**Budget Preparation 2017/18 - Guidance**

Following the publication of schools funding data schools are beginning to prepare their budgets for the forthcoming year. Schools should note the following.

Inflation factors

Suggested Income and Expenditure Inflation Factors – Income 0%  Expenditure Salaries 1% per annum all years; Non-salaries 1.5% per annum all years

National Insurance Contribution rates

As existing at 13.8% but slight increase in thresholds

Pension contribution rates

* Teachers – the employers’ contribution rate for 17/18 is 16.48%.
* Non teachers – LB Barnet LGPS the employers’ contribution rate for 17/18 is 25.8%

Apprenticeship Levy

As you are aware Community schools are part of the Council for the purposes of this levy. The Council has advised it will not be passing on a share of the levy to schools for 17/18 and schools will be expected to actively participate in the Council’s Apprenticeship scheme. VA schools with pay bills in excess of £3m per annum will have to pay the levy which should be coded to E08 Indirect Employee Expenses.

Capital levels

Various changes are proposed to be made to the Scheme for Financing Schools with effect from 1 April 2017. The change that will affect schools budgeting is an increase in the level at which expenditure is treated as capital expenditure as below

* ICT equipment increase from £2,000 to £6,000
* Building works from £5,000 to £6,000.

Timetable

Budgets should be approved by the Governing Body by **31 March** **2017** and submitted to the Schools Accountancy section as soon as possible but **no later than 1 May 2017**.

Nick Adams

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