

<b>SCHOOLS FORUM</b>
<b>Meeting date: 16<sup>th</sup> January 2019</b>
<b>From: Daniel Barton Assistant Director – Education &amp; Skills</b>

## **SCHOOLS DE-DELEGATED CONTINGENCY BUDGET – BUDGET POSITION QUARTER 2 2018-19**

### **1.0 EXECUTIVE SUMMARY**

*This report presents the forecast outturn position on the de-delegated contingency budget for the 2018-19 financial year as at 30<sup>th</sup> September 2018 (quarter 2). The budget is currently projected to underspend by £0.361m.*

*In accordance with the Dedicated Schools Grant conditions, the projected underspend on the de-delegated contingencies budget at 31<sup>st</sup> March 2019 will be carried forward into the Dedicated Schools Grant earmarked reserve.*

### **2.0 STRATEGIC PLANNING AND EQUALITY IMPLICATIONS**

*2.1 Ensuring that Cumbrian schools are funded appropriately is supportive of the Council Plan outcome that ‘People in Cumbria are healthy and safe’.*

### **3.0 RECOMMENDATION**

*3.1 The Schools Forum is asked to note the 2018-19 forecast outturn position for the contingency budget.*

### **4.0 BACKGROUND**

4.1 The de-delegated contingency budget for 2018-19 is £0.666m.

4.2 The DfE guidance states that the contingency budget can be used for three purposes:

- Circumstances which were unforeseen when the school's budget share was initially determined.

- Schools in financial difficulties
- Additional costs relating to new, reorganised or closing schools

4.3 In line with the School and Early Years Finance Regulations, the budget is a de-delegated budget and therefore only relates to maintained schools and not academies.

4.4 Appendix 1 presents the forecast outturn position for 2018-19 as at 30<sup>th</sup> September 2018.

4.5 The forecast position is broken down into the three purposes for which the budget can be used as shown in the table below. Each area is described in more detail below.

<b>Purpose</b>	<b>Forecast Outturn (Q2)</b>
Circumstances which were unforeseen when the school's budget share was initially determined.	£0.288m
Additional Costs relating to New, Closing or Amalgamated Schools	£0.017m
<b>Total</b>	<b>£0.305m</b>
<b>Budget</b>	<b>£0.666m</b>
<b>Forecast Underspend</b>	<b>£0.361m</b>

**Circumstances which were unforeseen when the school's budget share was initially determined.**

4.6 As per previous years, the main areas of expenditure here are ill health retirements (£0.126m), settlement agreements in schools in line with the agreed policy (£0.134m), administration costs of the Teachers Annual Return (£0.020m) and additional staff costs relating to staff absence for a school in financial difficulty (£0.008m).

**Additional Costs relating to New, Closing or Amalgamated Schools**

4.7 The two areas of expenditure here are the final teaching and learning responsibility (TLR) payments (£0.007m) relating closed schools Southfield and Stainburn which have now ended and estimated costs relating to the closure of the old Mayfield School site (£0.010m).

4.8 As previously reported at Q1 we are aware that Dean CE School has received an academy order to become a sponsored academy. In line with DfE guidance where a school with a deficit is to open as a sponsored academy the deficit remains with the LA and in accordance with policy the deficit can be funded from a de-delegated contingency provision. The deficit is currently projected to be (£0.064m) with a provisional conversion date of 1<sup>st</sup> February 2019, this is not included in the projected expenditure above.

**Commented [CAJ1]:** Typo - amended from £0.64m

## 5.0 OPTIONS

- 5.1 The Schools Forum is asked to note the forecast outturn position on the contingencies budget for 2018-19.

## 6.0 RESOURCE AND VALUE FOR MONEY IMPLICATIONS

- 6.1 Resource and value for money implications are considered throughout this report.
- 6.2 Any under or overspend on the de-delegated contingency budget at the financial year end will be transferred into the DSG earmarked central reserve, as required by the School and Early Years Finance Regulations. As at 31<sup>st</sup> March 2018, the DSG earmarked central reserve had a deficit balance of £3.553m.

## 7.0 CONCLUSION

- 7.1 This paper presents the 2018-19 forecast outturn position on the de-delegated contingencies budget, which the Schools Forum is asked to note.

**Amanda Chew**  
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*4<sup>th</sup> January 2019*

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### **Accompanying Documents:**

*Appendix 1 – Schools Contingency Budget Forecast Outturn (Quarter 2) 2018-19*

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