CUMBERLAND COUNCIL SCHOOLS FORUM
Report Title: De-delegated Contingency Budget Monitoring Q1 2026-27
Meeting date: 10th September 2026
Report of: Emma Hamer, Assistant Director, Education, SEND & Inclusion

1.0 Executive Summary

1.1 This report presents the forecast outturn position on the de-delegated contingency budget for the 2026/27 financial year as at 30 June 2026. The budget is forecast to underspend by £0.299m.

1.2 In accordance with the Dedicated Schools Grant (DSG) conditions, the underspend will be carried forward into the Central DSG earmarked reserve.

2.0 Link to Council Plan Priorities

2.1 Ensuring that schools are funded appropriately is supportive of the Council Plan "to improve the health and wellbeing of its residents" and the priority to "address inequalities and enable its residents to access opportunities that will empower them to achieve their goals."

3.0 Recommendation

3.1 The maintained schools' Schools Forum representative members are asked to note the forecast outturn position as at Q1 for the contingency budget.

4.0 Rationale & Evidence for the Recommendation

4.1 The de-delegated contingency budget for 2026/27 is £0.299m. The LA Scheme for Financing of Schools and PRUs 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 difficulty.
- Additional costs relating to new, reorganised or closing schools.

- To provide additional resource to the local authority for targeted support in challenging schools with significant deficit budgets and providing additional training where required

4.2 In line with the School and Early years Finance Regulations 2023 de-delegation only applies to maintained schools and not academies.

Provisional Outturn

4.3 The below table shows the forecast outturn as at Q1 for 2026/27:

		Forecast Outturn 2026/27 as at Q1
Budget 2026/27		**383,811.00**
Net expenditure 2026/27		
Ill Health Retirements	17,553.90	
Total Unforeseen Circumstances		**17,553.90**
Total Schools in Financial Difficulties - additional finance and Learning Improvement support		**TBC**
50% of Deficit Balance of Academising Schools	67,500.00	
Total Additional costs relating to New, Closing or Amalgamated schools		**67,500.00**
Total Net Expenditure		**85,053.90**
Underspend 2026/27		**- 298,757.10**

4.4 After appropriate challenge, in the previous financial year school's forum, the Education Service alongside the Schools Finance Team reviewed several costs coming through this cost centre including the Teachers' Pension Returns Costs and therefore these costs have ceased from this cost centre in the 2026/27 financial year.

4.5 In the 2025/26 financial year, one school converted to an academy on 28th February 2026 with a further school academizing in 2026/27, on 1st May 2026. There are a potential two further academisations expected to happen in 2026/27. The deficit shown in the forecast above is 50% of the deficit agreed to be paid at conversion for the first of the two converting schools. The remaining 50% will be picked up corporately by the Local Authority. The schools finance team will continue to challenge spend by the two academizing schools to ensure the spend doesn't increase significantly before academisation.

4.6 It was agreed by Schools Forum at the January that the Forum would review annually the amount to be delegated back to the Local Authority to assist with challenge, support and training for deficit schools. For the 2026/27 financial year it is proposed that £90,000 be allocated from the contingency to provide tailored resource to the local authority in relation to deficit school budgets.

5.0 Options

5.1 The Schools Forum is asked to note the provisional forecast outturn position on the contingencies budget for 2026/27.

6.0 The Schools Forum maintained school's forum representatives can:

Option 1

- Approve £90,000 of the 2026/27 underspend on the contingency fund to be reallocated to provide tailored resource to the local authority in relation to deficit school budgets.

Or:

Option 2

- Reject the £90,000 of the 2026/27 underspend on the contingency fund to be reallocated to provide tailored resource to the local authority in relation to deficit school budgets.

Or:

Option 3

- School Forum can propose an alternative amount of underspend to be reallocated to provide tailored resource to the local authority in relation to deficit school budgets.

7.0 Financial & Other Relevant Implications

7.1 Financial implications are considered throughout this report. 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.

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