

THE SOUTHERN EDUCATION AND LIBRARY BOARD

COMMON FUNDING SCHEME FOR THE LOCAL MANAGEMENT OF SCHOOLS

OUTTURN STATEMENT 2007/2008

INTRODUCTION

- 1 The Education and Libraries (Northern Ireland) Order 2003 (the 2003 Order) requires the Department of Education to draw up a Common Funding Scheme to apply to all schools funded under LMS arrangement and sets out the legislative framework for the development and implementation of the Common Funding Scheme.
- 2 The application of formula funding, and the delegation of financial and managerial responsibilities to Boards of Governors, are key elements in the Department's overall policy to improve the quality of teaching and learning in schools by:
 - a) enabling Boards of Governors and principals to plan and use resources (including their most valuable resource - their staff) to maximum effect in accordance with their own needs and priorities; and
 - b) making schools more responsive to parents, pupils, the local community and employers.
- 3 Controlled and maintained schools are funded by the Education and Library Board in whose area the school is located while voluntary grammar schools and grant-maintained integrated schools are funded directly by the Department. In addition to funding allocated directly to school budgets by means of the common formula, schools will also have access to central funds for specified purposes.

PURPOSES OF FINANCIAL STATEMENTS

- 4 Article 5(1) of the 2003 Order provides for the delegation of the management of a school's budget share under the Common Funding Scheme to be subject to such conditions as may be imposed by the Scheme or as may be imposed in accordance with the Scheme, by the relevant Education and Library Board. The Southern Education and Library Board has to set out the conditions under which the Board of Governors of each controlled and maintained school is given delegated authority and its delegated budget. These are shown in its booklet 'Guidance on Financial and Management Arrangements for Controlled and Maintained Schools funded under the Common Funding Scheme'.
- 5 The main purpose of the budget statements is to enable a school to form a clear picture of the board's planned spending for the forthcoming financial year so that, for instance, the school will see exactly how the formula is applied, and will be able to assure itself of the calculation of its budget share; it will know the budget share of each controlled and maintained school covered by the Common Funding Scheme; and it will see how much the board is proposing to retain centrally for excepted items.

- 6 The publication of matching outturn statements at the end of the financial year will let schools see what happened in practice - how actual expenditure compared with budgets at both board and individual school level, and whether there were any mid-year budget adjustments.

SCHOOLS TO BE COVERED BY FINANCIAL STATEMENTS

- 7 All grant-aided schools, other than special schools or schools established in hospitals will be funded under these arrangements unless the right to a delegated budget has been withdrawn.
- 8 Schools opening and closing will be funded under the arrangements set out in the Scheme. Where the opening or closing of a school occurs part-way through a month, funding will be based over the full month.

FORMAT OF OUTTURN STATEMENTS

- 9 *Outturn statements* are in five parts:-

Part 1 : The Total Spending under the Common Funding Scheme

This part gives an overall picture of the total accrued expenditure by the board in the financial year. The planned spending is the original planned spending figure in the 2007/08 budget statement, revised to include the effect of any in-year adjustments.

A Resources Allocated to Schools

This shows the final resources allocated to schools through the common funding formula, Children & Young People funding, the 2006/2007 carry over and the final payments or outturn made by schools.

B School Resources Initially held Centrally

This shows the final school resources retained by the board centrally, the allocation delegated to schools and the actual accrued expenditure.

C Resources for Services to All Schools

This shows the final allocation and actual accrued expenditure on services to all schools (including Voluntary Grammar, Grant-Maintained Integrated and Irish Medium) and Special Schools.

D School Carry over to 2008/09

The difference between the final delegated allocation and the delegated outturn of expenditure is available for schools to carry over in 2008/09.

E School Capital

This shows the final allocation and actual expenditure on capital for all schools.

F Total Recurrent and Capital Outturn

This shows the final allocation and outturn on all schools (total of A, B, C and E above).

- G Reconciliation to Annual Account Note 37*
Adjustment to account for Capital values/Restricted EYF 06/07 in order to agree with Annual Accounts Note 37 Financial Target – Recurrent.

Part 2 : A Summary Of Total Resource Allocations And Spending By The Board Under the Common Funding Scheme

- A* This summarises by school phase and management type the total resources delegated, actual accrued expenditure and income and balances carried forward at the end of 2007/08 financial year.
- B* This summarises by school phase and management type the following:
- Pupil numbers expressed as full time equivalents (FTE).
 - School total delegated resources plus non delegated resources retained at centre but which are directly traceable to individual schools.
 - School total expenditure against its delegated and non delegated resources.
 - Per pupil expenditure.
 - School 2007/08 total carry forward.
 - Carry forward expressed as a percentage of school delegated resources.
- C* As set out above but at individual school level.

Part 3 : An Analysis of Resource Allocations and Expenditure by Sector and Phase (a) and for Individual Schools (b)

Section 1 – Resources Available

This shows the school's 2006/07 carry over, formula allocation, additional allocation and the total of all non-formula allocations such as curriculum reserve funding or funds allocated for specific purposes. (See Part 4 for a breakdown of these funds.) In addition, non delegated resources retained at centre but which are directly traceable to individual schools are shown. These include such costs as substitution costs and landlord maintenance, but exclude centre resources for services which are not directly traceable to individual school e.g. headquarters, home to school transport costs and advisory and support services costs.

Section 2 – Accrued Expenditure

This shows the four main categories of expenditure ie teaching staff costs, non-teaching staff costs, other employee expenses and non-staff.
Income is deducted from gross expenditure to give net expenditure.

Section 3 – Accrued Carry over

The difference between total school resources available and net school expenditure is the school carry over into 2008/09. Balances in respect of Extended Schools funding included within the total balance, are shown separately where appropriate.

Section 4 - Analysis of Non-Delegated Expenditure

This shows those non delegated resources retained at centre but which are directly traceable to individual schools. They mainly relate to substitution costs, redundancy/premature retirement costs and landlord maintenance costs.

Part 4 : An Analysis of Other Allocations for Individual Schools

This shows details of all non formula allocations such as Curriculum Funding, P1 Initiative, Code of Practice etc for all schools.

Part 5 : Accounting for TSN Funding

This shows a breakdown by sector and management type the estimated expenditure under the various headings.

PUBLICATION OF BUDGET AND OUTTURN STATEMENTS

Budget Statements

- 10 The Southern Education and Library Board will prepare a statement of the financial provision it plans to make in that year for all schools which it funds. Allocations to individual schools in respect of initiative funding and contingency fund allocations are not shown, since this would unnecessarily delay the publication of the document and, in any case, would not present a consistent picture because some allocations will be made at a later stage in the year. The statement will normally be issued before 31 May in the financial year to which it relates.

Outturn Statements

- 11 The Southern Education and Library Board, after the end of each financial year, prepares a statement of expenditure for schools which it funds. This will normally be issued before 31 October following the year to which it relates. The Southern Education and Library Board must also ensure that copies of its Outturn Statement are placed in the library of the House of Commons (or the Northern Ireland Assembly if operative).

Distribution

- 12 Copies of both statements (Budget and Outturn) will be published on the Southern Education and Library Board's website and notified to:

All schools which it funds;
Education and Library Boards;
Council for Catholic Maintained Schools;
Governing Bodies Association for Voluntary Grammar Schools;
Comhairle na Gaelscolaíochta;
NI Council for Integrated Education;
Department of Education.