**Budget Preparation 2018/19 – Guidance (as at February 2018)**

In preparing their budgets for the forthcoming year, schools are advised as follows.

Inflation factors

Suggested Income and Expenditure Inflation Factors –

Income – state funding - 0% but Formula Funding as per Budget Shares etc; other state funding – no increase in rate per pupil, e.g. Pupil Premium, PE grant, DFC.

Expenditure Salaries -

Teachers pay award 18/19 2% assumption; future years 2% per annum assumption; Teachers increments as applicable.

Non teacher pay award 18/19 - Unified Rewards and NJC 2% assumption (award not agreed – claim 2.7% offer 2%) Future years UR and NJC – 2% assumption.

Non-teacher increments UR 0%-3% determined by individual performance; NJC/National increments according to scale points.

Expenditure Non-salaries -

General price inflation 2018/19 - 3%; future years – 2%

National Insurance Contribution rates

For 2018/19 as existing at 13.8% but slight increase in thresholds

Pension contribution rates

* Teachers – the employers’ contribution rate for 17/18 is 16.48% - future rates
  + 2018/19 – 18 - 20% (estimated) (source Internet )
  + 2019/20 – 18 – 20% (forecast)
  + 2020/21 - 18 – 20% (forecast)
* Non teachers – LB Barnet LGPS the employers’ contribution rate
  + 2017/18 - 25.8%
  + 2018/19 - 26.8% (estimated) (source Treasury Management)
  + 2019/20 - 27.8% (forecast)
  + 2020/21 - 28.8% (forecast)

Apprenticeship Levy

Community schools are part of the Council for the purposes of this levy and for 2018/19 all Community schools will be required to pay the Levy at the rate of 0.5% of their “NIable” pay bill (without £15,000 allowance). VA schools with pay bills in excess of £3m per annum will continue to pay the levy. The Levy payments should be coded to E08 Indirect Employee Expenses.

Capital levels

You are reminded that a change was made to the Scheme for Financing Schools with effect from 1 April 2017 - the level at which expenditure is treated as capital expenditure is £6,000 (ICT equipment and Building works)

Timetable

Budgets should be approved by the Governing Body by **31 March** **2018** and submitted to the Schools Accountancy section as soon as possible but **no later than 1 May 2018**.