

Local Governing Body Meeting 24th November 2014 - Budget Update

Introduction

This budget briefing note outlines the schools current budget profile against the cash flow forecast for the period 2014 – 2015 school year.

This note has been developed to aid monitoring of the budgets and to highlight any predicted overspends or budget issues that may occur which the Local Governing Body should be aware of.

Background

The period covered by this note is the 1st September 2014 to the 20th November 2014.

This report will be presented to the Finance sub-committee in future and then in turn after review by the subcommittee, to Local Governing Body by the Finance Committee Lead.

Manchester Creative Studio budgets were formally agreed by the pre-opening Board of Directors on the 20th August 2014.

Budget Reforecast

Manchester Creative Studio has claimed funding for currently 87 students, which has been apportioned as part of Education Funding Agency's General Annual Grant to the school.

Based on the above 87 students the school has been allocated £802,776 for the period of 1st September 2014 to 31st August 2015 for school delivery and operations.

Due to delays in receiving the building from ISG the current number of students as provided in the October 2014 Department for Education census stands at 58.

This reduction in students will mean that the total funding that the school will actually be entitled to will be £649,917.

This reduction of 29 students, will result in, a claw back request from the EFA revenue team in the 2015 to 2016 school year.

The claw back is predicted to be in the region of £163,985 based on estimates developed utilising the EFA funding tools.



With this knowledge budgets have been re-forecasted to the new level to allow for any requested EFA Claw back amount to be paid in full.

It is predicted that there will be a positive balance at the end of the year of £11126

Budget forecast vs actual.

Currently the budgets for the school are well within the budget parameters set.

It should be noted the some of the forecasted figures are best guest estimates based on historical knowledge and research into potential costs

This most prevalent in the area of costs apportioned to the management of the premise.

A true understanding of premises cost will only be established after 1 year of full operation of the school premises(electric and gas) Contingency has been built into the budget for any potential overspend.

Overspend in agreed budgets

Currently there has been one area of overspend. This is within the Uniform budget for the amount of £788.

This overspend was based on a decision to purchase Polo shirts for students to promote a smarter dress.

This money will be absorbed as part of the contingency pot of monies set aside following the reforecasting exercise.



Manchester Creative Studio Full Budget for 2014/2015

Projected Income		Forecast
		£892,446
		£892,446
Staffing Expenditure		£391,688
Premises Expenditure		£59,585
Education Resources Expenditure		£31,500
Outsourced Services Expenditure		£236,118
Other Expenditure		£9,570
		£728,461
Projected end of Year Balance		£163,985
Projected ERA Income on students numbers (58)		£649,917
Other income PP, Catering etc		£89,670
Total Income		£739,587
End of Year Reforecast		£11,126

Manchester Creative Studio - Current Budget tracker

Income	Forecast - Income	Budget Prediction	Reason for Variation
EFA	£802,776	On target	Nil
Pupil Premium	£26,180	On target	Nil
Business Rates	£2,405	On target	Nil
Interest	£0	On target	Nil
Insurance	£0	On target	Nil
School Meals	£3,300	On target	Nil
SEN Funding	£16,936	On target	Nil
VAT Reclaim	£37,738	On target	Nil
Opening Balance 31st August	£3,111	On target	Nil
Capital Carry Over	£0	On target	Nil
Total Income	£892,446		
Staffing Expenditure	Forecast - Expenditure	Budget Prediction	Reason for Variation
Total Staff Payroll Costs	£382,888	On target	Nil
Supply Costs	£0	On target	Nil
Employee Expenses	£1,000	On target	Nil
Development & Training	£2,000	On target	Nil
Governance Training	£800	On target	Nil
In House Employer Modules	£5,000	On target	Nil
Total Staffing Cost	£391,688		
Premises Expenditure	Forecast - Expenditure	Budget Prediction	Reason for Variation
Building maintenance & improvement	£0	On target	Nil
Grounds maintenance & improvement	£30,000	On target	Nil
Water & sewerage	£5,000	On target	Nil
Energy (Gas and Eclectic)	£12,000	On target	Nil
Business Rates (Manchester Council)	£2,405	On target	Funded by EFA
Insurance (Procured from EFA December 2014 taken from GAG)	£2,180	On target	
Utilities (Telephone and internet)	£3,000	On target	Nil
Induction costs (Building Delay)	£5,000	On target	Nil
Total Premises Cost	£59,585		

Educational Resources Expenditure	Forecast - Expenditure	Budget Prediction	Reason for Variation
Learning Resources (not ICT)	£10,000	On target	Nil
ICT Learning Resources	£0	On target	Nil
Exam Fees	£0	On target	Nil
Administrative Supplies	£6,250	On target	Nil
Studio School Trust Membership	£6,000	On target	Nil
ICT Licences	£1,250	On target	Nil
Contingency	£1,000	On target	Nil
Work Placement Costs	£0	On target	Nil
Uniform	£2,000	Overspend	Polo Shirts Ordered (£788)
Portfolio's	£5,000	On target	Nil
Total Educational Resource Expenditure	£31,500		
Outsourced Services Expenditure	Forecast - Expenditure	Budget Prediction	Reason for Variation
Total Outsourced Expenditure	£236,118	On target	Nil
Other Expenditure (Related to School Operations)	Forecast - Expenditure	Budget Prediction	Reason for Variation
Adjustment for 10 Year 13 entries	£1,570	On target	Nil
Art Secondment	£8,000	On target	Nil
EFA VAT Repayments	£0	On target	Nil
Spend Carried forward	£0	On target	Nil
Total Other Expenditure	£9,570		