Cover						
10230	Catering/Kitchen Staff						
10240	Midday Supervisory Assistants						
10250	Support Staff - (Non-LEA Nurseries etc)						
10260	Local Agreements - Principal MSA						
10700	Caretakers Overtime on Lettings						
10780	Comm Ed - O/T on lettings						
13000	External Agency Staff (Non-Teaching)						
13010	External Agency Staff (Teaching)						

3. The Budget Monitoring Report

It is important that the budget is monitored clearly and regularly so that corrective action can be taken in a timely manner. The Budget monitoring report you receive should give you a clear idea of:

- Actual spend to date;
- Spend that is committed (e.g. orders have been raised, it is unlikely that this spend can now be avoided);
- Further spend that is expected up until the end of the financial year;
- Reasons for variances between the forecast position and the budget;
- A review of ring fenced funds such as capital or pupil premium;
- The impact that any variance in the year end position may have on future years.

BUDGET MONITORING REPORT 2017/18							
School Meeting Date							<< Return To Menu
	1	2	3	4	5	6	7
	Actual Transactions to Date	Commitment to Date in FMS	Estimated Transactions to Year End not included in col 1&2	Forecast of Total Transactions for Year	Budget 2017/18	Budget Remaining	% Estimated Overspend or Underachieved Income (-) / Underspend or Additional Income (+)
	£	£	£	£	£	£	%
Total Staffing	-	-	-	-	-	-	0.00%
Total Premises	-	-	-	-	-	-	0.00%
Total Supplies and Services	-	-	-	-	-	-	0.00%
Total Capital Contribution	-	-	-	-	-	-	0.00%
Total Income	-	-	-	-	-	-	0.00%
Total Contingency	-	-	-	-	-	-	0.00%

A template is available from the Schools Finance team for a report that can be easily populated from the schools finance system and then updated for information that is not yet reflected in the system. The report should be accompanied with a narrative highlighting the overall forecast position, areas of concern, the position of specific grants and any decisions that the governing body are required to make around finance. A suggested format for the narrative report can also be obtained from the Schools Finance team.

4. Management Reports

From Sept to March schools will be sent monthly management reports. This uses the summary information held centrally to give high level indications of a schools financial position. It is not a replacement for a detailed monitoring report which will incorporate local knowledge about spending patterns, but it may give a high level indication that something needs to be addressed.

Financial Year 2016/2017

SCHOOL
DFE

DATA UP TO PERIOD
INTERNAL ORDER



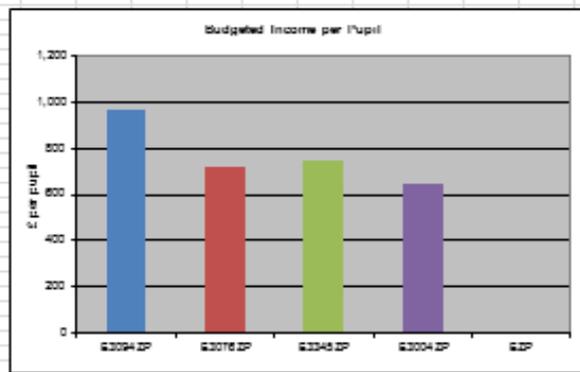
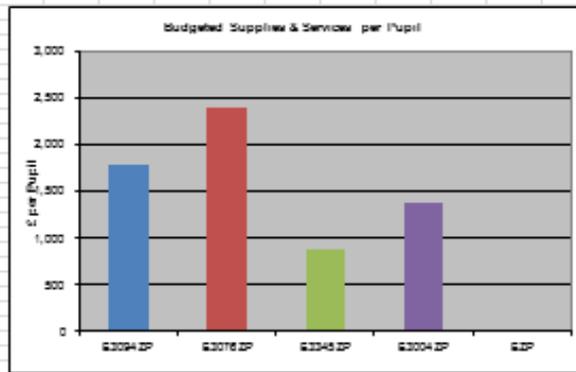
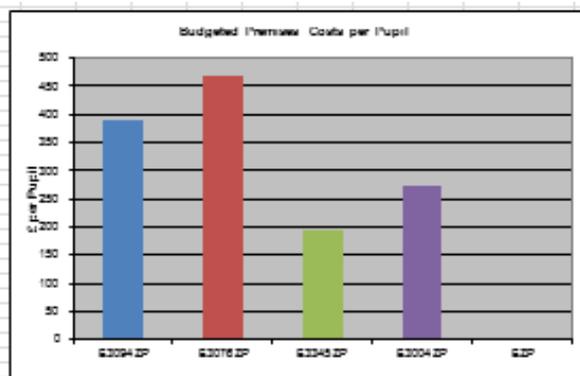
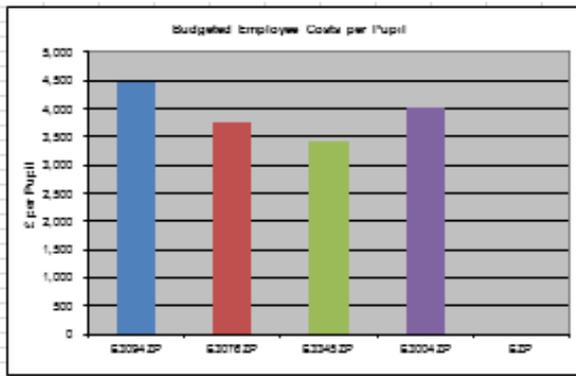
Our forecast data is based on the the average spending pattern for all schools, which may not take into account specific circumstances of your school. If you would like to see a more detailed code by code breakdown of our forecast please speak to your Contact Officer. The forecast is compared with the latest Cumulative Expense Analysis (CEA) that we have processed. If the budget figures in your local system are significantly different you may wish to send in a revised CEA and Signing Form.

FINANCIAL INFORMATION SOURCED FROM SCHOOL REPORTS									
	2016/2017				%	2015/2016			%
	2016/17 budget	Actual to date	Forecast year end position	Forecast less budget		2015/16 budget	2015/16 actual	Variance (actual less budget)	
Employee Costs	493,013	393,967	449,965	-43,048	-9%	461,939	469,269	7,330	2%
Premises & Transport	35,041	24,417	29,260	-5,781	-16%	37,705	32,971	-4,734	-13%
Supplies & Services	77,996	73,853	88,416	10,420	13%	105,418	97,138	-8,280	-8%
Income	-87,815	-111,688	-111,961	-24,146	27%	-122,258	-151,053	-28,795	24%
Agreed Licensed Deficit	0	0	0	0	0%	0	0	0	0%
Contingencies	15,056	0	0	-15,056	-100%	3,538	0	-3,538	-100%
SUB TOTAL	533,291	380,549	455,680	-77,611	-15%	486,342	448,324	-38,018	-8%
			Revenue Contribution						

The management reports also incorporate information from other schools based on submitted budgets to allow for comparison and benchmarking. There is a facility within this report to select specific schools or groups of schools based on selected factors to compare against.

Example Benchmarking Reports available:

Category	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Budget	School Group Average	Variance	Selected Group Average	Variance
Teaching Staff	3,049	3,222	3,208	2,854	2,512	14%	2,403	19%
Supply Teachers	25	48	69	104	77	36%	72	44%
Education Support Staff	896	717	661	651	685	-5%	729	-11%
Other Staff	485	513	573	779	555	40%	458	70%
Employee expenses	117	109	127	95	109	-13%	78	22%
Total Employee Costs	4,572	4,608	4,640	4,483	3,937	14%	3,739	20%
Building and Grounds	119	165	126	98	167	-41%	117	-16%
Utilities	114	127	109	127	107	19%	98	29%
Rates	120	124	131	137	101	35%	60	126%
Other occupation costs	37	18	26	27	43	-35%	51	-46%
Total Premises Costs	391	435	392	389	418	-7%	326	19%
Learning Resources	122	169	153	165	232	-29%	178	-7%
ICT Learning Resources	167	179	212	187	162	15%	148	26%
Other Services	281	320	347	280	349	-20%	362	-23%
Professional Services	555	656	843	1,156	373	210%	173	569%
Capital / Interest Payments	2	0	0	0	36	100%	0	0%
Total Supplies and Services	1,127	1,325	1,555	1,788	1,153	55%	861	108%



5. Schools Financial Value Standard(SFVS)

SFVS is not new, however, as it has been in place for a number of years it is worth assessing how well you use it as a school. If used well the self-assessment tool can drive improvement and highlight practices that can be improved to ensure the schools financial management is strong and secure. The return is aimed at governors to gain reassurance and evidence that good practice is in place. Do not be afraid to highlight areas for improvement and actions that will improve financial management. The SFVS return is a tool to drive improvement. The Local Authority review returns for common findings which can be used to inform training offered and the audit programme. During an audit an assessment may be made to ensure your SFVS is a good reflection of your school and that identified actions have been progressed. The return and full supporting information can be found on the Dfe Website.

<https://www.gov.uk/guidance/schools-financial-value-standard-and-assurance-sfvs>

These are just some of the tools available to aid financial management, there are others that schools will also be using very successfully. The important issue is to ensure that you have good quality, relevant and clear financial information available when it is needed to help you assess performance and make strategic decisions.