Appendix B(iii)

Protocol for Schools Planning and Managing a Deficit Budget

Annex B Process Flowchart



Deficit Budget Process Flowchart October School considers number on roll and likely impact on following year's budget School contacts School Funding Policy Officer if number on roll significantly lower than expected **February** School receives Budget Share from the local authority School contacts School Funding Policy Officer at earliest opportunity if likely to need to set a deficit budget (including reserves brought forward). Notification must be made by the end of March at the very latest. School provides the local authority with estimated pupil numbers as at October for each of the following 2 years Local authority provides the school with estimated budget shares for each of the following 2 years. These budget share estimates must be used in the school's Deficit Recovery Plan School provides the School Funding Policy Officer with a proposed Deficit Recovery Plan for agreement with the local authority. The required format is shown at Annex B. Local authority checks and validates the Deficit Recovery Plan. Schools may be requested to provide more details if necessary Local authority agrees the Deficit Recovery Plan and a licensed deficit approval is granted. Governors formally minute (i) their approval of their annual Budget By 30 June Plan, (ii) their agreement with the Deficit Recovery Plan and (iii) their acceptance of the requirements of the licensed deficit approval letter. A copy of the minute to be sent to the School Funding Policy Officer. Local authority monitoring of the Deficit Recovery Plan with the school and progress reported to Schools Forum until the point where the

deficit is fully recovered.