

## **APPENDIX D: ACCOUNTING**

### **Carry Forwards**

Head Teachers may carry forward any surplus funds from one financial year to another subject to this surplus being a maximum of 2.5% of the total devolved budget. Nursery Schools may carry forward up to 10% of their total devolved budget. Any additional underspend in excess of 2.5% or 10% will be retained centrally.

Head Teachers must:

- discuss carry forward plans with their School Finance Committee (or similar)
- include carry forward plans within their School Improvement Plan if intended spend is applicable
- submit a Carry Forward Plan in the autumn term and update as necessary, this will outline the intended use of carried forward monies, highlighting any exceptionality, and allowing relevant central staff to have an overview

Should Head Teachers want to save for a longer term/larger project that would require a larger percentage of carry forward, Business Managers should record this on their Carry Forward Plan, this will be reviewed by their Head of Education and shared with the Education Finance Team.

In exceptional circumstances the Executive Director of Education and Children's Services may amend the amount of surplus or deficit to be carried forward but will give reasons for doing so (see Timeline over page).

### **Overspends**

The Executive Director of Education and Children's Services may instruct Head Teachers not to budget an overspend where there is reason to believe that this would create financial difficulties for the Council. Any budget overspend incurred by the Head Teacher will be carried forward in full to the next financial year and will have the effect of reducing the total funds available for expenditure in that year. It is expected that any overspend is repaid the following financial year, however, in some exceptional cases a two-, or three-year repayment plan may be agreed.

If a school is overspent:

- Meetings will be set up with central senior managers and school management team to track the repayment plan and monitor progress. The frequency of meetings will be decided on a school by school basis depending on the circumstances around the overspend and any mitigating circumstances.
- Monthly monitoring returns will be uploaded by the Business Manager
- Additional support and advice will be provided if the Head Teacher and Business Manager require assistance to develop a repayment plan

### **Budget Virement**

Head Teachers have the flexibility to notionally vire money between budget headings. Actual budgets are not realigned as such, one budget will sit with and overspend while another will have a corresponding overspend.

Virement plans will be discussed at the School Finance Committee (or similar) and will be identified in Carry Forward plans or Overspend Repayment plans and will be noted on monitoring returns.

In recognition of historical budget cuts, there is no maximum percentage of budget for virements, however, if the virement is significant and/or potentially contentious, Head Teachers should discuss with their Head of Service.

When using vired funding to employ staff, to help mitigate ongoing costs, careful consideration must be given to the type of contract, employer oncosts, and job sizing implications (if promoted teaching posts).

### **Indicative Financial Timeline**

<b>Target Date</b>	<b>Action</b>	<b>Notes</b>
February	Draft staffing allocations shared with schools	Basic teaching and staff excluding teachers FTEs
April	Initial Budget Statement	Basic teaching and staff excluding teachers FTEs and non-staffing budgets
May	Carry Forward Statements issued - schools advised of outcome 3rd-4th week in May.	Finalised Carry Forward / Overspend positions
June-August	Revised Budget Statements	Probationer, Carry Forward and Audit allocations added
October	Revised Budget Statements	September Census changes and addition of Curricular Transport and Curricular Charging budgets (where applicable)
November	Schools submit Carry Forward Plans	To be saved in School Finance Folder (MS Teams)