

SCHOOLS FORUM

Meeting date: 17th January 2020

**From: Daniel Barton
Assistant Director – Education & Skills**

SCHOOLS DE-DELEGATED CONTINGENCY BUDGET – BUDGET POSITION QUARTER 2 2019-20

1.0 EXECUTIVE SUMMARY

- 1.1 *This report presents the forecast outturn position on the de-delegated contingency budget for the 2019-20 financial year as at 30th September 2019 (quarter 2). The budget is currently projected to underspend by £0.462m.*
- 1.2 *In accordance with the Dedicated Schools Grant conditions, the projected underspend on the de-delegated contingencies budget at 31st March 2020 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 2019-20 forecast outturn position for the contingency budget.*

4.0 BACKGROUND

- 4.1 The de-delegated contingency budget for 2019-20 is £0.686m. This comprises of £0.666m baseline budget and £0.020m relating to maintained school excess surplus balances carried forward from 2018-19 as agreed by Schools Forum at its meeting of 16th October 2018.
- 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 2019-20 as at 30th September 2019.

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.

Purpose	Forecast Outturn (Q1)
Circumstances which were unforeseen when the school's budget share was initially determined.	£0.181m
Additional Costs relating to New, Closing or Amalgamated Schools	£0.042m
Total Expenditure	£0.223m
Budget	£0.686m
Forecast Underspend	£0.462m

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 £0.026m settlement agreements in schools in line with the agreed policy £0.134m and the administration costs of the Teachers Annual Return £0.020m.

Additional Costs relating to New, Closing or Amalgamated Schools

4.7 The £0.042m relates the projected net deficit for two schools that have received academy orders to become sponsored academies. Caldew Lea Primary School converted on 1st October and Hensingham Primary School on 1st November. 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.

5.0 OPTIONS

5.1 The Schools Forum is asked to note the forecast outturn position on the contingencies budget for 2019-20.

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 31st March 2019, the DSG earmarked central reserve had a deficit balance of £3.841m.

7.0 CONCLUSION

- 7.1 This paper presents the 2019-20 forecast outturn position on the de-delegated contingencies budget, which the Schools Forum is asked to note.

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10th January 2020

Accompanying Documents:

Appendix 1 – Schools Contingency Budget Forecast Outturn (Quarter 2) 2019-20

REPORT AUTHOR

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