



Form

## Budget forecast 2016 to 2017: guide to using the workbook

Updated 7 April 2016

### Contents

[Part 1 Introduction](#)

[Part 2 Budget forecast workbook](#)

[Queries](#)

[↑ Contents](#)

## Part 1 Introduction

The Department for Education (DfE) is required to provide estimates of its expenditure to HM Treasury, and these estimates will include academies' spending. Academy trusts must submit budget forecast returns to the Education Funding Agency (EFA) by 31 July 2016.

This guide explains how to use the Excel spreadsheet, which is designed for use as a workbook only. The spreadsheet is also available in an open document format for those who do not use Excel. The spreadsheet cannot be used to submit your budget forecast return for 2016 to 2017. The actual budget forecast return must be submitted via an online form that will be published in June 2016.

As many academies and multi-academy trusts use the Excel spreadsheet to gather information before submission, this workbook will enable you to collect the budgetary information and easily transfer these details onto the online form when it is available.

### 1.1 Scope

### **Organisations included within the exercise**

Throughout this document and the workbook, the terms “academy trusts” (trusts) and “academy” include the following entities:

- sponsored academies
- academy converters
- free schools
- university technical colleges
- special schools
- studio schools

All academy trusts are required to complete the 2016 to 2017 budget forecast return, and will need to complete the return on an accruals and prepayments basis.

## **1.2 The online form**

EFA will publish the online form and related guidance on GOV.UK website in June 2016. In the meantime, we are providing a workbook to help trusts gather the budget forecast information in advance. You can then transfer the figures from the workbook to the new online form once it's available. The workbook is not mandatory but trusts may find it helpful.

## **1.3 Using the Excel workbook**

### **Entering information**

Throughout the workbook all monetary balances should be entered in round £000s, not pounds and pence. For example, you should input an amount of £10,471.23 as 10 and £10,891.25 as 11.

You can enter draft comments and transfer relevant sections across to the online form. Please leave the formulas in the spreadsheet, as these enable calculation between different parts of the workbook.

## **1.4 The structure of the workbook**

The workbook consists of the following main sections:

1. Revenue – covers most of the grants and income that the academy has received or generated that is not for the purpose of capital programmes. In addition, covers all expenditure within the academy excluding depreciation and Local Government Pension Scheme (LGPS) movements.
2. Capital – for funding that is received under capital grant or funding received for the express purposes of a capital programme. This section also shows the expenditure spent on land and buildings (L&B), intangibles and other fixed assets, with new lines for disposals showing the net

book value for each asset classification.

3. Other items – covers a number of items that would normally appear on the balance sheet such as cash, depreciation, provisions, investments and loans. There is a new line for gain/loss on disposal of fixed assets.
4. Reserves per academy (MAT only) – if your trust is a multi-academy trust, then you will need to complete this section by separately reporting reserves information for each academy included in the return. We have created a new line for centrally held reserves (MATs only).

## 1.5 Submission of a return by multi-academy trusts (MATs)

MATs must submit a consolidated return aggregating the budgetary information of each of their academies. Therefore, MATs will need to add up the forecast values of each of their individual academies against each line of the workbook.

If a new academy joins the MAT on or after the submission deadline of 31 July 2016 then a separate return for that academy will be required.

## 1.6 Deadline for submission of online budget forecast form

All academy trusts open as at 31 March 2016 must submit a completed online budget forecast return to EFA by 31 July 2016.

For those trusts that opened on or after 1 April 2016 the deadline is either 6 weeks after receiving their final funding letter or 31 July 2016, whichever is the later.

# Part 2 Budget forecast workbook

## 2.1 Introduction

The Excel / open document format workbook can be used by trusts in order to gather budgetary information prior to completing the online budget forecast form.

You don't have to complete this workbook, however, it is considered good practice to keep a record of forecast information and the workbook will help you do this. In addition, it will allow you to transfer your forecast figures to the online form once it is available.

## 2.2 Sign convention

The budget forecast return sign convention follows the normal financial statements sign convention. Both income and expenditure are entered as positive figures, with the exception of the negative figures stated in section 2.3 of this guide.

## 2.3 Guidance for various sections

### 2.3.1 Revenue

#### DfE Revenue Grants income (lines 101-199)

Please include all DfE revenue grants funding receivable in the period, broken down into the various EFA funding streams including new funding streams for April 2016 to March 2017.

For the September 2015 to August 2016 academic year:

- input the September 2015 to March 2016 actuals in the first column – this input is not required for academies opening after 1 April 2016
- the April 2016 to August 2016 forecast outturn will automatically be populated and no input is required
- input the year-end forecasts outturn

For the September 2016 to August 2017 academic year:

- input the September 2016 to March 2017 forecasts
- input the April 2017 to August 2017 forecasts
- the year-end forecast outturn will automatically be populated and no input is required

#### Lines 101 to 199 (column C)

Include EFA revenue grants received or receivable for the September 2015 to August 2016 academic year, and where applicable for the September 2016 to August 2017 academic year. Please note that you will need to gross up expected GAG receipts by RPA (Risk protection agreement) charge in line 341.

#### Line 134 Other non-GAG grants

Include any remaining non-GAG grants receivable for the September 2015 to August 2016 and September 2016 to August 2017 academic years not included in lines 101 to 133 and 131.

#### Line 135 Other EFA revenue income

Include any remaining EFA revenue grants receivable for the September 2015 to August 2016 and September 2016 to August 2017 academic years not included in lines 101 to 133 and 131.

#### Other revenue income (lines 200 to 250)

**Line 200 local authority revenue income**

Include all revenue income received or receivable from local authorities, but exclude revenue surplus transfers from predecessor local authority maintained schools on conversion.

**Line 201 transfer of revenue surplus from local authority on conversion (excluding pensions and fixed assets)**

Include all revenue surplus received or receivable on conversion from local authorities, ie surpluses received from local authorities on conversion excluding pensions and fixed assets.

**Line 202 voluntary income (transfer from other on conversion)**

Include all revenue donations received on conversion from other sources excluding pensions and fixed assets. For example: donations from dioceses, or other sponsors but not local authorities.

**Line 203 donated assets in year**

Include all funding elements recognised as income that relates to donated assets in-year. Donated assets are assets donated by third parties either by gift of the asset or by way of funds to acquire assets (including national lottery-funded assets).

**Line 204 other voluntary income**

Include all revenue donations and/or voluntary funds that are receivable from private sources during the period. This should include all income from private sources under the control of the trust and available for its purposes. This includes income provided from trust funds to support educational needs at the trust, endowment funds, business sponsorship, income from fund-raising activities, and any contributions from parents that are used to provide educational benefits for students.

**Line 205 other government grant revenue income**

Include all revenue grants receivable from other government sources (ie excluding DfE, other bodies within the DfE family, EFA and local authority) that are not included in the lines above. This should include, but is not limited to, grants receivable from any government funding intended to promote access and opportunity for minority ethnic pupils in support of English as an additional language or as part of a wider focus on raising attainment.

**Line 209 other income (other)**

Include any other revenue income not covered by the above categories, eg insurance claims.

**Transfer in revenue from capital (line 255)**

Include all amounts transferred to be accumulated to fund revenue works. Schools that choose not to use the academy capital maintenance fund as capital under the balance sheet need to transfer it to the revenue income section and treat it as premises maintenance and services within the revenue expenditure section. This line links to line 585 (transfer to revenue from capital) and will be automatically populated.

**Revenue Expenditure (lines 310 to 430)**

**Line 310 staff costs**

Include the full costs of employment for staff employed directly/indirectly by the trust including gross pay, bonuses, overtime, allowances, maternity, sick pay, employer's national insurance and superannuation contributions. It should include actual pension contribution.

**Line 341 risk protection agreement (RPA)**

Include the RPA expense of £25 per pupil.

**Line 378 other non-staff costs**

Include any other revenue expenditure not covered by the above categories, eg costs of all educational and non-educational supplies and services, bank charges and interest.

**Line 410 balance b/fwd from previous period**

Input the closing balance of revenue funds from previous financial year. If the trust submitted an August 2015 accounts return covering the same academies as covered by the budget forecast return, then the amount entered into this cell should agree to the sum of cell G45 "Endowment Funds", cell G51 "Restricted Funds – General Fund(s)", and cell G55 "Unrestricted Funds – General Fund(s)" in the August 2015 accounts return.

**Line 420 less transfers to capital fund**

Include balances from lines 202 and 203 plus any other revenue funds used to purchase capital items, include the full cost of the purchases, not just the depreciation charge. This is a match to line 565 in capital income.

**Line 430 balance c/fwd to next period**

This is an automatic sum of lines 400, 410 and 420.

**2.3.2 Capital**

**DfE capital grants income (lines 501 to 504)**

Include all DfE capital grants funding receivable in the period:

- line 501 devolved formula capital for young people aged 16 at academies – the total amount of respective capital funding grant receivable from EFA
- line 503 EFA other income capital – include other capital income receivable from EFA but not included in the above line
- line 504 other DfE family capital grant – include other capital grants paid directly to the trust by DfE or other DfE-sponsored bodies for new buildings and other major capital projects

**Other capital grants income (lines 560 to 571)**

**Line 560 local authority capital income**

Include any local authority capital funding receivable.

**Line 565 transfer from revenue reserves**

The amount from revenue expenditure applied to capital financing within the trust. This is a match to line 420. No input required.

**Other capital income (lines 570 to 571)**

Include all other capital income broken down into the following categories:

- line 570 non-governmental capital income – include:
  - voluntary, private capital income or other capital funding
  - donations dedicated for use as capital funds: these should include all capital donations from private sources under the control of the trust and available for its purposes
  - all capital donations payable into endowment funds arising under a deed of gift with a sponsor
  - all other capital income such as proceeds from the sale of fixed assets
- line 571 other government grant capital income – include any other government capital grants received, which are not included in the above lines: please specify which government body the grants are from in the comments column

**Transfer to revenue from capital (line 585)**

Include all amounts transferred to be accumulated to fund revenue works. Schools that choose not to use the academy capital maintenance fund as capital under the balance sheet need to transfer it to the revenue income section and treat it as premises maintenance and services within the revenue expenditure section.

**Capital expenditure (lines 603 to 680)**

**Line 603 land and buildings additions**

Include cost of land acquisition including fees and charges related to the acquisition, cost of acquiring existing buildings, including fees and charges related to the acquisition, cost of new construction, including fees, cost of conversions and renovations and cost of extension to existing premises.

**Line 604 land and buildings disposals (net book value)**

Include the value that the land and buildings disposals are carried in the financial statements, ie cost less depreciation.

**Line 605 other fixed assets additions**

Include cost of other fixed assets acquisition. These fixed assets include items like furniture and equipment, computer equipment, motor vehicles, assets under construction, etc.

**Line 606 other fixed assets disposals (net book value)**

Include the value that the fixed assets disposals are carried in the financial statements, ie cost less depreciation.

**Line 607 intangible assets additions**

Include any intangible assets which are non-monetary assets are without physical substance and identifiable. Intangible assets meeting the relevant recognition criteria are initially measured at cost, subsequently measured at cost or using the evaluation model, and amortised on systematic basis over their useful lives.

**Line 608 intangible assets disposals (net book value)**

Include the value that the intangible assets disposals are carried in the financial statements, ie cost less depreciation.

**Line 670 balance b/fwd from previous period**

Input the closing balance of capital funds from previous financial year. If the trust submitted an August 2015 accounts return covering the same academies as covered by the budget forecast return, then the amount entered in this cell should agree to cell G47 "Restricted Funds – Fixed Asset Fund(s)" less cells E98 "Total Tangible Fixed Assets c/fwd" and E158 "Total Intangible Fixed Assets c/fwd" in the August 2015 accounts return.

**Line 680 balance c/fwd to next period**

No input required.

**2.3.3 Other items**

**Other items (lines 700 to 792)**

Normal asset and liability sign convention should be followed: net assets as positive numbers and net liabilities as negative numbers.

Cash as at (lines 700 to 701) – include cash information broken down into the following categories:

- line 700 cash at bank and in hand – include all bank balances and cash balances, please specify the liquid cash balance
- line 701 overdrafts – include any bank or other overdrafts

**Line 720 gain/loss on disposal of fixed assets**

Deduct the carrying amount of the asset and related selling expenses from the proceeds of the disposal.

**Depreciation (lines 750 to 770)**

Include all depreciation charges broken down into the following categories:

- line 750 buildings - include deprecation charges for buildings only, excluding depreciation relating



to donated or other buildings during the year

- line 751 other assets donated – include depreciation charges for donated assets
- line 752 other assets owned – include depreciation charges for other assets, excluding buildings or donated assets

#### **Investments (lines 771 to 772)**

Include all investments broken down into the following categories:

- line 771 new investments - include all new investments
- line 772 investment liquidations – include cash or cash equivalents received as a result of investment liquidations

#### **Provisions excluding pension liabilities (lines 780 to 784)**

Include all provisions (excluding pension liabilities) broken down into the following categories:

- line 780 opening provision – include closing provision balance from previous financial year: no other input required
- line 781 provisions creation / increase – include any new provision (which is a known liability but the timing and amount of payment are uncertain) that have been created or increased in the year – an example of this would be an announcement of a future severance scheme
- line 782 provisions release – include any reductions to the value of the provisions in the year: no other input required
- line 783 provisions in year utilisation – include any payments made out against the provisions in the year: no other input required

Amounts entered in the provision section, lines 780 to 781, must be entered as negative values. Lines 782 to 783 must be entered as positive values. If an amount is entered in provisions, then an explanation in the comments box is required.

#### **Loans as at (lines 790 to 792)**

Include information on loans broken down into the following categories:

- line 790 opening outstanding loans – include the value of any closing loans balance outstanding from previous financial year: please specify in the comments box to whom the loans relate, the amounts specific to each, whether transferred on conversion, reason for loan and duration of loan
- line 791 increase / decrease in outstanding loans – include the value of any increase or decrease in outstanding loans: please specify in the comments box to whom the loans relate, the amounts specific to each, whether transferred on conversion, reason for loan and duration of loan

#### **2.3.4 Reserves per academy (MAT only)**

This section is to be completed by MATs by separately reporting revenue reserves information for each academy included within the return. Do not include endowments, pensions and capital reserves.

MATs will be required to provide an explanation if any of their academies are carrying a negative reserve balance along with the plan of action to bring the deficit fund to surplus. You can collect this

information in the comments section of the worksheet and copy it across onto the online form.

### Line 1000 centrally held reserves (MATs only)

New line to identify centrally held reserves.

## Queries

If you have specific queries about completing the return please contact us using the enquiry form below.

### EFA enquiries

Contact form

[https://form.education.gov.uk/fform.php?](https://form.education.gov.uk/fform.php?self=1&form_id=HR41uA2F8Dh&type=form&ShowMsg=1&form_name=Knowledge+centre+enquiry+form&noRegister=false&ret=%2Fmodule%2Fservices&noLoginPrompt=1)

[self=1&form\\_id=HR41uA2F8Dh&type=form&ShowMsg=1&form\\_name=Knowledge+centre+enquiry+form&noRegister=false&ret=%2Fmodule%2Fservices&noLoginPrompt=1](https://form.education.gov.uk/fform.php?self=1&form_id=HR41uA2F8Dh&type=form&ShowMsg=1&form_name=Knowledge+centre+enquiry+form&noRegister=false&ret=%2Fmodule%2Fservices&noLoginPrompt=1)

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