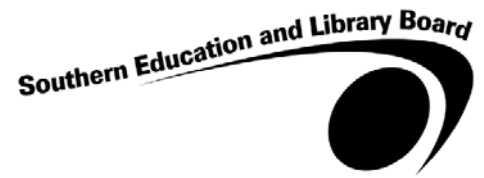


CORPORATE SERVICES DEPARTMENT

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Email: selb.hq@selb.org • Website: www.selb.org



28 February 2007

Circular 2007/20

TO THE PRINCIPAL OF EACH SELB LMS SCHOOL FUNDED UNDER THE COMMON FUNDING SCHEME

Dear Principal

2007/08 3 YEAR BUDGET PLAN AND ALLOCATION

Included within this planning pack you will find:

- The budget planning appointments request proforma (Appendix 1);
- Guidance Notes for the completion of your 3 year budget plan (Appendix 3);
- Blank forms for the planning process, ie FP3 (Optional) and BP1;
- Code of Practice proforma to be returned by Friday, 30 March 2007.

As they include confidential staff information covered by the provisions of the Data Protection Act 1998, your school's specific costing estimates (estimated teaching and non-teaching staff costs and form SC1 for 2007/08) will be issued via principals' post on **Wednesday, 7 March 2007**. (See Appendix 2)

SUPPORT AVAILABLE TO BOARDS OF GOVERNORS AND PRINCIPALS

Guidance Notes for Completion of Forms FP3 and BP1 (Appendix 3)

We have attached Guidance Notes to support schools in the completion of their 3 year budget plan. (Completion of the one year detailed plan FP3 is now **optional**).

Data Provided to Assist Planning (to issue principals' post 7 March 2007)

- Estimated teaching staff costs for 2007/08;
- Estimated non teaching staff costs for 2007/08;
- Amount available for running costs 2007/08 (total budget allocation less estimated staffing costs) Form SC1.

Appendix 2 provides details of the assumptions underlying these estimates.

Budget planning 2007/08 – Appointments Requests (Appendix 1)

If a school feels a one-to-one meeting with an LMS officer may be required to offer assistance/guidance in completing their plans; they must complete the attached proforma and return/fax/e-mail it to Mrs Sandra Owens **by Monday, 5 March 2007**. Please highlight any particular issue/reason why you require assistance. Please note **FP3 forms will no longer be completed during LMS appointments** (see Appendix 3).

We are aware that schools value the one-to-one support service, and requests for appointments continue to grow. In order to make the best use of LMS resources we will continue to prioritise appointments, and would emphasise that it is essential that you **review your estimated staff costs and prepare your enrolment estimates (and, if applicable, your estimated Extended Schools carryover) before your appointment.** Without this preparation by you it is very difficult to complete a realistic 3 year plan within the appointment time, and in other than exceptional circumstances we will not be able to offer a second support appointment.

BUDGET ALLOCATION 2007/08

To access your school's actual budget allocation for 2007/08, based on the Common Funding Formula (CFF), please follow the link below:

<http://www.selb.org/lms/> and then go to 'Schools Financial Information by Year' and select 2007 / 2008 and chose the Budget Allocation document for your sector, eg nursery.

The Minister has specified the ring-fenced amount for school LMS budgets and the application of the CFF to this amount provides the actual budget allocation for each school. This amount differs from the total figure detailed on the DE website as an indicative budget following the Ministerial announcement on 24 January 2007.

This is as a result of up-dated data received after the indicative budgets were compiled. The overall quantum of funding distributed for CFF and Children and Young People (CYP) has not changed and every school has now been allocated its equitable share from these funds based on the revised data supplied by all Funding Authorities.

BOARD OF GOVERNOR RESPONSIBILITY AND TIMETABLE

Each Board of Governors is responsible for the proper financial management of the resources allocated to the school. The Board of Governors should agree a three year trend plan (BP1) and by **Friday, 4 May 2007** submit this signed plan to the Board for approval. You may wish to arrange a Board of Governors meeting to consider and approve your plan based on this timetable. The financial plan should align with the School Development Plan required by the Education (School Development Plans) Regulations (Northern Ireland) 2005.

APPROVAL CRITERIA

The Minister has specified that all surpluses/deficits must be brought to within 5% of budget or £75,000 whichever is the lesser, as soon as possible and certainly within the 3 year budget plan period.

Additionally, all schools wishing to incur a deficit for whatever reason must make application annually to the Board for permission to do so. Permission to overspend will be subject to the criteria specified in paragraph 5.2.2 of the Guidance on Financial and Management Arrangements for Controlled and Maintained Schools

Funded under the Common Funding Scheme, two copies of which were issued to all schools on 20 November 2005 (Circular 2005/81).

MANAGEMENT OF REDUCTION

Where a Board of Governors has decided that it is necessary to reduce the teaching and/or non-teaching staff to remain within the financial allocation for the 2007/08 financial year the employing authority must be informed and the agreed procedures must be followed. The procedures were set out in Board Circular 2006/76 dated 1 November 2006 (supplemented by Board Circular 2007/12 dated 7 February 2007). It is important for Governors to adhere to the redundancy timetable. This circular specified that proposed teacher redundancies in controlled schools must be notified to the Board by **Friday, 2 March 2007**.

If you have any difficulties in understanding the requirements or meeting the deadline please contact the LMS Unit immediately. Note that no individual school plans can be approved until all school plans have been received by the Board.

Yours sincerely

T Heron
HEAD OF CORPORATE
SERVICES

Encs
TH/DR

Useful Contact Details		
	Phone	Email
Sandra Owens	3751 2508	sandra.owens@selb.org
Imelda McDonald	3751 2398	imelda.mcdonald@selb.org
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Cushla McAtarsney	3751 2220	cushla.mcatarsney@selb.org

BUDGET PLANNING 2007/08 – APPOINTMENTS REQUESTS**Proforma to be returned to Mrs S Owens by Monday, 5 March 2007****(e-mail Sandra.owens@selb.org, or fax 028 3751 2322)****CRITERIA**

As requests for appointments continue to grow each year, we cannot guarantee appointments to all those who apply. In order to help us in prioritising those schools with special difficulties, please indicate below any particular issues at your school eg new principal, involved in an amalgamation etc.

--

CHECKLIST BEFORE APPOINTMENT

It is essential that **before** your appointment you:

- Review the estimated teaching and non-teaching staff costs for 2007/08 sent to you on 7 March 2007, in conjunction with the assumptions on which they are based (Appendix 2).
- Prepare your enrolment figures for October 2006 (actual), October 2007 (estimate) and October 2008 (estimate).
- If you are part of the Extended Schools (ES) initiative, update your Budget Deployment form and current expenditure spreadsheet to prepare your estimated ES carryover at March 2007.

VENUES

Appointments can be made at the following venues during the dates and times indicated. Please indicate your preference, eg 1,2,3,4.

		AM PM			AM PM	
Newry Teachers' Centre	Fri, 16 March			Tue, 27 March		
	Tues, 20 March			Wed, 28 March		
	Wed, 21 March			Fri, 30 March		
	Fri, 23 March					
Board Headquarters	Wed 7, March			Thurs, 29 March		
	Thurs, 8 March			Mon, 23 April		
	Mon 26, March			Thurs, 26 April		
Dungannon Teachers' Centre	Mon, 12 March					
Dungannon LIBRARY	Fri, 9 March			Fri ,20 April		
	Mon, 16 April			Tues, 24 April		
	Tues, 17 April			Wed ,25 April		
Craigavon C2K Centre	Tues, 13 March			Mon, 2 April		
	Wed, 14 March			Tues, 3 April		

SIGNED: _____ DATE: _____
PRINCIPAL

SCHOOL : _____

DATA PROVIDED TO ASSIST PLANNING

A FORM SCI (LILAC SHEET)

This form shows the budget allocated for 2007/08 together with Children and Young People (CYP), P1 initiative/MAGS1, MAGS2 and Code of Practice (COP) funding recently advised by DE and an estimate of the carry over at 31 March 2007. The estimated carry over is added to or subtracted from the total allocation to show the total estimated available funds for 2007/08 (Section 2).

The form also summarises the total estimated staffing costs for 2007/08 (including an estimate of delegated substitution costs for 2007/08) (Section 3) and these are subtracted from the total estimated funds for 2007/08 to indicate how much is available to spend on non-staff costs (ie running costs) (Section 4).

The budget allowed for running costs in the current financial year, 2006/07 (FP3 budgeted running costs) is indicated on this sheet as a guide for your estimated running costs for 2007/08. As a further guide the actual amount spent on running costs for the period 1 April 2006 to 31 January 2007 is also indicated on the sheet. You should estimate how much you are likely to spend on running costs for the months of February and March and add this amount to the actual expenditure up to 31 January 2007. You will be able to compare this figure with both the amount available for running costs for 2007/08 and the 2006/07 budgeted running costs. This will enable you to determine whether or not you need to reduce expenditure in 2007/08 either by staff reductions or by a reduction in running costs.

A1 ESTIMATED TEACHING STAFF COSTS 2007/08 FINANCIAL YEAR

These have been prepared on the following:

General Assumptions

- Teachers in post as at October 2006;
- A general pay increase of 2.5% for all teachers from 1 September 2007;
- A teachers' superannuation decrease from 14.15% to 13.6% from 1 April 2007;
- Teaching allowances allocated after October 2006 have not been costed;
- Vacant posts have been calculated on the cost of the actual person currently in post. Where there was no-one in post, the cost has been estimated at M6 of the Ordinary Pay Spine;
- In the case of career breaks the cost of the sub-teacher currently in post has been taken for the full financial year. You should make the necessary cost adjustment if the career break teacher is returning on 1 September 2007;
- In cases of maternity leave the cost indicated relates to the cost of the permanent teacher.

Other Assumptions (Where Applicable)

- **Ordinary Pay Spine**
Incremental drift from 1 September 2007 for all teachers M1-M5 has been costed.
- **Upper Pay Spine**
UPS1, UPS2 and UPS3 - No automatic progression to next point on this pay spine has been assumed.
- **Leadership Pay Spine**
Principal/Vice-Principal additional point(s) awarded by Board of Governors since October 2006 have not been costed.
- **Extended Schools Initiative**
If any hours related to ES activities were included in October 2006 pay, they will have been included in the estimates for the full financial year. You should make the necessary cost adjustment to exclude ES expenditure (see also Appendix 3 C1).

When you receive your estimated staff costs on Wednesday, 7 March 2007 please check them for accuracy.

A2 ESTIMATED NON-TEACHING STAFF COSTS 2006/07 FINANCIAL YEAR

These have been prepared on the following assumptions:

General Assumptions:

- Staff in post as at January 2007;
- A general pay increase of 3% for all staff from 1 April 2007;
- A NILGOSC contributions increase from 11% to 13% from 1 April 2007;
- You should check that only one person per post is costed, as substitute staff paid in January may be included. Please adjust costs as necessary;
- The costs do not include any allowance for overtime – you may need to build these into your calculations;
- New staff employed from 1 February are not included - you may need to build these into your calculations;
- Incremental drift for auxiliary and ancillary staff has been included from 1 April 2007 (but see also below for cleaners).
- The costs do not include certain categories of staff employed on an adhoc basis, eg part-time lecturers, instrumental tutors, youth project workers or invigilators.

Extended Schools Initiative

If any hours related to ES activities were included in January 2007 pay, they will have been included in the estimates for the full financial year. You should make the necessary cost adjustment to exclude ES expenditure (see also Appendix 3 C1).

Cleaners

Under the national Single Status Agreement the former manual staff are now entitled to similar terms and conditions as the former white-collar staff including job evaluation and a pay scale as opposed to a pay point. For schools the main category of staff who have not yet completed the process are cleaning staff. They may receive a pay increase backdated to the implementation date of 1 January 2002.

If you use the Board's Contractual Cleaning Service these costs will be incorporated into future contract charges. Your expenditure estimates should reflect this. You will shortly be notified of your charges for 2007/08; for planning purposes we advise you to use an average increase of 6%.

If you directly employ cleaning staff, any arrears relating to the period 1 January 2002 to 31 March 2003 will not be a cost against individual school budgets but will be charged against the centre. The funding for any ongoing costs from 1 April 2003 has been included in delegated budgets and you must include these costs in your expenditure estimates. Cleaners have provisionally been placed on their new job evaluated rates of pay from February 2006, pending the resolution of an appeal by their Unions. Therefore, only provide for arrears for the period 1 April 2003 to 31 January 2006. For a cleaner (continuously employed since 1 January 2002) working a **36** hour week, the estimated arrears chargeable to the school for the period 1 April 2003 to 31 January 2006 would be **£1,250** (including National Insurance and Superannuation costs).

Classroom Assistants

Classroom assistants have not yet completed the job evaluation process. They may receive a pay increase backdated to 1 January 1995. Funding for arrears has been received by the Board and held at Centre. Therefore you do not need to provide for any arrears in your calculations.

When you receive your estimated staff costs on Wednesday, 7 March 2007 please check them for accuracy.

GUIDANCE NOTES FOR COMPLETION OF FORMS FP3 (optional) AND BP1

Changes from last year:

- 1 year detailed plan form FP3 now optional;
- Additional initiative allocations presumed to continue through 3 year period (see B2 Allocations);
- Specific advice for schools in the Extended Schools Initiative (see B2 Allocations).
- No separate Transition Funding (see B3 Transition);

A COMPLETION AND APPROVAL OF FP3 AND BP1 FORMS

Form FP3 (optional)

You **may** complete a detailed breakdown of your budget for 2007/08 using form FP3. If you wish to do so please return the completed form, as authorised by your Board of Governors by **Friday, 4 May 2007**. Please enter figures rounded to nearest pound and do not enter pence.

Alternatively, LMS staff will enter your 2007/08 budget at the level detailed on your BP1 form only, eg the FP3 form includes running costs, split over cleaning, telephone, electricity etc, finance codes whereas the BP1 form summarises this within one running costs line posted to finance code 1830 Miscellaneous Expenses. This would mean your monthly LMS financial reports would no longer show budgets at every line of expenditure.

Form BP1

The three year budget plan form (BP1) must be completed, approved and returned to the Board by **Friday, 4 May 2007**.

If you chose not to complete an FP3 form you may find Section 4 of Form SC1 helpful in estimating your annual running costs.

B GENERAL PLANNING ASSUMPTIONS

B1 Inflation

Assume schools will receive increases on the main elements of their allocation (Common Funding Formula (CFF), Children and Young People (CYP), P1 Initiative/MAGS1, MAGS2, and Code of Practice (COP)) in line with cost inflation each year. Therefore in the trend forecast ignore inflation. Only provide for incremental pay drift in costs; and only provide for enrolment changes in the allocation. (This is an optimistic assumption and DE officials can provide no assurance on this).

B2 Allocations

For the purposes of planning, schools should not assume any of the following allocations: Curriculum Reserve Fund; Class Size Fund; Emergency Support; Special Needs Training, Inset; Reading Recovery; Ethnic Minority Achievement (EMA) or School Improvement Programme (SIP) comprising Literacy, Numeracy, Dissemination of Good Practice and School Support Programme (SSP).

Schools should assume that the amount allocated for Children and Young People (CYP), P1 initiative/MAGS1, MAGS2 and Code of Practice (COP) in 2007/08 will be repeated in the following two years.

Schools should assume that the amount allocated for Enriched Curriculum in 2006/07 will be repeated in 2007/08 on a pro-rata basis to August 2007 (ie 5/12ths). From September 2007 the Foundation Stage of the revised statutory curriculum takes effect, and it is expected these resources will be subsumed within mainstream funding.

Schools who received Revised Curriculum funding for the 2006/07 school year (ie to August 2007) should assume this will be repeated for the 2007/08 school year (ie to August 2008). For planning purposes you can ignore the difference between the school year and financial year, and presume that the 2006/07 allocation will be repeated in 2007/08.

Schools who received Extended Schools (ES) funding will need to remove any estimated ES carryover as at March 2007 from their LMS plan, by reference to their Budget Deployment Form and current spreadsheet for ES expenditure. Should you have any queries please contact Deidre Hasson, Assistant Co-Ordinator, direct line 028 3751 2438.

B3 Formula Allocation/Transition

For 2007/08 Transition has been subsumed within the formula allocation.

C1 2007/08 Estimated Expenditure

Adjust 2007/08 teaching/non teaching costs in accordance with the instructions detailed in Appendix 2.

Be aware of any current staff funded from initiative allocations who are included in the cost estimates provided. Costings must be removed for initiatives which cannot be presumed to continue. However, for specific initiative allocations where funding is presumed to continue related costings (including substitution costs) for the activities concerned should be included. (see B2 Allocations).

Schools who received Extended Schools (ES) funding will need to remove any costs related to the ES initiative, included in the cost estimates provided by LMS. Should you have any queries please contact Deidre Hasson, Assistant Co-Ordinator, direct line 028 3751 2438.

C2 2008/09 and 2009/10 Estimated Expenditure

Provide for incremental drift only, no general pay award.

C3 Substitute Teaching Costs

Estimated on an average of £800 per teacher per year. Note that the funded substitution cost in excess of point M4 on the salary scale is charged to delegated budgets eg for an UPS3 teacher this equates to £54 per day.

C4 Capital

In all previous years the amount budgeted by the Board of Governors for capital has greatly exceeded the actual spend. Note that for an item to be considered as capital it must cost in excess of £3,000. For 2007/08 schools are required to submit details of the capital items they are planning to purchase and these details will be passed to Internal Audit to include in school audit visits.

D Approval Criteria

The purpose of 3 year plans is to give an overview of the trend in all schools and allow both schools and the Board to consider appropriate action.

To receive 3 year approval your signed plan must meet the following criterion:

Surpluses/deficits must be brought within 5% of budget or £75,000 whichever is the lesser, as soon as possible and certainly within the 3 year budget plan period.

**SOUTHERN EDUCATION AND LIBRARY BOARD
DELEGATED BUDGET ALLOCATION FORM**

**FP3 (OPTIONAL)
2007/2008 Financial Year**

School _____

Cost Centre _____ School's Budget Share for Year £ _____

Estimated Carry Over from Previous Year (+/-) £ _____

H *TOTAL ESTIMATED FUNDS AVAILABLE FOR YEAR* £ _____

Finance Code	Finance Code Description	Budget Spending Plan £
Wages and Salaries Teaching Staff		
1301	Part-time Teachers	
1313	Permanent Teachers	
1314	Temporary Teachers	
1497	Employer's National Insurance	
1597	Employer's Superannuation	
	Total Teaching Staff	
Wages and Salaries Auxiliary Staff		
1323	Nursery Assistants	
1324	Classroom Assistants	
1325	Auxiliary Staff (Clerical, Technicians, etc)	
1338	Foreign Language Assistants	
1498	Employer's National Insurance	
1598	Employer's Superannuation	
	Total Auxiliary Staff	
Wages and Salaries Ancillary Staff		
1339	Caretaking/Building Supervisors Staff	
1340	Cleaning Staff (Cleaner/Dom Asst)	
1342	Supervisory Assistants	
1499	Employer's National Insurance	
1599	Employer's Superannuation	
	Total Ancillary Staff	
Running Costs		
<i>Fuel</i>		
1651	Fuel Oil	
1652	Electricity	
1653	Gas	
1655	Water	
<i>Maintenance</i>		
1670	Buildings Maintenance (Response)	
1676	Buildings Maintenance (Planned)	
1680	Grounds Maintenance	
1681	Grounds Maintenance - Contractual	
1748	Repair/Maintenance - Equipment	
1701	<i>Books and Practice Materials</i>	
<i>New Furniture & Equipment</i>		
1686	Furniture & Fittings under £3,000	
1702	Equipment under £3,000	

Finance Code	Finance Code Description	Budget Spending Plan £
Running Costs continued		
	<i>Printing, Stationery and Advertising</i>	
1801	Advertising	
1802	Printing and Stationery	
	<i>Postage and Telephone</i>	
1804	Postage	
1805	Telephone Bill	
1806	Telephone Network (connections - Internet)	
	<i>Cleaning and Laundry</i>	
1656	Toilet Requisites	
1657	Cleaning Materials	
1750	Contract Cleaning	
1667	Waste Disposal (Bins)	
	<i>Hire of Equipment and Facilities</i>	
1740	Hire of Equipment	
1742	Hire of Recreational Facilities	
	<i>Transport other than Home to School</i>	
1790	Hire of Public and Private Transport	
1792	Transfer of Board Vehicle Costs	
1785	School Minibus Expenses	
1775	<i>Travel and Subsistence</i>	
1703	<i>Examination Fees and Expenses</i>	
	<i>Miscellaneous</i>	
1738	Agency Fees - Teaching	
1739	Agency Fees - Non Teaching	
1745	Professional Fees	
1830	Miscellaneous Expenses	
	<i>Capital</i>	
1951	Minor Works	
1961	Equipment (over £3,000 per item)	
1971	Vehicles	
	Total Running Costs	
D		
E	GRAND TOTAL BUDGET SPENDING PLAN [A+B+C+D]	£
F	<i>Income</i>	
	1935 Letting of Facilities	
	1940 Other Income	
G	NET SPEND PLAN [E-F]	
H	TOTAL ESTIMATED FUNDS AVAILABLE FOR YEAR	£
I	1831 Planned Surplus to be carried over [H-G]	£
	OR	
J	1832 Planned Deficit to be carried over [H-G]	£

Signed: Principal: _____

Date _____

SOUTHERN EDUCATION AND LIBRARY BOARD
THREE YEAR BUDGET PLAN: 2007-2010

BP1/PP

School:

Cost Centre:

Please complete and return to the LMS Unit by 4 May 2007

<i>Enrolments</i>	Form 1	Form 2	Form 3	Form 4	Form 5	Form 6	LSCs	TOTAL	PTR
October 2006									
Est October 2007									
Est October 2008									

		2007/08	2008/09	2009/10
		Projected		
Teaching Staff April (ex LSCs)				
Teaching Staff Sept (ex LSCs)				
% Balance 31 March each year				
Carry-over from previous year	(a)			
Est Extended Schools carry-over	(b)			
Carry-over exc Extended Schools	(a) - (b)			
Formula Allocation 2007/08				
Code of Practice				
Children and Young People's Package				
Dual Sites				
TOTAL AVAILABLE				
<i>Estimated Expenditure</i>	<i>Fin Code</i>			
Teaching Staff	1313			
Substitution	1314			
Non-Teaching Staff - Auxiliary	1325			
Non-Teaching Staff - Ancillary	1340			
Running Costs	1830			
Capital	1951/1961/1971			
Income (-)	1940			
TOTAL EST EXPENDITURE				
Est Balance at 31 March	1831/(1832)			
Est Balance as a % of Total Available				

Signed: Principal: _____

Date: _____

Approved by Board of Governors at meeting held:

Date: _____

Signed: Chairman: _____

Date: _____

Notes:

SOUTHERN EDUCATION AND LIBRARY BOARD

Scheme for the allocation of additional recurrent funds made available by DE to support the implementation of the Code of Practice on the Identification and Assessment of Special Educational Needs.

School: _____

Cost Centre: _____

Total Amount: _____

To be returned to Anne Ardis, Budgetary Development by Friday 30 March 2007

PLANNED EXPENDITURE AREAS	ESTIMATED EXPENDITURE
1. (a) Recruitment or retention of part-time teacher; or (b) Increase in teaching hours of existing part-time teacher.	_____ _____
2. Employment of part-time or substitute teacher to release SENCO.	_____
3. Payment of responsibility point to:- a SENCO; another teacher.	_____ _____
4. (a) Increase in hours of existing Clerical Assistant; or (b) Recruitment of an additional Clerical Officer (full-time or part-time) to support SENCO; or (c) Recruitment of Classroom Assistant.	_____ _____ _____
5. (a) Resources and materials; or (b) Other (please specify).	_____ _____
TOTAL ALLOCATION	_____

Principal: _____

Date: _____