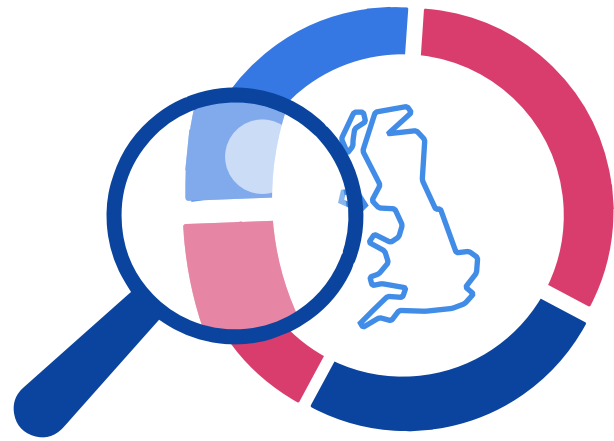


# School Spending



2021-22

# Buzz Education has developed a detailed analysis of the education budget.



We've covered all the important topics, from what schools spend their money on to who makes the decisions and where schools get their money from.

As part of our expertise, we're always reminding our clients the best way to connect with schools is to truly understand how they work. This is because the more you know about schools' inner workings the more you can tailor your marketing campaigns to them.

## This guide will help you understand:

- The spending decision process.
- Who influences school spending.
- Who you should target your marketing to.
- How to adapt your messaging for your targets.
- Time frames to help plan your marketing calendar.
- Schools spend forecasting.



Take a look at our [School Finances Snapshot](#).

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# The budget

## The 2021-22 education budget

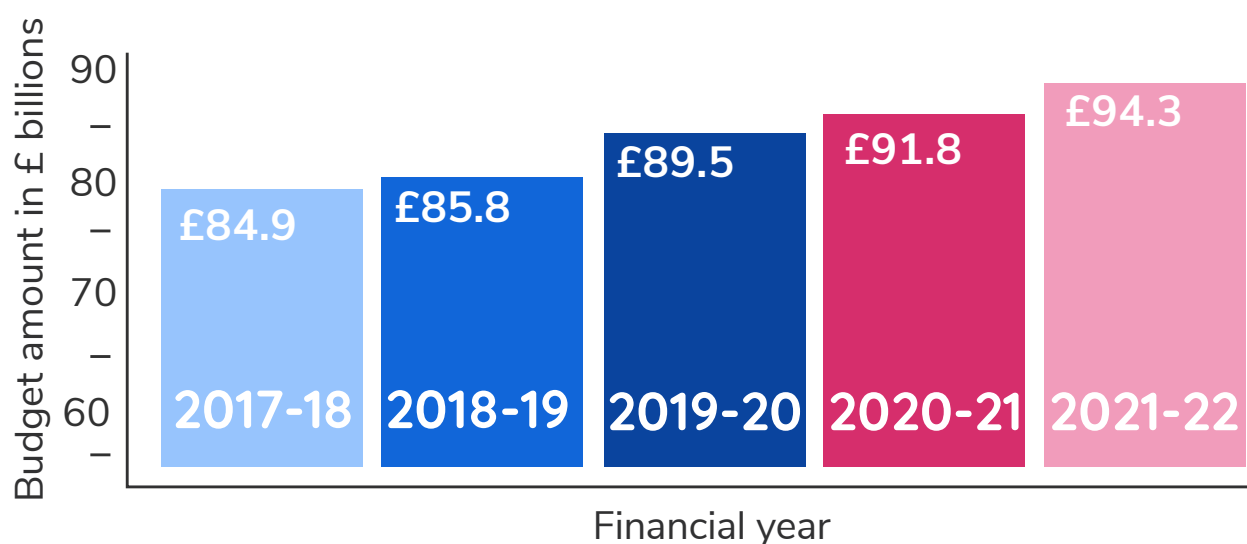
£94.3 billion



The Department for Education (DfE) uses the education budget to fund child protection and children's services, education (early years, schools, higher and further education), apprenticeships and wider skills.

The education budget has continued to rise year on year due to inflation, however in 2020 it increased more than inflation rates which is a huge positive.

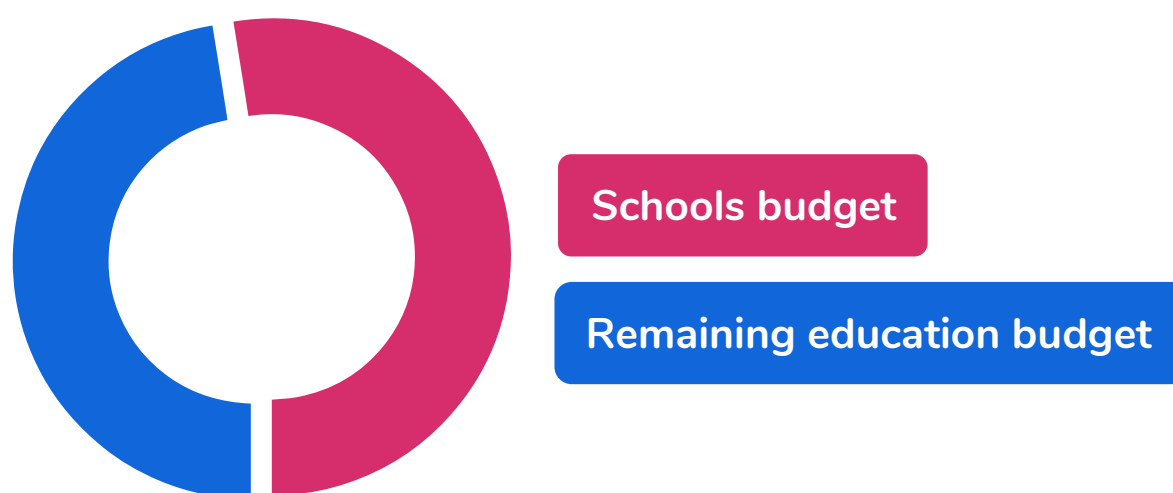
## Education budget



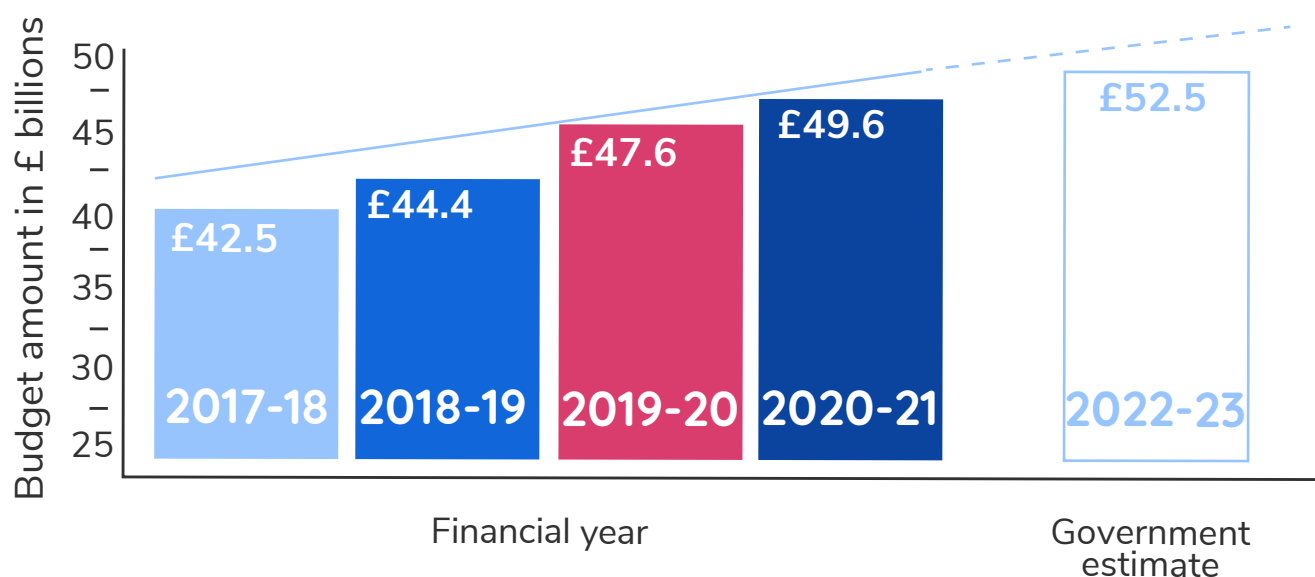
# The 2021-22 schools budget

# £49.6 billion

The total amount of funding allocated to English schools from the overall education budget.

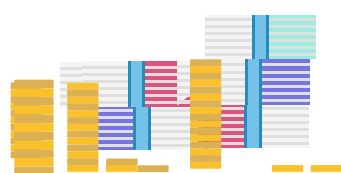


## Schools budget



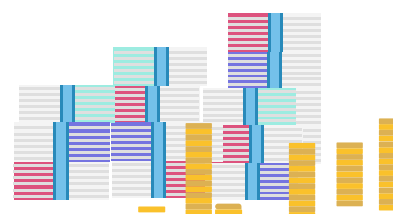
# Schools average budget

The average budget amount that schools receive:



Approx.

£825,775



Approx.

£1.8 million

## Average spend per pupil



£5,114

Primary School

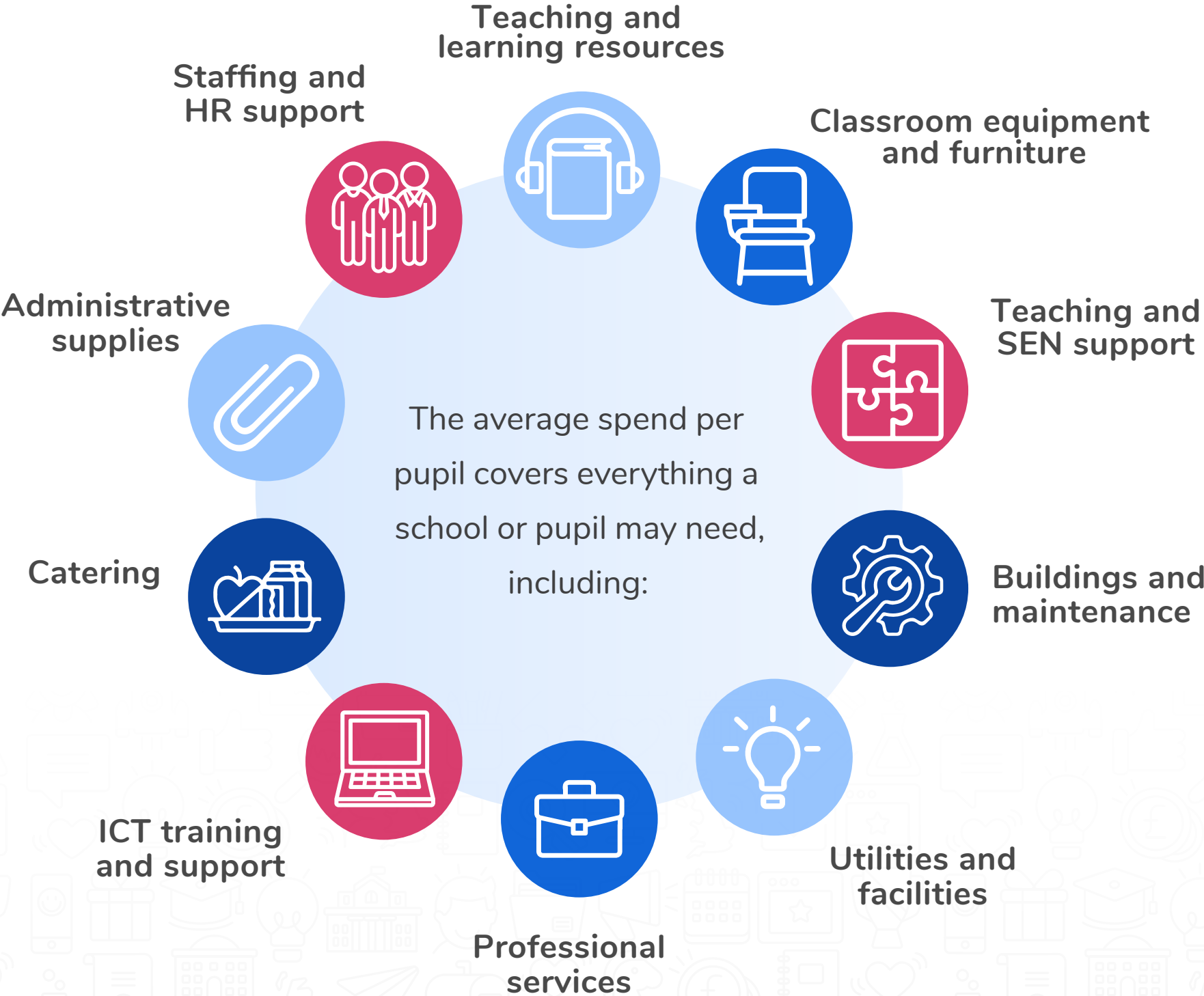
£5,974

Secondary School



For 2021-22, the government has guaranteed every Secondary School at least £5,000 per pupil, and every Primary School at least £3,750 per pupil.

# Spending examples



# Understanding the schools budget

## When is the budget allocated to schools?



### State Schools

Financial year starts:

06 APR

Head Teachers will find out in January how much they'll be receiving.



### Academy Schools

Financial year starts:

01 SEP



### Independent Schools

Financial year starts:

06 APR

## Do all schools receive the same budget?

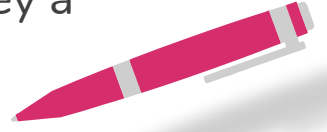
The National Funding Formula means not all schools receive the **same budget**. This is to ensure that areas and schools with higher needs get the funding they require so all children get access to a high quality education they deserve.

It's also worth noting, Secondary Schools usually receive a higher budget than Primary Schools. This is because Secondary Schools have more pupils, a wider range of subject areas, more services and larger facilities.



# The National Funding Formula explained

The National Funding Formula determines how much money a school receives. It's broken down into the following criteria:



**Basic entitlement** Per pupil funding.



**Deprivation** Considers factors such as the number of pupils who have free school meals.



**Prior attainment** Lower achieving schools.



**Looked-after children** The number of pupils in care.



**English as an additional language** The number of EAL pupils.



**Pupil mobility** Percentage of pupils in the last three years who have started or left school outside of the normal joining or leaving times.



**Sparsity** Allocated to schools below a certain size and whose pupils live more than a certain distance from the school.



**Lump sum** Local authorities can set different lump sums for Primary and Secondary Schools.



**Split sites** Accounts for extra running costs.



**Rates** Running costs such as energy bills.



**Private Finance Initiative contracts** Support for schools that have unavoidable extra premises costs.



**London fringe** Schools in this area.



**Post-16** Study programmes for pupils aged 16+.



**Exceptional premises factors** For schools that require more upkeep or are susceptible to environmental factors.



## Who allocates the budget?



### State Schools

Funding comes from the overall government education budget.

The National Funding Formula determines the total funding for each local authority.

The local authority allocates funding to schools using a locally agreed formula.



### Academy Schools

Funding comes from the overall government education budget.

Funding is allocated to schools by the Education and Skills Funding Agency.



### Independent Schools

Not government funded.

Funding comes from pupil fee payments.

## Do schools spend their full budget?

Not always, as our latest 2019-20 statistics reveal:

Average deficit

-8.8%

Average surplus

+10.5%

\*Note these figures are from English schools only.

# School financial planning



## Who manages the financial planning?

Throughout the financial year the school's Senior Leaders, including Head Teachers, Business Managers, Assistant Head Teachers and Deputy Head Teachers, work with teams at the local authority and the school's governing board to develop a Spending Plan. It takes into account any expenditure, budget changes and development plans.

# Who makes the spending decisions?

It varies from school to school and is often determined by the school's size.



## Governors

- Involved in larger spending decisions.
- Approve any large-scale spending.



## Head Teachers

- **84% have the final say in large purchasing decisions, which would usually be anything over £5,000.**
- Involved in decisions about specific products or services that affect the whole school.



## Business Managers

- **63% are required to approve all school spending.**
- Have a big influence advising what budget allowances certain developments receive.



**Did you know** - 84% of Business Managers meet with Head Teachers, either weekly or monthly, to discuss finances and make budget plans.



## Heads of Departments

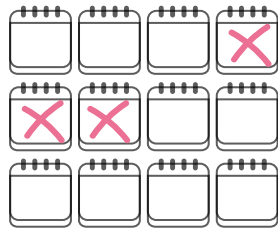
- **71% manage their own departmental budget.**
- Work with other department staff to identify what resources are required.



## Subject Teachers

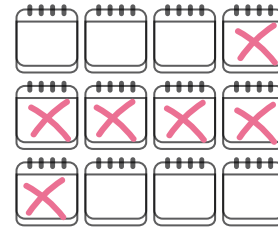
- Identify what resources will work well in their classrooms.
- Make small day-to-day purchases to support their teaching plans.
- **80% have a budget of up to £5,000.**

# When do schools start planning for the new financial year?



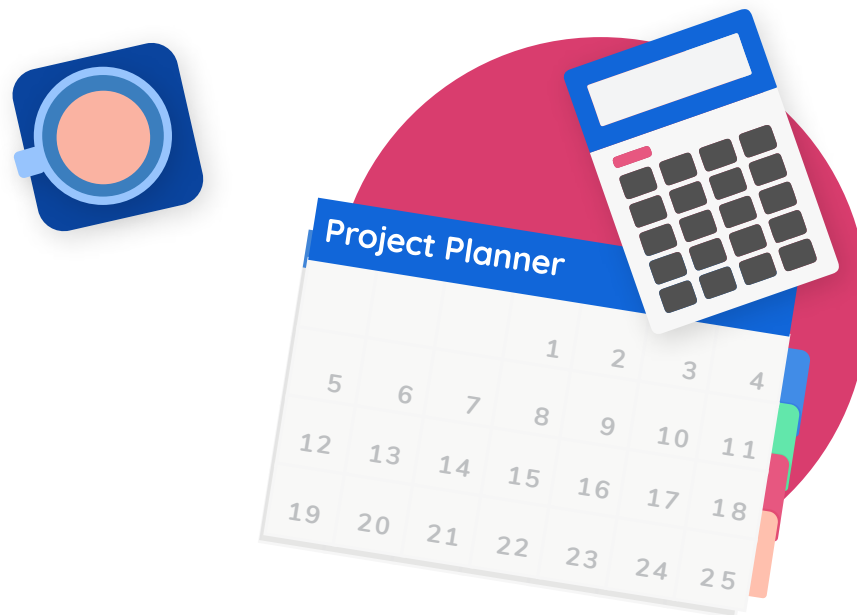
**80% of schools**

start budget planning at least **three months** before the start of the new financial year.



**68% of schools**

start budget planning at least **six months** before the start of the new financial year.



When creating their Spending Plan, schools often plan for high-value items or larger developments well in advance of the project start date. Whereas for smaller, more regular resources and services schools make purchasing decisions throughout the year.

# Additional finance

## Self-generated income

As well as receiving government funding, schools can generate their own income. They do this by:



Letting out their own facilities.



Receiving charitable donations from local businesses.



Organising fundraising events, coordinated by the Parent-Teacher Association.

## Free school meals



Schools across the UK will receive £3 billion of government funding for free school meals.

# School spending

## How do schools decide where to spend their budget?

Predominantly all types of schools can decide where to distribute their budget. However there are sometimes exceptions to this, such as:



### State Schools

The government will make sure some of the budget is used for intended purposes, such as:



#### Pupil Premium

Assisting and improving the attainment of disadvantaged pupils.



#### Sports Premium

Improving the provision of PE and sporting activities.



#### Suppliers

Some schools have to use local authority approved suppliers.

## What do schools spend their money on?

Teaching staff  
(permanent and supply)

£11 billion

Education support staff  
(e.g. teaching assistants)

£4.3 billion

Other employee costs

£2.8 billion

Running costs

£5.6 billion

### Other costs

Teaching resources

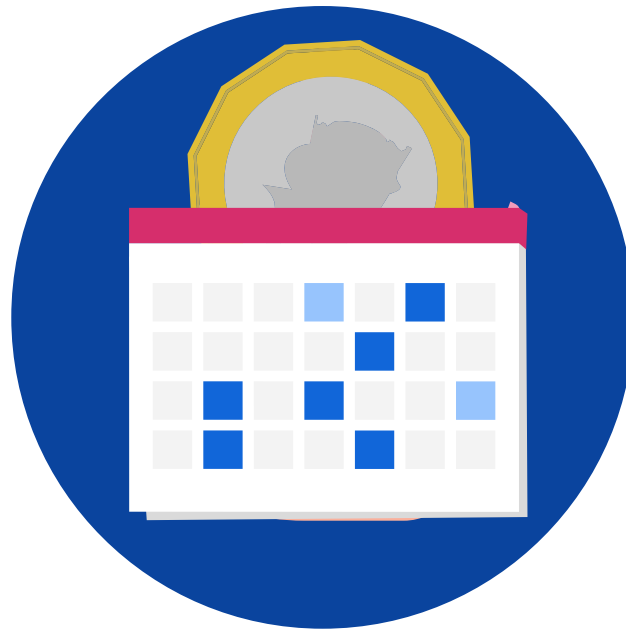
IT resources

Catering

Buildings and maintenance

Professional services (e.g. training and consultancy)





## When do schools spend their money?

- School spending increases in the **weeks leading up to and the weeks after the new financial year.**
- Regular finance reviews mean schools can **easily account for new developments or unplanned spending.**
- 70% of schools do most of their **spending between August and December.**



Use our [Schools Marketing Planner](#) to help plan your marketing content calendar.

# Covid-19 support

## Insights from our schools survey

75% of schools put spending plans on hold during the 2020-21 financial year.

**Covid-19 financial support** means schools can refocus their attention onto long term developmental plans.

66% of Business Managers spent less during the 2020-21 financial year as a result of the pandemic.

## Government funding

- The government is providing £700 million funding to help young people catch up on lost learning as a result of Covid-19.
- There's a £1 billion government grant for schools to use on safety measures, supplies and improvements to help keep pupils and staff safe.



Use everything you've learnt from this handy guide to connect with schools.

And if you need a little extra helping hand, our education experts are always here.

Contact us now to start planning your next marketing to schools campaign:

**Call us on:** 01257 460036

**Or visit:** [www.buzz-education.com](http://www.buzz-education.com)



*Michael McVerry*  
Managing Director

## Sources

🔗 All funding information from official Government Statistics:  
[www.gov.uk/government/statistics](http://www.gov.uk/government/statistics)

🔗 Buzz Education 2021 Schools Survey.

[buzz-education.com](http://buzz-education.com)

