



KALEIDOSCOPE
Multi Academy Trust

Academy Budgeting Guidelines

March 2023

The following guidelines are to support the annual MAT budget setting cycle. These guidelines will cover most scenarios, but reference should be made to the CFO if an Academy wishes to discuss a matter outside of these guidelines.

Academies should also take account of the Trust Finance Policy and the Academy Trust Handbook in making any financial decisions.

Kaleidoscope is a collaborative trust and therefore academies will work with the CEO and CFO to set their budget – **within these guidelines**. Kaleidoscope's Scheme of Delegation sets the core purpose of KMAT in delivering an exceptional education for all learners in our trust community. In order to achieve this an established RAG rating system is in place. Should an Academy show a range of red indicators across key areas, then the CEO / CFO will direct the school to set its budget to enable it to meet school improvement targets. Once achieved the academy will return to the collaborative model.

Budget Guidelines

1. Bursars and Central finance team to meet with the CFO before the end of March to work together and pull through the budgets to the new Academic year within the trusts budgeting system. Support with funding for academies will be provided and input to the new budget ready for budget work.
2. Executive Headteachers/Headteachers will work with their Bursar/Finance lead to plan their school staffing structure, curriculum and other expenditure within a balanced budget.
3. Executive Headteacher/Headteacher will meet the CEO and CFO to discuss the budgeted staffing structure for sign off.
4. Any Trust wide contracts for goods/licences/services must be used and allocated within budgets assuring best value across the trust.
5. Academies will present a draft balanced in-year budget, within the following detailed provisions:
 - a. No deficit budgets will be allowed.
 - b. Use of reserves may only be granted on receipt of prior approval by the CFO and a clear rationale is obtained.
 - c. Any in-year surplus or accumulated surplus shall be kept to within 5-8% of the school delegated budget share total in-year income i.e.

academies should endeavour to spend the money allocated to the pupils currently in school

- d. An exception to the above carry-forward principle may arise if an Academy is holding a capital grant for a specific purpose, in which case it should identify the money set aside and a timescale for completion of the project. In most cases the grant will be spent in-year, but there may be exceptions where it 'bridges' the year end.
 - e. Any academy setting a deficit budget must work with the CFO. A clear plan must be produced by the Headteacher to enable the balancing of future budgets. This will be monitored throughout the year and during budget reviews.
6. Each year, within each Academy budget, there must be provision for:
 - a. A Kaleidoscope school contribution (5.5% of the in-year Basic Entitlement (AWPU)). This means that monies received by the Academy for deprivation, pupil premium, SEND etc are outside the top-slice. The budget items included within the top-slice are shown in Appendix A.
 - b. The actuarial calculation for the in-year pension deficit
 - c. The Apprentice Levy
 - d. All staff and curriculum expenditure
 - e. All income and expenditure relating to other activities e.g. catering
 - f. All expenditure relating to capital projects
 - g. All insurances and traded services (other than paid out of the school contribution; Appendix A)
 7. The CFO will review the draft budgets during May to support budget preparation and help identify any difficulties that might arise. Meetings may take place under direction of the CFO with the Academy Executive Headteacher/Headteacher and school Bursar/Finance lead if any concerns are identified or should the school have any special or additional circumstances for the year.
 8. Academies should then complete and submit their final budget for approval by 14th June 2023 at the very latest.
 9. The Trust Board will approve the budget in mid-July, allowing the CFO to submit these to the ESFA by the July deadline. This will allow any further queries to be clarified / amended with academies in June and July should the need arise.
 10. Academies must evidence that the funding for their school is correct. The Executive Headteacher/Headteacher must sign to ensure the pupil data matches that held within the census data and funding statement. The signed documentation must be forwarded to the CFO ready for presentation to the Trust board.
 11. Academies are also responsible for producing a 3-year financial budget forecast. These forecasts must be submitted along with the Final Budget by 14th June 2023. The forecasts will then be taken to Trust Board for approval before submission to the ESFA. The CFO will support schools with this in order to provide assurance that academies are undertaking strategic budget planning and to support the Academy in making any prudent financial decisions if necessary in year one. Academies with significant projected

deficits beyond the year one budget will have to explain how they will balance their budget in future years.

12. Any additional spend throughout the year which will result in an over spend to the original budget must have prior approval by the CFO/CEO.
13. All additional staffing requests/contract changes to the original budget must have prior approval by the CFO/CEO.

Contingency

- The MAT will hold a central contingency fund
- Academies may seek support from the central fund by reference to the CEO
- Academies may be supported in-year by this fund, but will need to budget in future years to pay back the contingency to the MAT
- The contingency fund will be built up by the MAT from any surplus monies from the academy contributions.
- In exceptional circumstances, the MAT may call on academy carry forward balances to support any critical business continuity requirement. These monies will be returned to the individual academy as soon as possible.

Reporting

- Standard budget reports are available within the Access Budgeting and Accounting systems.
- School Bursar's to present a system produced Income & Expenditure Report for the Executive Head/Headteacher, CFO and Trust Board.
- Budgets to be monitored monthly as detailed within the Kaleidoscope Finance Policy. The following reports are to be produced by school bursars/finance leads and reviewed at least monthly with Executive Headteachers/Headteachers;
 - Governors Report detailing actual Income and Expenditure against the original budget.
 - Any subsequent Ledger code or BvA reports for variance review.
- The CFO will monitor budgets during monthly management reporting and will contact school's for further information as required. 3 budget review meetings will take during the year with the Executive Head/Headteacher and relevant finance member.



3/5/23