



SCHOOL FINANCE UPDATE
SBM Forum
Wednesday 12th February 2025

School budgets and financial sustainability

Topics:

1. Financial year end - 2024/25
1. Changes to CFR 2024/25
1. Budgets 2025/26 & Budget Monitoring
1. Schools in financial difficulty - cash flow loans, deficit recover plans

Financial Year End 2024/25

Key dates:

21st February 2025	SFT to issue YE guidance and YE Statement to schools <u>New</u> Funding Allocation Statement - Year to date
21st March 2025	Cashflow advance for 2025/26 - Written request from HT and Chair GB directly to Suhal Kadir Cash Flow template
28th March 2025	School Leases Declaration to SFT
28th March 2025	SFVS submission signed by Chair GB to SFT SFVS
23rd April 2025	YE statement and supporting documents to SFT
30th June 2025	SFT to confirm 2024/25 closing balances
TBC July 2025	CFR upload to DfE COLLECT portal

CFR Update 2024/25

New codes ICT related:

E20A - Connectivity

E20B - On site servers

E20C - Learning resources

E20D - Admin software & systems

E20E - Laptops, desktops, tablets

E20F - Other hardware

CE04A - Connectivity

CE04B - On site servers

CE04C - Admin software & systems

CE04D - Laptops, desktops, tablets

CE04E - Other hardware

<https://www.gov.uk/guidance/consistent-financial-reporting-framework-2024-to-2025>

School Budgets 2025-26 & Monitoring

Key Dates:

28th Feb 2025	Confirmation of Formula budgets
28th Feb 2025	Estimated grant funding
w/b 3rd Mar 2025	Access Budgets Release
23rd May 2025	Schools three year budget plans Budget template 2025/26
23rd May 2025	School Deficit Recovery Plan / Surplus Spending Plan Deficit Recovery plan
31st Oct 2025	Budget Monitoring Statement Quarter 2 Budget Monitoring Statement Template
31st Jan 2026	Budget Monitoring Quarter 3 Budget Monitoring Statement Template

School deficits and support available

- Deficit recovery plans are agreed with schools and support is provided by the LA to complete a realistic plan to recover the deficit as soon as possible.
- Schools are also able to access the help of a School Resource Management Adviser (SRMA) who is an independent expert with significant experience of the education sector for tailored advice on resource planning, including curriculum financial planning, and recommendations for implementing efficiencies across the school.
- The SRMA works with the school and the LA and is a free resource provided by the Department for Education. Further support is detailed in later sections.

School in financial difficulty

Schools with deficit will need to submit deficit recovery plan by 23rd May 2025

Schools are defined as being in “financial difficulty” when either or both the following circumstances occur:

1. If the school plans to be in cumulative deficit in the current financial year.
2. If the school predicting a cumulative deficit in the current or any subsequent financial year.

The Schools Financial Regulations require schools to maintain a balanced budget. However, regulations also recognise that circumstances may mean that this is not always possible. The Scheme for Financing Schools permits schools in an extreme circumstance to apply for a licensed deficit for a maximum period of three years. These are subject to various limitations. A Licensed Deficit is an agreement between the school and the Authority.

The ultimate responsibility for formulating a recovery plan proposal lies with the Head Teacher and the Governing Body of the school. Hackney Council can support schools in financial difficulty. The Council will allocate Schools adviser to help with the recovery plan and identify strategies to reduce their deficit. It is vital that the school engages with the LA Finance Team at an early stage in the process.

If your school plans for a deficit please liaise with your business analyst what steps to take to ensure LA is informed accordingly.

Any questions....?

Next SBM forum update - Summer term 2025