



Education  
Funding  
Agency

# **Academy trust budget forecast return 2017 to 2018**

**Guide to using the workbook**

**June 2017**

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## Part 1. Introduction

The Department for Education (DfE) is required to provide HM Treasury with estimates of academy spending and also provide data to underpin the chancellor's autumn statement. Academy trusts must submit a budget forecast return (BFR) to the Education & Skills Funding Agency (ESFA) by **28 July 2017**.

This guide explains how to use the Excel spreadsheet designed for use as a preparation 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 BFR for 2017 to 2018. The actual BFR must be submitted via an **online form** that is published on gov.uk.

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

### 1.1 Scope

#### Organisations included within the exercise

Throughout this document and the associated 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 open academy trusts are required to complete the 2017 to 2018 BFR, and will need to complete the return on an accruals and prepayments basis.

Please note where

- academies have not been part of the trust or
- the trust has not been open

for the full period, you should only include information for the relevant time frame. Further details are in section 1.5 and 1.6.

### 1.2 The online form

ESFA has published the online form and related guidance on GOV.UK website. We are providing a workbook to help trusts gather the information should they choose to use it. Trusts can then use the figures from the workbook to populate the new online form. The workbook is not mandatory but trusts may find it helpful.

**Trusts should note that they are able to pre-populate the online form with the 2016 to 2017 data that they submitted to ESFA on their Budget Forecast Return: Outturn in May 2017.** Further details on how to do this are contained within the guide for the online form itself. Trusts should note that the workbook does not contain this functionality.

### 1.3 Using the Excel workbook

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 copy 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 to be completed at trust level:

1. **revenue** – covers most of the grants and income that the trust has received or generated that is not for the purpose of capital programmes. In addition, it covers all expenditure by the trust 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. The value of your land and buildings is not required in this form.
3. **other items** – covers a number of items that would normally appear on the balance sheet such as cash, depreciation, provisions, investments, loans, the value of transferring capital assets and the 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 of 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 **and any central/head office budgets**. Therefore, MATs will need to add up the forecast values of each of their individual academies and their central services against each line of the workbook.

If a new academy joins the MAT the deadline for a stand alone BFR for the transferring academy is within six weeks after receiving the final funding letter. If such a transfer occurs prior to the submission date then trusts will need to submit a BFR by 28 July 2017 for the trust, followed by a separate BFR for the transferring academy in line with the six week deadline. However, the ESFA will update the trust records with the transferring academy to provide trusts with the option, if they are in a position to do so, to submit a single BFR for the whole trust by 28 July 2017.

If a new academy joins the MAT on or after the submission deadline of 28 July 2017 then a separate return is due for that new academy.

## 1.6 Deadline for submission of online BFR

All academy trusts open as at 1 May 2017 must submit a completed online BFR to ESFA by **28 July 2017**.

For those trusts that opened after 1 May 2017 the deadline is either 6 weeks after receiving their final funding letter or 28 July 2017, whichever is the later.

## Part 2. Budget forecast return 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 copy your forecast figures to the online form once it is available on GOV.UK.

### 2.2 Sign convention

The BFR sign convention follows the normal financial statements sign convention; both income and expenditure are entered as positive figures with the exception of negative figures stated in the BFR workbook guide 2.3.

### 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 ESFA funding streams for September 2016 to August 2018.

For the September 2016 to August 2017 academic year:

- input the September 2016 to March 2017 actuals in the first column; this input is not required for academies opening on or after 1 April 2017
- the April 2017 to August 2017 actuals will automatically be populated and no input is required
- input the year-end actuals

For the September 2017 to August 2018 academic year:

- input the September 2017 to March 2018 forecast
- the April 2018 to August 2018 forecast outturn will automatically be populated and no input is required
- input the year-end forecast outturn

- **Lines 101 to 199 (column C)** – include ESFA revenue grants received or receivable for the September 2016 to August 2017 academic year, and where applicable for the September 2017 to August 2018 academic year, including any post-16 allocations. Please note that you will need to gross up the GAG line to reflect the grant expected before any deduction for RPA (Risk protection agreement) is made.
- **Line 108 Pupil Premium & Service Premium** – do not include any looked after children pupil premium allocations as this is funding provided by local authorities and should be included within line 200.
- **Line 135 Other DfE/ESFA grants** – include any remaining non-GAG grants receivable for the September 2016 to August 2017 and September 2017 to August 2018 academic years not included in lines 101 to 138.

### 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 205 other government grant revenue income** – include all revenue grants receivable from other government sources (ie excluding DfE, other bodies within the DfE family, ESFA 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 210 grants from non-government bodies** – include all revenue grants received from non-government sources.
- **Line 211 income from trading activities** – include all revenue received from trading activities such as hall hire, catering, rental income, and insurance claims.
- **Line 212 revenue surplus transfer of an existing academy into the trust** - include all revenue surplus received or receivable following the transfer of an existing academy, i.e. surpluses received from another academy trust as a result of the transfer **excluding** pensions and fixed assets.
- **Line 215 revenue surplus transfer to academy on conversion** – include all revenue surplus received or receivable on conversion from local authorities, i.e. surpluses received from local authorities on conversion **excluding** pensions and fixed assets.
- **Line 220 other income (other)** - include any other revenue income not covered by the above categories e.g. donations, business sponsorship, parental contributions, investment income etc.

## Transfers between Revenue from Capital (line 255)

Trusts should calculate a net transfer between revenue and capital. Transfers from revenue to capital will include the planned use of reserves, or revenue income, on capital items. Transfer from capital to revenue may include the use of grants on premises maintenance items, where this is specifically allowed. This line links to line 585 (transfers between revenue from capital) and will be automatically populated.

## Proportion of revenue income that will come from a public body (line 299)

Trusts are required to estimate the proportion of their total revenue income (line 298) that has been provided by a public body. This will include the ESFA, other government departments, local authorities and other academies. This figure is required to be a **percentage** and as most trust income comes from public bodies it should be a large percentage.

## Revenue Expenditure (lines 310 to 430)

- **Line 310 wages and salaries** – include the full costs of employment for staff employed directly/indirectly by the trust including gross pay, bonuses, overtime, allowances, maternity and sick pay. Also include supply costs where they are paid through the trust payroll, i.e. directly to the individual, not to an agency.
- **Line 311 social security costs** - include the employer's national insurance and any costs of the apprenticeship levy.
- **Line 320 pension cost: teaching staff** – include the superannuation contributions relating to teaching staff, i.e. staff members in the teachers pension scheme including those on the leadership pay scale. It should include actual pension contribution.
- **Line 325 pension cost: non-teaching staff** – include the superannuation contributions relating to non-teaching staff, i.e. staff members in the local government pension scheme. It should include actual pension contributions and any payments to address the deficit on the LGPS fund, but not include any change in the value of the deficit calculated under FRS102.
- **Line 330 – other staff costs** – include any indirect staffing costs such as training and development, staff travel, childcare vouchers and DBS checks.
- **Line 378 non-staff costs** – include any other revenue expenditure not covered by the above categories e.g. costs of all educational and non-educational supplies and services, staff supply costs paid to agencies, RPA contributions, revenue impact of an academy transferring out of the trust, bank charges and interest, in year loan payments such as Salix loans etc.



- **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 2016 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 “Endowment Fund”, “Restricted Income Fund”, and “Unrestricted Fund” in the Balance Sheet Summary of the August 2016 accounts return.
- **Line 430 balance c/fwd to next period** – this is an automatic sum of lines 400 and 410.

## 2.3.2 Capital

The capital section of the form is designed to capture the various types of capital funding received by a trust and what they are spent on. It is not intended to replicate a trust balance sheet.

### DfE capital grants income (lines 510 to 540)

Include all DfE capital grants funding receivable in the period.

- **Line 510 ESFA devolved formula capital** – the total amount of respective capital funding grant receivable from ESFA.
- **Line 520 value of any capital donation of an asset from the ESFA for PSPB/Free Schools Programme** – include the value of any asset that has been transferred, or due to be transferred from the ESFA to the trust where the ESFA has procured the capital works centrally under the Priority Schools Building Programme (PSBP) or Free Schools Programme.
- **Line 530 other income – Capital** – include the amount of any capital grants received from the ESFA that is not included in lines 510 or 520, for example CIF/SCA funding.
- **Line 540 other DfE family capital grant** - include other capital grants paid directly to the trust by the 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.
- **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
- **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.
- **Disposal proceeds (lines 581-583)** – include the cash value of proceeds from the disposal of assets in the following categories:
  - **Line 581 land and buildings**
  - **Line 582 other fixed assets**
  - **Line 583 intangible fixed assets**

### **Transfer to Revenue from Capital (line 585)**

Trusts should calculate a net transfer between revenue and capital. Transfers from revenue to capital will include the planned use of reserves, or revenue income, on capital items. Transfer from capital to revenue may include the use of grants on premises maintenance items, where this is specifically allowed. This line links to line 255 (transfers between revenue from capital), which will automatically be populated from the entry on this row.

### **Capital Expenditure (lines 601 to 680)**

- land and buildings additions (lines 601-620) – 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. This needs to be broken down into the following categories:
  - Line 601 funded by ESFA grants
  - Line 605 donated to the trust by the ESFA include the value of any asset that has been transferred, or due to be transferred from the ESFA to the trust where the ESFA has procured the capital works centrally under the Priority Schools Building Programme (PSBP) or Free Schools Programme
  - Line 615 funded by other capital grants
  - Line 620 funded by reserves – including other revenue sources
- Line 630 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.

- other fixed assets additions (lines 636-638) – include cost of other fixed assets acquisition. These fixed assets include items like furniture and equipment, computer equipment, motor vehicles, assets under construction, etc. This needs to be broken down into the following categories:
  - Line 636 funded by ESFA grants
  - Line 637 funded by other capital grants
  - Line 638 funded by reserves – including other revenue sources
- **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 2016 accounts return covering the same academies as covered by the budget forecast return, then the amount entered in this cell should agree to the “Fixed Asset Fund” less “Tangible assets” and “Intangible assets” in the Balance Sheet summary of the August 2016 accounts return.
- **Line 680 balance c/fwd to next period** – no input required.

### 2.3.3 Other Items

#### Other Items (lines 700 to 789)

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 710 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 and Amortisation (lines 715 to 717)** – include all depreciation and amortisation charges broken down into the following categories:

- **Line 715 buildings** – include depreciation charges for buildings only, excluding depreciation relating to donated or other buildings during the year.
- **Line 716 other assets donated** – include depreciation charges for donated assets.
- **Line 717 other assets owned** – include depreciation charges for other assets, excluding buildings or donated assets.

Trusts should note that only the depreciation values are required, there is no requirement to disclose the value of assets, including buildings.

**Investments (lines 725 to 730)** – include all investments broken down into the following categories:

- **Line 725 investments** – include all investments.
- **Line 730 investment liquidations** – include cash or cash equivalents received as a result of investment liquidations.

**Provisions excluding pension liabilities (lines 735 to 739)** – provisions are created where the trust has a known event in the future that will create a liability for the trust, but does not have certainty of the data or the actual value. An example of this would be an announcement of a future severance scheme. This section should include all provisions (excluding pension liabilities) broken down into the following categories:

- **Line 735 opening provision** – include closing provision balance from previous financial year. No other input required.
- **Line 736 provisions creation / increase** – include any new provisions that have been created or increased in the year;
- **Line 737 provisions release** – include any reductions to the value of the provisions in the year. No other input required.
- **Line 738 provisions in year utilisation** – include any payments made out against the provisions in the year. No other input required.

**Note** – amounts entered in the provisions section (lines 735 to 736) must be entered as **positive** values. Lines 737 to 738 must be entered as **negative** values. If an amount is entered in provisions, then an explanation in the comments box is required.

**Loans as at (lines 780 to 789)** – include information on loans broken down into the following categories:

- **Line 780 opening outstanding loans** – include the value of any closing loans balance outstanding from previous financial year.
- **Line 785 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.

**Capital transfers and conversions (lines 572, 573 and 639)**

- **Line 572 capital assets transferred to academy on conversion** – include the value of capital assets and liabilities received or receivable on conversion from local authorities on conversion
- **Line 573 capital assets transferred of an existing academy into the trust** - – include the value of capital assets and liabilities received or receivable following the transfer of an existing academy from another academy trust

- **Line 639 capital assets transferred of an existing academy out of the trust** - – include the value of capital assets and liabilities paid or payable following the transfer of an existing academy to another academy trust. The value of any amount paid or payable should be entered as a negative value.

## Creditors and Debtors

Trusts that submitted a BFRO return in May 2017 may recall that creditor and debtor values as at 31 March were required as part of that submission. There is no requirement to update this data as part of the BFR process, so these tables are excluded from this return.

### 2.3.4 Reserves per academy (MAT only)

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

MATs will be required to provide an explanation if any of its 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. The worksheet is set up to show a limited number of lines to enter academy data. Trusts can see further lines, if required, by clicking on the plus sign in the margin next to row number 321.

**Line 1000 centrally held reserves (MATs only)** – should be used to identify centrally held reserves.

## Queries

If you have specific policy queries about completing the return please contact the ESFA using the [enquiry form](#).



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