CUMBERLAND COUNCIL SCHOOLS FORUM
Report Title: De-delegated Contingency Budget Monitoring YE 2025-26
Meeting date: 10th September 2026
Report of: Emma Hamer, Assistant Director, Education, SEND & Inclusion

1.0 Executive Summary

1.1 This report presents the provisional outturn position on the de-delegated contingency budget for the 2025/26 financial year as at 31 March 2026. The budget is forecast to underspend by £0.324m.

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 YE for the contingency budget.

4.0 Rationale & Evidence for the Recommendation

4.1 The de-delegated contingency budget for 2025/26 is £0.378m. 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 provisional outturn as at Year End for 2025/26:

		Forecast Outturn 2025/26 as at YE
Budget 2025/26		**378,330.00**
Net expenditure 2025/26		
Ill Health Retirements		
Temporary Accommodation Gilford Centre (including Removal)	17,222.05	
Teacher Pensions Return Costs	3,777.24	
Total Unforeseen Circumstances		**20,999.29**
Total Schools in Financial Difficulties - additional finance and Learning Improvement support		**30,000.00**
Historic costs in relation to closed schools	3,788.80	
Total Additional costs relating to New, Closing or Amalgamated schools		**3,788.80**
Total Net Expenditure		**54,788.09**
Underspend 2025/26		**- 323,541.91**

4.4 After appropriate challenge at the March Schools Forum, the Education Service alongside the Schools Finance Team reviewed whether Temporary accommodation was still required at the Gillford Centre or whether this contract could be terminated. The temporary buildings have been removed over the summer holidays and therefore these costs will cease in the longer term.

4.5 In addition after appropriate challenge at other Schools Forum meetings in relation to the Teacher Pension Returns Costs and the appropriateness of this coming from the contingency fund budget these costs have also ceased and therefore the amount reflected is for the initial contract up to and including 31st August 2025 and further costs in relation to this spend will be covered by other council budgets rather than the Schools contingency fund.

4.6 In the 2025/26 financial year, one school has converted to an academy on 28th February 2026 with a further two schools to academise early 2026/27. The deficit shown in the quarter three forecast was 50% of the deficit agreed to be paid at conversion. The remaining 50% was due to be picked up corporately by the Local Authority. The schools finance team continued to challenge spend by the three academizing schools to ensure the spend didn't increase significantly before academisation and the academisation deficit for the school who converted in 2025/26 did not exceed the agreed balance making the cost to the council less than the £0.170m agreed. However, you will note that 50% of this value does not show in this provisional balance as 100% of this deficit was picked up corporately by the Local Authority at Year End.

4.7 It was agreed by Schools Forum at the January meeting that £30,000 of the underspend at quarter 3 would be delegated back to the Local Authority to assist with challenge, support and training for deficit schools. The full £30,000 delegated back to the Local Authority was spent in the 2025/26 financial year. Spend is broken down as follows:

		Provisional Outturn at YE 2025/26
Budget 2025/26		**30,000.00**
Net expenditure 2025/26		
Internal Finance Resource	5,173.36	
Internal Learning Improvement Service Resource	2,821.04	
External Consultant Support	22,005.60	
Total Net Expenditure		**30,000.00**
Underspend 2025/26		**0.00**

5.0 Options

5.1 The Schools Forum is asked to note the provisional outturn position on the contingencies budget for 2025/26.

6.0 Financial & Other Relevant Implications

6.1 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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