

# **SCHOOLS FORUM**

**Meeting date: 21<sup>st</sup> October 2020**

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

## **SCHOOLS DE-DELEGATED CONTINGENCY BUDGET – BUDGET MONITORING Q1 2019-20**

### **1.0 EXECUTIVE SUMMARY**

- 1.1 *This report presents the forecast outturn position on the de-delegated contingency budget for the 2020-21 financial year as at 30<sup>th</sup> June 2020. The budget is currently projected to overspend by £0.273m.*
- 1.2 *In accordance with the Dedicated Schools Grant conditions, the overspend on the de-delegated contingencies budget at 31<sup>st</sup> March 2021 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 2020-21 forecast outturn position for the contingency budget.*

### **4.0 BACKGROUND**

- 4.1 The de-delegated contingency budget for 2020-21 is £0.678m. This comprises of £0.666m baseline budget and £0.012m relating to maintained school excess surplus balances carried forward from 2019-20 as agreed by Schools Forum at its meeting of 29<sup>th</sup> October 2019.
- 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 2020-21 as at 30<sup>th</sup> June 2020.

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.

<b>Purpose</b>	<b>Forecast Outturn (Q1)</b>
Circumstances which were unforeseen when the school's budget share was initially determined.	£0.367m
Additional Costs relating to New, Closing or Amalgamated Schools	£0.583m
<b>Total Expenditure</b>	<b>£0.950m</b>
Budget	£0.678m
<b>Overspend</b>	<b>£0.273m</b>

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

4.6 The main areas of expenditure here are ill health retirements £0.281m and settlement agreements in schools £0.039m in line with the agreed policy. The remaining costs relate to the administration of the Teachers Annual Return £0.021m and other miscellaneous costs including school rates bill adjustments and temporary accommodation at the Gillford Centre PRU £0.026m.

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

4.7 Caldew Lea and Hensingham primary schools received academy orders to become sponsored academies during 2019-20. The final accounts for these academies are now agreed and has resulted in an additional £0.049m chargeable to the contingency fund. Two schools closed on 31st August 2020 (Bram Longstaffe Nursery School and Newtown Primary School which become a sponsored academy). The combined deficit for these two schools is estimated to be £0.534m.

## **5.0 OPTIONS**

5.1 The Schools Forum is asked to note the forecast outturn position on the contingencies budget for 2020-21.

## **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 is transferred into the DSG earmarked central reserve, as required by the School and Early Years Finance Regulations. As at 31<sup>st</sup> March 2020, the DSG earmarked central reserve had a deficit balance of £6.991m.

## **7.0 CONCLUSION**

- 7.1 This paper presents the 2020-21 forecast outturn position on the de-delegated contingencies budget, which the Schools Forum is asked to note.

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*14<sup>th</sup> October 2020*

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### **Accompanying Documents:**

*Appendix 1 – Schools Contingency Budget Forecast Outturn Q1 2020-21*

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