



**SAAF**  
EDUCATION

# Budget Setting DfE/ LA Funding Streams

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# About Us

SAAF Education works with over 1,000 schools, academies, and trusts, providing tailored support in our service areas – finance, payroll, HR, and supply & recruitment.

We aim to save you time and money and equip you with the right tools, resources, and support that you need, so you can focus on educational excellence and pupil care.



# Agenda

1

**Overview of key DfE funding streams**

2

**LA funding mechanisms for maintained schools and HLN provision**

3

**Academic year vs financial year: challenges/reconciliation**

4

**Scenario-based budget planning**

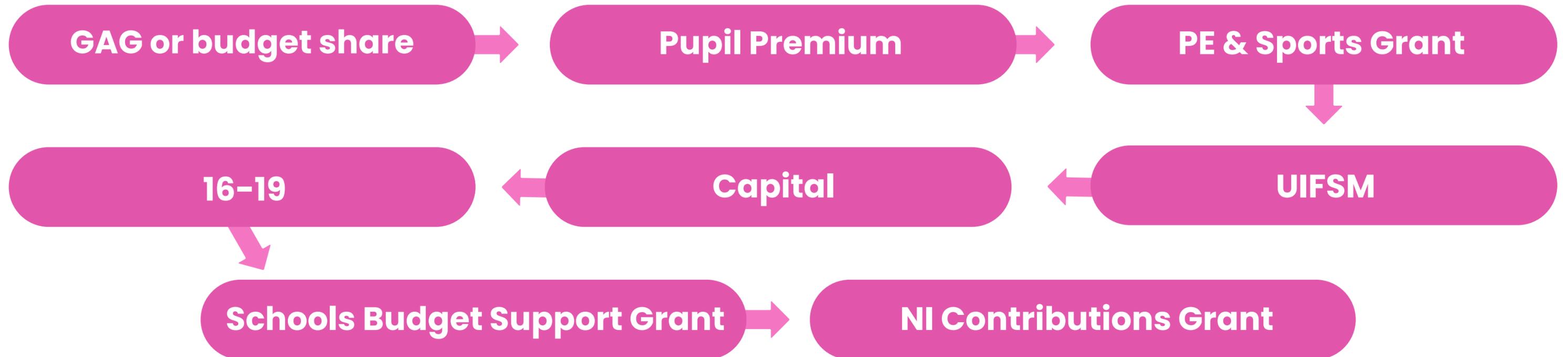
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**Alignment of staffing and resources with funding available**

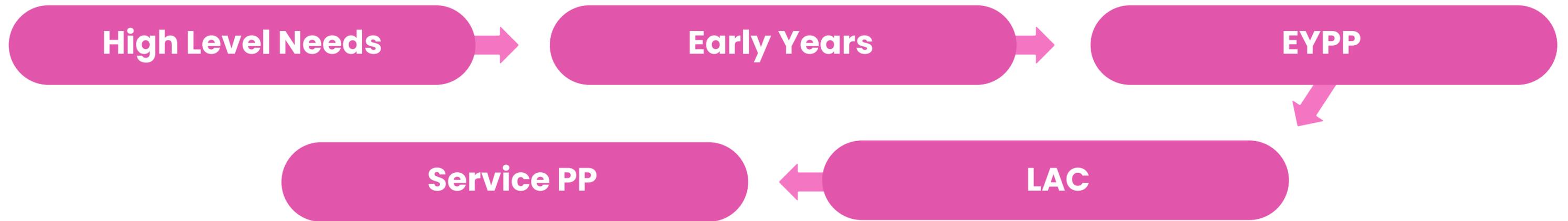
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**Understanding changes in funding: pupil numbers/census data/policy changes**

# Funding Streams DfE



# Funding Streams LA



# Funding Allocations

## Different formats of sharing data with Academies and Schools

### GAG Statement

#### General annual grant: 2025 to 2026

This allocation: 6 March 2025

#### Total allocation

£6,277,515.00

↑ £324,479.99

#### Total school budget share

£6,277,515.00

↑ £324,479.99

Basic entitlement	Rate	Weighting	Pupils	Sub-total
Key Stage 3	£5,457.60 ↑ £402.76	1	583	£3,181,780.80 ↑ £234,809.08
Key Stage 4	£6,153.14 ↑ £455.12	1	388 ↓ 22	£2,387,418.32 ↑ £51,230.12
Total basic entitlement			971 ↓ 22	£5,569,199.12 ↑ £286,039.20

Deprivation	Rate	Weighting	Pupils	Sub-total
Secondary IDACI band A (most deprived)	£956.24 ↑ £5.06	0	971 ↓ 22	£0.00
Secondary IDACI band	£749.89	0.003090	971	£2,249.67

### LA Funding

#### Indicative funding for the financial year 2025/26

Funding Source		Pupil Numbers	Funding Value £
School Budget Share	2025/26 Post MFG Budget		£3,519,890
	De-delegation		-£15,032
	Education functions		£0
	Indicative 2025/26 NNDR (business rates)		-£51,846
	<b>2025/26 Post MFG Budget (after deduction of de-delegation, Education Functions and indicative NNDR)</b>		<b>£3,453,012</b>
Early Years Funding	Universal Entitlement (15 hours) - EYFF Base rate	30,150	£166,428
	Extended entitlement - EYFF Base rate	0	£0
	Additional entitlement - EYFF Deprivation rate	8,771	£8,771
	Maintained nursery lump sum		
	Business Rates		
	<b>Total Indicative Early Years Funding for 3 - 4 Year Olds</b>		<b>£175,199</b>
2 Year old Funding Total		£3,465	
<b>Total Indicative Early Years Funding</b>		<b>£178,664</b>	
Indicative Early Years Pupil Premium Grant	Total Indicative Early Years Pupil Premium Grant	8,771	£8,771
Indicative High Needs Funding	AP Inclusion Model Summer 2025 Funding		£0
	Indicative HLN top-up funding		£192,452
<b>Total Indicative High Needs Funding</b>			<b>£192,452</b>
Indicative Pupil Premium Funding	Free School Meals (Ever6) (including children with no recourse to public funds)	199	£294,520
	Service Children	0	£0
	Post Looked After Children	1	£2,570
<b>Total Indicative Pupil Premium Funding</b>			<b>£297,090</b>
Indicative Devolved Formula Capital	Indicative pupil led funding	622	£7,000
	Indicative lump sum		£4,000
	Estimated Top Up funding - Post 16 - Given by the LA	0	£0
<b>Total Indicative SRU Funding</b>			<b>£0</b>
<b>Total Indicative funding</b>			<b>£4,140,989</b>



# Funding Streams: April or September?

How do we know if Funding is April or September based?

- **DfE GAG:** September to August
- **LA DSG:** April to March
- **Pupil Premium:** April to March, with funding values updated April
- **PE Sports Grant:** September to August based on a school year
- **UIFSM financial year:** April to March, with updated funding in the academic year
- **Capital funding:** April to March
- **16-19 funding:** September to August
- **Schools Budget Support Grant:** September to March for maintained schools, September to August in 2 payments for Academies
- **NI contribution grant:** April to March, though will be included in main funding from April for maintained schools or September for academies

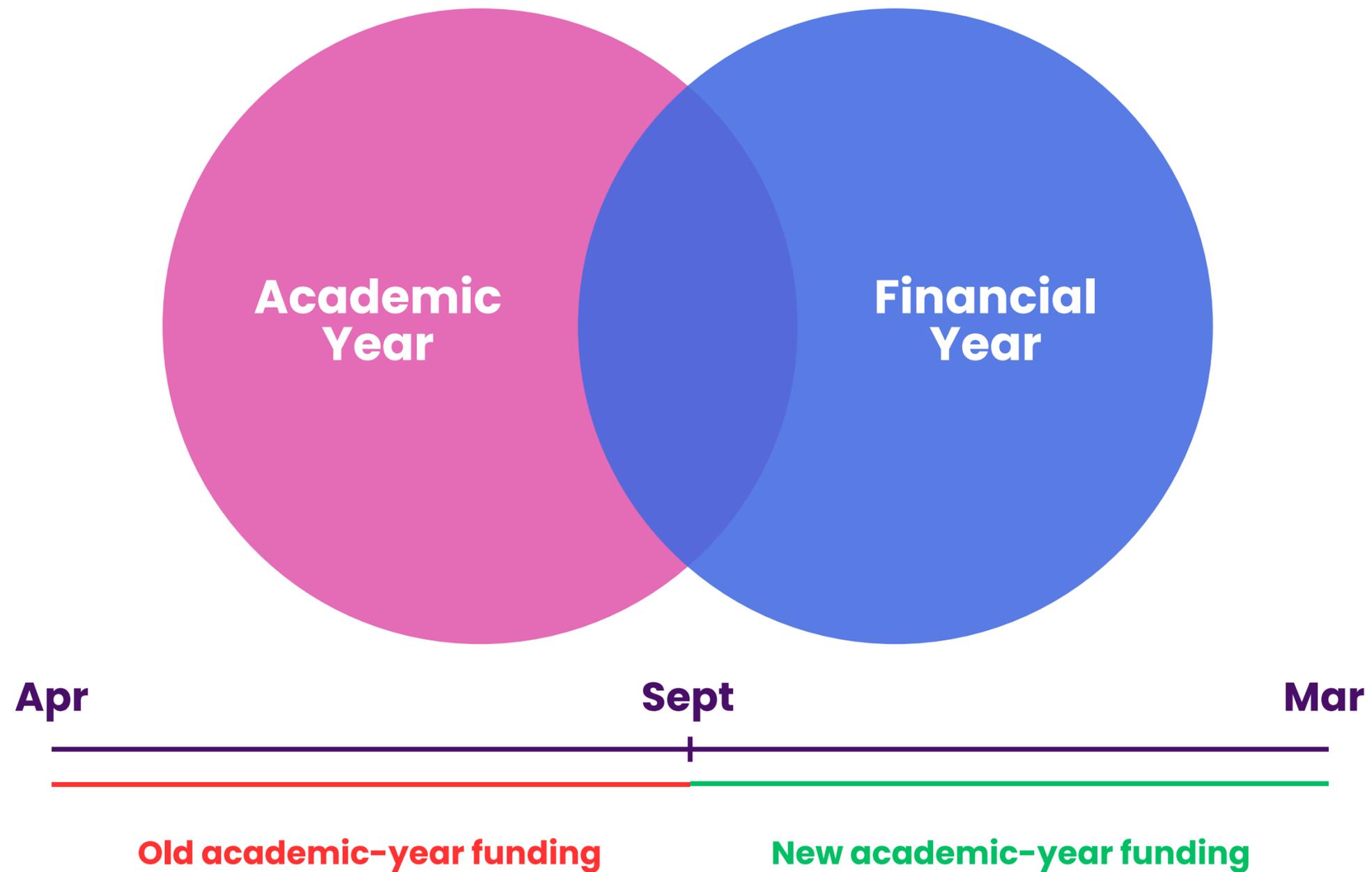


# Funding Streams: April or September?

How do we know if Funding is April- or September-based?

- **High Level Needs:** April to March all establishments receive this through Local Authority
- **Early Years:** September to August, with funding distributed via Local Authority
- **EYPP:** April to March, paid to Local Authority
- **LAC:** April to March, paid to Local Authorities
- **Service children:** April to March, paid to Local Authorities for maintained schools, or directly to Academies

# Financial Year/Academic Year



# Financial Year /Academic Year

Once you have determined whether the Funding stream is for the academic or financial year, how does it impact your establishment?

- **Academies** will need to defer and accrue funding streams
- **Maintained schools** may account for academic year funding streams
- **Pupil Premium** is accrued at year-end for July/August and paid in October
- **LA funding** is determined by distribution of HLN/Early years
- **PE grant return** is based on academic year numbers
- **Other funding** (SBSG/NI) is funded to March, then added to DSG from April

Can you reconcile funding to match your financial year?  
Have you shown 12 months of a funding stream in your accounts?





**Does the funding  
timeframe matter?**

**YES!**



# Financial Year /Academic Year

- Creates challenges if not accounting correctly: you're working with two different rates of funding
- Cash flow may be impacted: budget vs cash
- Funding changes: HLN, PP, Early years
- Staffing costs not aligned to funding periods pay awards April and September
- MATS may have various LA funding timeframes: annually, termly, monthly
- Communication with governors/trustees/SLT thinking in academic year funding financial year
- Allocations of curriculum budgets academic year funding financial for maintained schools



# Budgeting

It's important **NOT** to double-count funding or miss funding streams

Examples of recent changes:



CSBG (Core School Budget Grant) now included in funding allocation for GAG/DSG

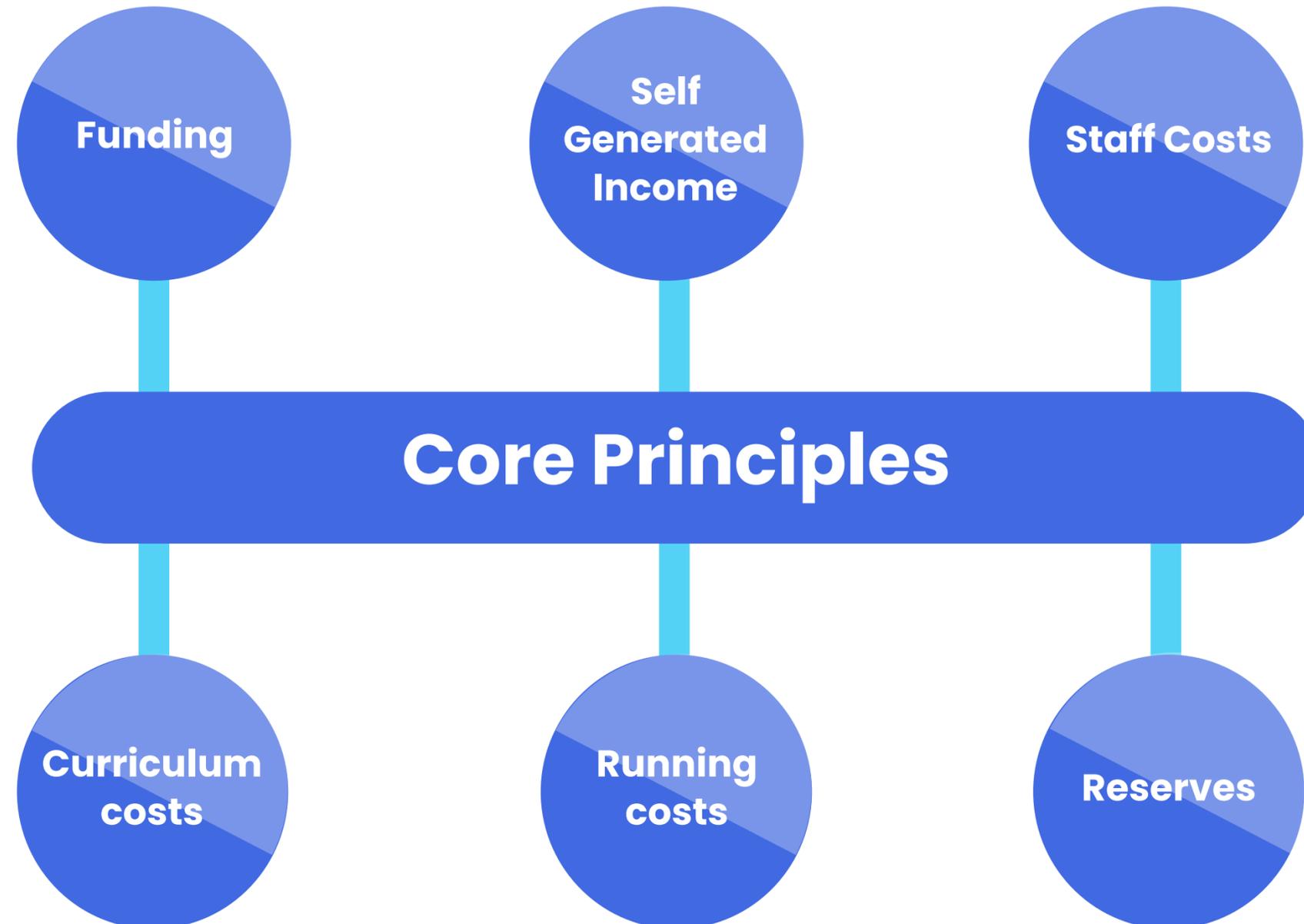


NI grant only to March for maintained schools, but will continue to August for Academies



SBSG - new from September, with additional funding for schools until March, and for academies until August

# Budgeting



# Pupil Numbers Impact

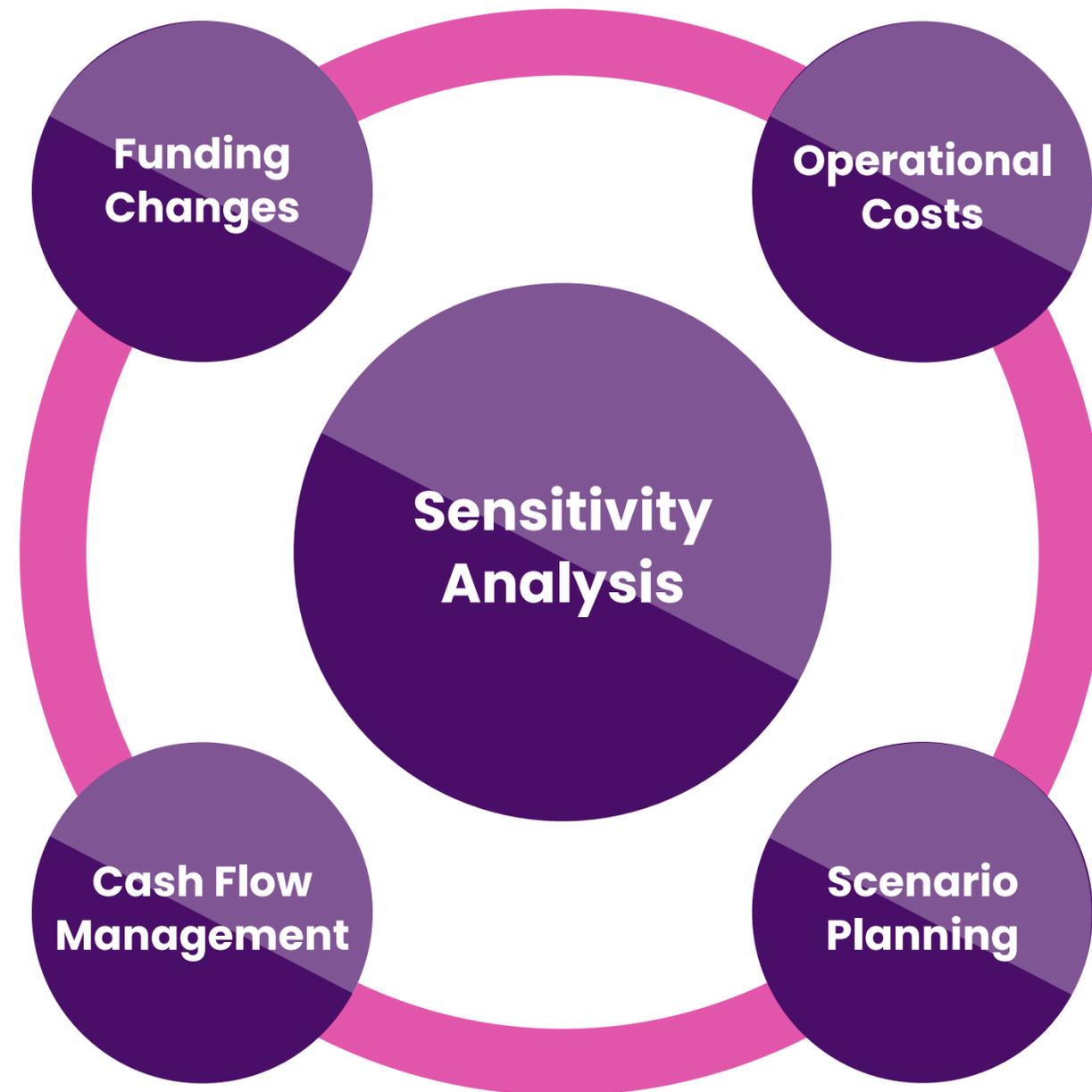
## The birth rate has fallen to its lowest in two decades

Number of live births, England and Wales ('000s)



Source: Office for National Statistics  
© FT

# Sensitivity Analysis



# Underpinning Budgets





# Principles of Budgeting



Budget theories



Long term



Risk management



Technology



Improvement

# Contingencies

-  Maintenance and Health & Safety Emergencies
-  Staffing changes
-  Numbers on roll
-  Technology
-  Training
-  Legal

Plan  
B

contingency  
plan

# Mistakes to avoid

- Double counting funding
- Census numbers' impact on funding in future
- Over estimating income
- Under stating staffing costs
- Lack of understanding between academic year and financial year funding
- Automatic contract renewals for services not required/utilised
- Insufficient monitoring in prior year



# Checklist

## Income & Funding

	Forecast pupil numbers using latest demographic data
	Check funding formula changes for the coming academic year
	Confirm one-off grants and remove non-recurring income
	Ensure GAG phasing aligns with academic + financial year differences
	Review SEND/HLN top-up receipts vs actual hours delivered

## Curriculum, Resources & Operations

	Cost curriculum delivery (options, class sizes, per-pupil allocation)
	Review all contract renewals & inflation clauses
	Benchmark key suppliers (cleaning, IT, catering, HR)
	Review energy contracts and usage patterns
	Evaluate self-generated income (lettings, clubs) for profit/loss

## Staffing & Workforce Planning

	Update for pay awards (teachers & support staff)
	Apply incremental progression
	Model maternity/absence cover costs
	Review affordability of planned recruitment
	Ensure staffing aligns to curriculum plan & timetable
	Reconcile staffing list to payroll

## Capital & Assets

	Cross-check estate needs with the condition survey
	Confirm capital grant allocations (SCA, CIF, Devolved Capital)
	Ensure fixed asset purchases are coded correctly
	Review technology refresh or large replacement cycles

# Checklist

## Forecasting & Monitoring

	Produce 3–5-year projected budgets
	Stress-test: worst case, best case, most likely
	Set monthly phasing for income and expenditure
	Track variances monthly and investigate significant changes
	Update forecasts after staffing or funding decisions

## Governance & Assurance

	Provide Trustees/governors with clear narrative + risks
	Link budget to School Development Plan (SDP)
	Ensure compliance with Academies Trust Handbook, or LA guidance
	Maintain evidence for internal scrutiny and external audit
	Review reserves policy and ensure minimum acceptable level

## Risk & Contingency

	Allocate a contingency (1–5% depending on trust size)
	Identify high-risk cost areas (SEND, staffing, estates)
	Monitor cash flow for at least 12 months
	Model the impact of pupil roll decline
	Track supply costs and sickness trends

# Alignment of staffing with funding

## Compare Staffing Costs to Funding

A key test of sustainability is the staff-cost-to-income ratio.

### Recommended ratios

Primary Schools

**75–80%**

Secondary Schools

**75–85%**

Special Schools

**80–90%**

If you're consistently above these, financial pressure quickly builds.

# Alignment of staffing with funding

## Project Staffing Costs Over 3–5 Years

To maintain alignment, schools forecast:

Annual pay progression

Cost-of-living rises

Pension/NI changes

Roll-based funding changes (lagged funding impact)

Planned staffing structure changes

# Alignment of staffing with funding

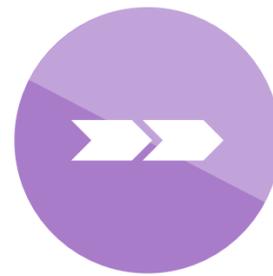
## Adjust Staffing Plans if Needed

If staffing costs exceed funding:



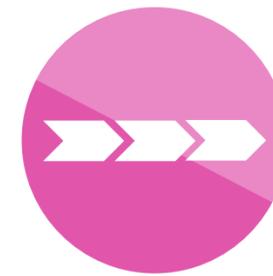
### Short-term

- Reduce overtime or agency spend
- Freeze recruitment
- Adjust non-teaching roles



### Medium-term

- Rebalance curriculum staffing (e.g., pupil-teacher ratio)
- Review leadership structure
- Redistribute responsibilities



### Long-term

- Reduce teaching groups (increase class size within limits)
- Redesign staffing model



# **Any Questions?**

**SAAF can support with budget setting, reviewing,  
any financial support required**

**[v.butters@saafeducation.org](mailto:v.butters@saafeducation.org)**

# Thank you for your time!

Submit your feedback [here](#)



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