

Financial Planning

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Why should schools undertake Financial Planning?

- Please see additional handout with answers

What information is required to assist in budget setting?

- Please see additional handout with answers

Who is Involved

- The Headteacher and the Bursar set the budget together, Governors can also be involved at this stage of the process
- Can attend the budget setting course run by Schools Finance Team
- Schools can buy into the Silver or Gold package with Schools Finance, allowing them to receive up to 4 full day finance meetings a year, one of which can be used to assist with Budget setting
- The finance committee scrutinise the budget
- The budget is taken to the full governing body for approval

Points to Consider

- Set in detail - Ensure the Medium Term Finance Plan (MTFP) has detailed notes so that anyone reviewing the MTFP can refer to the notes
- Build budgets from zero – Zero based budgeting is the method of reviewing and justifying all costs needed for the budget
- Compare staff levels to similar sized schools – Undertake comparisons as staffing costs are the biggest cost to a school
- Consider benchmarking all costs – Use of the benchmarking website will allow comparisons to schools of a similar size
- Consider using the Consistent Financial Reporting (CFR) website to review income and expenditure information for schools to understand what should be in each income and expenditure section and use benchmarking to compare costs to similar sized schools.
[Schools Financial Benchmarking - GOV.UK \(schools-financial-benchmarking.service.gov.uk\)](https://schools-financial-benchmarking.service.gov.uk)
- It is recommended that schools refer to the Schools Financial Value Standard (SFVS) document for the school and using the RAG ratings to assist with financial decisions
- Keep a contingency for emergencies – Commitments will change therefore allow a contingency to cover changes (Recommended between 5% and 8%) – contingencies greater than 10% (Nursery) 8% (Primary and Special) and 5% (Secondary) will need to be justified using the Carry Forward Proforma
- Schools must not overspend – Schools are not permitted to overspend their budget plus carry forward – more information can be found in the Scheme for Financing Schools.
[Scheme For Financing Schools June 2025](#)
- Ensure that grants are fully planned to be spent by the end of each financial year and that they are legitimately fully utilised
- Scenario Planning - Schools are strongly advised to undertake scenario planning so that plans are in place should the current position of the school not be maintained. The scenarios should

include the pros and cons of each scenario (impact on teaching and learning as well as financial impact)

Financial Timetable

- **February** – Budget Preparation packs published to schools
 - Medium Term Finance Plan Funding excel document, Sickness Insurance Scheme, Salary Scales, buyback information including the finance buyback and the Budget Preparation guidance notes are published on Perspective Lite in the following area:
LA Documents > Schools Finance Team > Budget Setting > 20XX-XX
 - The schools Budget Shares document is published on the Lincolnshire County Council website in the following area:
[School finances – School budget shares - Lincolnshire County Council](#)
- **March** – Budget setting courses are held over MS Teams by Schools Finance Team to support schools in completing their budgets
- **March/April** – the Headteachers and the Bursar set the school’s budget with support from Schools Finance if required. Governors can also feed into the process at this stage.
- **April/May** – The MTFP is submitted to the Full Governing Body for final approval
- **May** – The MTFP is submitted to the Local Authority no later than 31st May. Schools using the SBS Financial Planner will lock the budget to show that it has been approved.
- **June** – The MTFP is reviewed by the Schools Finance Team. Upon completion of the high level checks a pro-forma is sent to the school with recommendations of any issues found
- **June/July** – The school’s budget is uploaded onto Business World and can be reviewed through the reports section of Business World

Medium Term Finance Plan

All BW schools and a number of Prime Account schools use the SBS Financial Planner for budget planning purposes.

Detailed guidance on how to use the SBS Financial Planner can be found on Perspective Lite by reviewing the document title ‘SBS Software – Additional Guidance Document’.

This can be found under – LA Documents > Schools Finance Team > Budget Setting > 20XX-XX > Medium Term Finance Plan

Using the SBS Financial Planner:

- **Carry Forwards**
Navigate to Budgeting > Non-Staffing > Budget Entries
 - Enter BBF in the search box
 - Select the relevant funding stream
 - Complete the Analysis tags and fund codes
 - In 2025/26 enter surplus as a **Positive figure** enter a deficit as a **Negative figure**
 - Ensure 2026/27 and future years show as zero

- **Funding Predictor**

- **Navigate to Budgeting > Non-Staffing > Funding Predictor**

- For Primary and Secondary schools this will detail the Schools Block of the National Funding Formula
 - The Age Weighted Pupil Unit funding is calculated based on the pupil numbers entered in the Census column of the Pupil Numbers section of the software
 - For 2026/27 onwards schools can select Deprivation / Prior Attainment / EAL and Mobility and change the number of children that qualify for the relevant funding stream
 - Schools will need to use the MTFP Funding document to calculate any Minimum Funding Guarantee (MFG) or Minimum Per Pupil Funding Levels (MPPFL) that schools will receive in future years to enter into the Funding Predictor
 - For those schools in receipt of Minimum Per Pupil Funding this may show in the budget entries section of the software against account code 00 SBS

- **Pupil Numbers**

- **Navigate to Budgeting > Non-Staffing > Pupil Numbers**

- For each financial year separate the pupil numbers into relevant age groups, ensuring for 2025/26 the total agrees to the October census. On the pupil number section the first column relates to prior year pupil numbers (October 2023 census)
 - Schools are not required to complete the actual column
 - Do not populate for EYFS / Sixth Form or High Needs Places

- **Staffing**

- **Navigate to Budgeting > Staffing > Staff Members**

- Schools should review each member of staff by selecting them and ensuring the employee name / forename / surname / date of birth (this is particularly important for anyone working at the school who is under the age of 21), continuous service date and Employee Number are correct. It is not compulsory to populate NI number
 - The Extended Leave function can be used for certain types of absence including maternity (see screen shot below). When applying Extended Leave please ensure you apply to Staff Members rather than Staff Contracts
 - When a member of staff reduces to half pay, within the Extended Leave section of the software, schools are able to select Teacher Half Pay or Support Half Pay and apply the date that the member of staff pay has reduced to half pay, remembering to amend to full pay once they return from sick leave.

- **Navigate to Budgeting > Staffing > Staff Contracts**

- Select a member of staff
 - Schools need to verify the below information for each member of staff on the SETTINGS tab:
 - Contract Name
 - Contract Type

- Start Date and end date (if known)
- Service Terms (category of staffing and the funding stream to be paid from)
- Analysis Tags (select from the drop down list)
- Fund Codes (select from the drop down list)
- Maximum Point
- Position
- The Apprentice icon should be selected for any member of staff who is an apprentice

For each member of staff, where the salary is not 100% coded from one funding stream, schools need to ensure the Service Terms, Analysis Tags and Fund Codes are split to reflect the split of costs between the relevant funding streams. For example if a Teaching Assistant should be split 50% between Budget Share and Pupil Premium the information should be populated.

- Pay awards have been incorporated for all financial years as per the budget preparation notes
- To enter an overtime budget go to Non Staffing > Budget Entries. Select the + Add icon. Select expenditure. Enter the appropriate allowance code for the type of staff you want to enter an overtime budget against, for example Teachers Overtime would be entered against A14005 (Teachers Allowances)
- For each member of staff select SALARY, review the grade and consider if Auto-increment needs to be enabled for the member of staff

- **Income & Expenditure Non-Staffing**

Navigate to Budgeting > Non-Staffing > Budget Entries

- There are 2 options available to enter income and expenditure. Budget Entries and I&E Calculator. The Budget Entries screen is recommended where data is not required to be broken down in detail. A 'Notes' field is available to enter supporting information.
- The I&E Calculator is recommended to be used where data needs to be broken down and a unit value can be used to calculate the budget. For example where funding is linked to pupil numbers, entering the pupil numbers and rate of funding will calculate the total funding.
- When populating non-staffing schools must populate per Cost Centre e.g. Budget Share, Pupil Premium.
- **Ensure Income is entered as a positive figure**

A number of areas below will make reference to using the 'MTFP Funding document'. This can be located on Perspective Lite.

The documents are titled 'Primary Schools Medium Term Finance Plan Funding 20**-**'. A plan is also available for Nursery and Secondary.

This can be found under – LA Documents > Schools Finance Team > Budget Setting > 20XX-XX > Medium Term Finance Plan

- **High Needs Top Up Funding**

Navigate to Budgeting > Non-Staffing > I&E Calculator

Schools will need to use the MTFP Funding document in order to calculate this funding.

- Follow the guidance contained in the ‘SBS Software – Additional Guidance Document ‘on how to add High Needs funding

- **High Needs Targeted Funding**
Navigate to Budgeting > Non-Staffing > I&E Calculator

Schools will need to use the MTFP Funding document in order to calculate this funding.

- Follow the guidance contained in the ‘SBS Software – Additional Guidance Document ‘on how to add High Needs Targeted funding

- **Early Years Funding – Maintained Nursery Schools or Schools with a Nursery Class**
Navigate to Budgeting > Non-Staffing > I&E Calculator

Schools will need to use the MTFP Funding document in order to calculate this funding.

- Follow the guidance contained in the ‘SBS Software – Additional Guidance Document ‘on how to add Early Years funding

- **Special Schools**
Navigate to Budgeting > Non-Staffing > Budget Entries

- Schools will see that their place funding has been entered for 2025/26
- Schools will need to update their place funding for 2026/27 onwards, these figures can be calculated by using the MTFP Funding document
- All other funding streams should be entered against the relevant R account code either through the Budget Entries screen or I&E Calculator

Reporting

A number of reports are available on the SBS Financial Planner to assist with monitoring and managing the budget.

Budget Analysis report

- This report shows all Income and Expenditure. The report can be filtered by cost centre and can be downloaded to excel and pdf and is recommended to be provided to governors.

Budget Comparison report

- This report provides a comparison of 2 different budgets or 2 different financial years. This report is beneficial to allow review of what has changed within the Income and Expenditure for the selected comparisons.

Staff Costings report

- This report provides all staffing costs for the selected period to be reviewed for accuracy.

Trustee/Governor Snapshot report

- This report provides a high-level financial overview and KPI's.

Further Support for Schools

- Lincolnshire County Council Website (LCC) - [School finances – School budget shares - Lincolnshire County Council](#)
- Perspective Lite
- Schools Business Support Service (SBSS) – Bronze/Silver/Gold Buyback – In order to confirm the buyback level you would like for the financial year, use the Edulincs link [Financial services for maintained Business World schools – Lincolnshire County Council](#)
- Schools Business Support Service (SBSS) – To request SBSS bookings email: sbss@lincolnshire.gov.uk
- Schools Finance Team – schools_finance@lincolnshire.gov.uk
- Gov.uk Website - <https://www.gov.uk/> to access a range of key information such as funding, Schools Financial Value Standard (SFVS), Benchmarking
- Schools Monthly Bulletin – Published on Perspective Lite
- Access - [Business World 'How to' Guidance : . \(freshservice.com\)](#) Policies and Guidance – Perspective Lite and LCC Website
- Schools Finance Handbook – Perspective Lite
- Sickness Insurance Scheme – Perspective Lite
- Schools Training – Schools_Fin_Training@lincolnshire.gov.uk
- HR/Payroll - SchoolsTeam@lincolnshire.gov.uk
- Income Queries - Income@lincolnshire.gov.uk
- Procurement Card - ProcurementCard@lincolnshire.gov.uk
- Utility Charges - Trevor.Addison@lincolnshire.gov.uk
- VAT Team - VAT@lincolnshire.gov.uk