

A4. Revenue Budget

Preamble

The school's revenue budget, prepared in conjunction with both the school development and asset management plans, provides details of how the schools delegated budget and other devolved resources and any transfers to/from balances from previous years¹ are to be spent. The revenue budget shows an analysis of the annual income and expenditure thereby reflecting financial implications of the school's policies and provides a framework within which those who are responsible at the school for making payments should operate. It also provides the CFO and the FBP CEF with the information they need to carry out their respective statutory responsibilities. These Financial Regulations seek to provide a framework for the preparation and notification of the revenue budget.

See also:

Keeping Your Balance Financial Planning

Keeping Your Balance Standards Questionnaire Section B

Getting the Best from Your Budget – B1 & B3

Regulations

- 4.1. Upon notification by the local authority of the Individual Schools Budget (ISB) the Headteacher shall prepare a revenue budget at outturn prices for the relevant years. Planning for the use of resources should support the achievement not only school's objectives but also those relating to national and local priorities.

See also:

Getting the Best from Your Budget

- 4.2. The school's revenue budget shall be prepared using the format prescribed by the local authority and the Revenue Budget shall be notified to the FBP CEF no later than the specified date in May in the financial year to which the revenue budget relates. Provisional budget plans may be requested prior to this date, again in a form prescribed by the FBP CEF.
- 4.3. It is a matter for each Governing Body to decide upon the procedure for preparing and agreeing the annual revenue budget, but it should be prepared in conjunction with the school's development/improvement and

¹ The annual budget plan will include projected financial commitments for the two subsequent years.

asset management plans. The local authority will provide support to this process through advice and information.

- 4.4. Each annual revenue budget should be prepared so as to break even or show a balance and should take account of any reserves (previous year balances). Schools are not permitted to budget for a deficit. However, where this appears to be unavoidable the Governing Body shall submit its case (prior to the submission of the governor approved budget) to the FBP CEF, who shall determine the matter in consultation with Director for Children Services.
- 4.5. The revenue budget must be realistic and achievable. In this respect the Education Finance Service in conjunction with appropriate colleagues within Children, Education & Families will check to see that this is so. Where the revenue budget as submitted does not meet this requirement, it will be returned to the school within the local authority's budget approval process timeframe together with a preliminary statement of discrepancies. The Governing Body will be required to reconsider the budget and resubmit within a specified timeframe².
- 4.6. Any balances set aside in the revenue budget should have regard to the school's development and asset management plans and any specific balances guidance issued by the local authority³.
- 4.7. As soon as any significant changes to the revenue budget have been agreed by the school's Governing Body, those changes must notify the FBP CEF, giving details of costings.

See also:

Section A5 - Revision of the Revenue Budget.

- 4.8. The CFO and the FBP CEF shall provide financial advice to assist Governing Bodies in fulfilling their responsibilities. Governing Bodies will supply the CFO and the FBP CEF with such information as is required to fulfil their statutory duties and responsibilities.

² Timeframe will be limited and Governors responsible for reconvening budget approval meeting

³ And DfE where appropriate