

# The Southern Education and Library Board

## Local Management of Schools: Budget Statement 2009/2010 Financial Year

### F O R E W O R D

#### 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'.

The total sum to be expended by the Funding Authority under the terms of the Scheme will continue to be referred to as the **General Schools Budget (GSB)**. This will be made up of the following constituent parts:

- The **Aggregated Schools Budget (ASB)** which is the total amount delegated to schools under the common formula;
  - **Resources Held at Centre** which are amounts allocated to school budgets other than by means of the common formula; and
  - **Centrally Held Resources Attributed to Schools** which are amounts held by Education & Library Boards for services provided to schools in its area. Some of these services are available to all schools while others are available only to controlled and maintained schools.
- 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 STATEMENTS**

- 9 ***Budget statements*** give the following information for the 2009/2010 financial year:
- Part 1 : the total planned spending by the board under the Common Funding Scheme;
- Part 2 : a summary of schools' budgets;
- Part 3 : the calculation of each school's budget share.
- 10 ***Outturn statements*** are in two parts - the first matching part 1 of the budget statement above and showing actual spending by the board; the second giving actual spending by each school. Outturn statements for the 2009/2010 financial year must be published before 31 October 2010.

## **CONTENT OF BUDGET STATEMENTS**

### **Part 1 : Total Planned Spending by the Board under the Common Funding Scheme**

- 11 The common funding arrangements will ensure that schools of similar size and characteristics receive similar funding. It follows therefore that schools should be expected not only to meet the same costs from their formula allocation but also that they should enjoy similar access to funds held centrally by their Funding Authority for distribution to schools other than by the formula.
- 12 School Expenditure falls into the following categories:
- a) **The Aggregated Schools Budget (ASB)** - This is the total amount delegated to schools under the common funding formula;
  - b) **Resources Held at Centre** - These are amounts held at Centre and allocated to school budgets **other** than by means of the common funding formula ; and
  - c) **Centrally Held Resources Attributed to Schools but Not At Individual School Level** - These are amounts held by Boards for services provided to schools in its area. Some of these services are available to all schools while others are available only to controlled and maintained schools.

### **Part 2 : Summary of Schools' Budgets**

- 13 This part details the following information for schools covered by the Common Funding Scheme::
- a a summary of schools' budget shares by sector and management type;
  - b each school's full time equivalent enrolment, ie the number of pupils, unweighted by age;
  - c each school's budget share - the share of the Aggregated Schools Budget allocated to each of the board's schools through the common funding formula;  
and
  - d each school's per capita share - the Total Budget share for each school divided by the full time equivalent enrolment;

### **Part 3 : The Calculation of Each School's Budget Share**

- 14 The aim of this part of the budget statement is to show how the common funding formula, has been applied to each school covered by the Scheme in order to calculate its budget share. From this detailed information the school will be able to:-

- a check the accuracy of pupil and school characteristics taken into account in applying the resource allocation formula;
  - b ascertain that all relevant characteristics have been taken into account; and
  - c assess the effects on the budget share of any changes in the number of pupils at the school, or in any of the other characteristics.
- 15 This part of the budget statement contains a detailed extract for each school covered by the Scheme, picking up each formula factor or variable which is applicable to the school in question, and gives relevant figures and cash sums. Each school's extract will therefore show how its budget share has been built up, how much money has been allocated on the basis of the school's pupil numbers, weighted for age, and how much relates to other factors.

## **PUBLICATION OF BUDGET AND OUTTURN STATEMENTS**

### **Budget Statements**

- 16 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 will not be 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**

- 17 The Southern Education and Library Board will prepare a statement after the end of each financial year containing information of expenditure by 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**

- 18 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.