**Budget Forecast Return 2019-20 – Narrative**

The budget forecast return is required to be completed for the ESFA each year. It normally includes forecasts for year 2 and year 3 going forwards. This year the requirement for future years forecasts has been suspended and the deadline for the return has been pushed to 31st Sept 2020 due to Covid.

The budget forecast return is an online form which must be submitted after Governors have agreed the return. A downloaded copy of the return is included in the meeting document pack for your review.

It is broken down as an accounting return not a cost centre return which is what we use for operational reporting throughout the year. This means that the information and categories may not be as familiar as the other reports that come out. They are very similar to the annual accounts and I have given a brief summary of what information the sections cover below:

* After the initial details, the first section covers the expected impact of covid on the 2019-20 and 2020-21 finances.
* The following section covers the income and expenditure from 2018-19 which was taken from previous returns and the accounts for that year. This sets the base for how 2019-20 started financially.
* The next two and a half pages detail the Revenue income and expenditure breakdown for 2019-20 and 2020-21.
  + These are sectioned into Sept-Mar, Apr-Aug, and total to break down the financial and academic year ends.
* The deficit mentioned at the bottom of this section refers to in-year only and not overall. Unfortunately, the form does not differentiate so an explanation was necessary.
* The next two and a half pages cover the Capital income and expenditure for the same period and final cash position at each point.
* The next two pages are dealing with the accounting adjustments and depreciation which the auditors put through each year as part of our accounts.
  + The loans referred to in this section relate to the SALIX loans taken out on previous CIF projects which are repaid over 8 years.
* The last section covers pupil numbers and final reserve position for the trust.

I have worked with the accountants to ensure the information being provided is as accurate as it can be and gives a fair reflection of our financial position.