

SCHOOLS FORUM

Meeting date: 13th January 2021

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

SCHOOLS DE-DELEGATED CONTINGENCY BUDGET – BUDGET MONITORING Q1 2020-21

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 30th September 2020. The budget is currently projected to overspend by £0.459m.*
- 1.2 *In accordance with the Dedicated Schools Grant conditions, the overspend on the de-delegated contingencies budget at 31st 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 29th 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 30th September 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.

Purpose	Forecast Outturn (Q2)
Circumstances which were unforeseen when the school's budget share was initially determined.	£0.500m
Additional Costs relating to New, Closing or Amalgamated Schools	£0.637m
Total Projected Expenditure	£1.137m
Budget	£0.678m
Overspend	£0.459m

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 £0.388m and settlement agreements in schools £0.049m 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 £0.042m.

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 £0.588m.

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 31st 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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7th January 2021

Accompanying Documents:

Appendix 1 – Schools Contingency Budget Forecast Outturn Q2 2020-21

REPORT AUTHOR

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